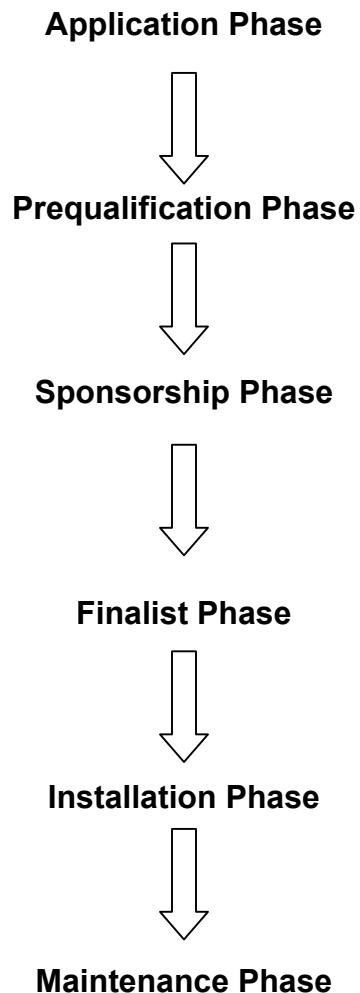


Program Perspective

The flow of a *program* is important to understand. A *program* starts at the Application Phase then moves to the Prequalification Phase. Once they are Prequalified they wait for sponsorship by the *donors*. This is called the Sponsorship Phase. A final voting of the programs is completed and if the program is selected then they enter the Finalist Phase. The *program* is approved from the Finalist Phase and then it moves to the Installation Phase. During the Installation Phase the equipment is purchased and a *vendor* is selected for installation/maintenance agreements. After the Installation Phase has been completed the *program* moves into the Maintenance Phase. During the Maintenance Phase the *program* will be receiving the benefit of the renewable energy.



Application Phase

A *program* can be a municipality, school, hospital, company or other large scale energy user that can benefit from generating their own renewable energy at their facility. A *program* will apply to Ecogee, Inc. for a sponsorship. Either the Executive Director or Director of Operations will conduct telephone interviews with these organizations to validate that they would like to move to the Prequalification Phase. Some organizations may not realize the commitment or pass the Prequalification Phase. If that were the case the *program* would stop here.

Prequalification Phase

The organization will be evaluated and rated before they are accepted as a potential *program* participant. It is important that applicants are properly qualified for receiving the renewable energy installation. The evaluation is a non-binding agreement between Ecogee, Inc. and the organization. The evaluation could be conducted on-site or via telephone interviews if necessary. For more complicated appraisals of potential renewable energy installations we may engage with a specialist to determine the potential system specifics such as size, position and energy capacity of the site. A ranking system is used for each criterion to pass onto the *donor* so that they can quickly see how we think the organization ranks against other organizations. There is no cost to the *program* to apply and move through the Prequalification Phase. If a specialist is called to assist in the evaluation it will be the operating cost of Ecogee, Inc. that will assume that expense.

The following specific details and criteria are evaluated before making a decision to have the organization participate.

- **Physical Location** – if the location is not in an acceptable area such as the building used is completely shaded or the conditions are not optimal for wind generation. Local zoning rules may restrict some installations which could be a negative factor for the organization.
- **Organization owns or leases their facility**- if an organization owns the facility it is preferred as the lease between Ecogee, Inc. is a long-term lease of twenty years or greater. Energy company rebate programs require long-term commitments to the installation. Working with an organization that is in a lease situation requires a lot more coordination and becomes more difficult, thus they would receive a lower score.

