



Mercer County Improvement Authority Solar Project at Mercer County Community College Fact Sheet #2

This Fact Sheet #2 Contains Specific Responses to Specific Resident Questions / Concerns

The following responses have been provided on multiple occasions to local residents in response to their concerns, and are provided below for the record:

Comment: Anyone who manages projects knows that a risk analysis must be performed that includes internal and external stakeholders. None of the external stakeholders have ever been made part of this project in the Initiation or Design Planning phases of this project.

Response:This statement is inaccurate. The Solar Project at Mercer County Community College has been in development for nearly 2 years. From the time the solar project concept was conceived to present there have been multiple public meetings held by the Mercer County Freeholder Board, the Mercer County Improvement Authority Board, the Mercer County Community College Board of Trustees, and Mercer County Planning Board. At each of these meetings the Solar Project concept was discussed in varying degrees of detail. This open and transparent process offered opportunities for any interested parties to participate before the Mercer County Improvement Authority issued an RFP for a solar developer, during the RFP process, after proposals were received, at the time a contract was awarded to Sunlight General Capital and post contract award.