- **Renewable Energy Capacity** – Some locations have higher availability of renewable energy. Locations that have higher amounts of capacity are scored more positively.
- **Organization’s pledged assistance** – An organization may pledge financial, marketing or other assistance in making the installation a success is a positive factor.
- **Organization’s commitment to supporting green living** – Organizations that show environmentally friendly policies are scored positively. Examples are recycling programs, energy saving practices, responsible waste management practices or ride-sharing, car pooling support.
- **Annual energy consumption** – Ecogee, Inc. is looking for participants that use a lot of energy in their operations. Typically Ecogee, Inc. would like to install solar arrays or wind generation that has a 100 kilowatt or greater capacity. The amount of energy a 100 kilowatt solar array system generates is typically 150,000 kilowatts of power per year. If an organization doesn’t use enough energy they will not qualify.
- **Proposed lease amount** – The system installed will be owned and maintained by Ecogee, Inc. and the energy produced from the system is leased to the organization at a specific rate. The rate is negotiable. It is likely to be the same as their current electricity rate. “Net metering” is setup with their electricity company where any residual energy produced is credited back to the organization. As long as the lease amount is typical of the industry it will be seen as a positive factor. If there is some reason the rate must be negotiated significantly lower than industry that could be a negative factor.
- **Organization’s support of not for profits** – If organization sponsors an employee matching gift program that is a positive factor.
- **Organization’s profile and longevity** – If an organization hasn’t been established very long or has a credit rating that proves to be a risk then the organization may not be selected for the program. Since the lease is a long-term lease it is important that the organization be stable throughout the duration of the lease.
- **Organization’s philosophy or mission statement** – If the organization has a philosophical conflict with that of Ecogee, Inc. it will not be a positive factor. The relationship will be a long-term

partnership between the organization and Ecogee, Inc. Their missions should be in alignment and not counteract with one another.

- **Organization's sponsorship statement** - An organization should state specifically why they would like to be sponsored by Ecogee, Inc. An organization should recognize that this is a partnership with thousands of Ecogee, Inc. members (*donors*) and themselves. These members (*donors*) deserve to hear from the organizations specifically why they want the sponsorship. These statements aren't specifically rated, but they are published to give members (*donors*) an idea of the organization's intent.

When the organization has completed the Prequalification Phase, Ecogee, Inc. will have an estimated program implementation cost and a value of their estimated renewable energy capacity.

Sponsorship Phase

An organization that passes the Prequalification Phase of the process is considered a *program* at this time. The *program's* biography is published on the ecogee.org website where *donors* are invited and encouraged to vote on specific *programs*. At Ecogee, Inc. we feel it is important to give each of the *donors* a voice into where their donations are being spent.

After an organization has successfully completed the Prequalification Phase they will be assigned an "Ecogee Ranking". This is a number between 1 and 100. If organizations come out of the Prequalification Phase with an Ecogee Ranking of less than 20 they are not likely going to pass out of the Prequalification Phase. This ranking helps the *donors* quickly understand how the *program* ranks next to other *programs*.

A *donor* will use their "votes" to assign to the *programs* that they feel are the most qualified to receive the sponsorship. When there has been enough money generated from the *donors* to implement a *program* a final vote is announced. *Donors* will be asked to finalize their votes for their favorite *programs* by a set date. Once the voting cutoff date has been reached the votes are tallied. The *program* with the largest number of votes will be selected to move to the Finalist Phase.

Finalist Phase

A *program* that has been selected to move to the Finalist Phase will then be re-evaluated with a site visit. The intent of the visit is to validate that the *program* is still committed to moving forward with the long-term lease

agreement. A review of the *program's* Prequalification assumptions will be finalized. If the *program* and Ecogee, Inc. wishes to pursue the long-term lease agreement, then a letter of intent will be executed with the organization and Ecogee, Inc. This letter of intent will hold both parties accountable to move forward with agreed terms. After this point there will be financial consequences for not continuing to the Installation Phase.

Ecogee, Inc. could decide that the *program* won't make it through the Finalist Phase because of conditions that weren't apparent before. Also there is discretion with the Board of Directors that may disqualify the *program* from moving forward. If a *program* drops out of the Finalist Phase then another vote will be made to select another *program* to move to the Finalist Phase. The previous *program* may return (if in good standing) to the Sponsorship Phase after another *program* is found to fill the Finalist Phase.

During the Finalist Phase a *vendor* is selected through a Request for Proposal process. The *vendor* will do site visits to finalize the implementation details. These details are site installation details, transportation of goods, equipment costs, project timelines, site permitting, contractual negotiations between the current electricity provider and Ecogee, Inc., maintenance agreements for post-implementation work and other implementation details. These *vendor* costs will be covered by Ecogee, Inc. with the understanding that if the *program* walks away from the Installation Phase there will be financial consequences. At this point if the *program* has pledged any offsetting funds to help with the installation, then they would be asked to make arrangements to bring them forward.

Implementation Phase

During this phase the *vendor*, *program* and Ecogee, Inc. are working together to have the renewable energy equipment delivered, installed and tested. The *program's* electric company will be greatly involved to work with Ecogee, Inc. to negotiate the "net metering" details, the energy rebates and the on-going billing process.

The long-term lease would be agreed to by the *program* and Ecogee, Inc. In the agreement there would be defined maintenance windows, emergency service level agreements, standard service level agreements, billing service level agreements, rates for renewable energy and early termination fee schedules.

The energy rebates (if applicable) will go to Ecogee, Inc. to offset the expenses of the renewable energy equipment. The contract to provide the renewable energy is between the electric company and Ecogee, Inc.

The “net metering” is arranged so that the energy produced by the renewable energy system is credited to the *program* at their normal rates. Energy that is generated from the renewable energy equipment is billed by Ecogee, Inc. at the negotiated rate between Ecogee, Inc. and the *program*. Energy that is produced in excess of the amount consumed by the *program* will be credited to the *program* by the energy company at a specific rate. If that rate is less than the rate that the *program* is charged by Ecogee, Inc. then Ecogee, Inc. will refund the difference to the *program*.

Net Metering Example:

Assumption: Electric Company normal consumption rate is \$0.045 per KW and the rate for excess is \$0.02 per KW. Ecogee, Inc. rate for energy is \$0.045 per KW. Difference between Ecogee and excess rate is \$0.025

Annual Energy Usage	Annual Renewable Energy Produced	Net Metering Impact
Example 1 (typical): 175,000 KW	150,000 KW	Pay to Ecogee 150,000 KW x .045 = \$6,750 Pay to Electric Company +25,000 KW (net) x .045 = \$1,125
Example 2 (excess renewable) 125,000 KW	150,000 KW	Pay to Ecogee 150,000 KW x .045 = \$6,750 Refund from Electric Company -25,000 KW (net) x .020 = (\$500.00) Refund from Ecogee -25,000 KW x .025 = (\$625.00)

Maintenance Phase

The maintenance phase begins after the installation of the renewable energy equipment has been put in service and the *program* is operating on a normal basis. The *program* will receive monthly billing as a part of the service. The cost of the billing is simply the cost of the energy used.

If there are service issues the *program* will have emergency numbers to contact the *vendor* directly to resolve the issue. Ecogee and the *vendor* will be in constant contact on resolving issues that may come up. As per the agreement between Ecogee, Inc. and the *vendor* there will be periodic

maintenance performed on the system at the convenience of the *program*. Costs associated with the support of the renewable energy system will be between the *vendor* and Ecogee, Inc. If damage has been done to the system that are deemed the *program's* fault then the *program* will be responsible for repairs or replacement. Ecogee, Inc. will carry liability and replacement insurance on the equipment to protect it from damage or loss. Those insurance costs are maintained by Ecogee, Inc.

If there are service questions the *program* can contact Ecogee, Inc. to discuss and resolve those issues. These might be billing questions or other service related issues.

This will continue for the term of the lease or in the advent of a need to terminate the agreement. Then the possibility of removing the equipment may be necessary. There would be early termination fees associated with that scenario. The amount of the fee would be a fee schedule in the contract. This fee could reflect expenses to remove the equipment, store equipment and returned rebated funds received from the energy company.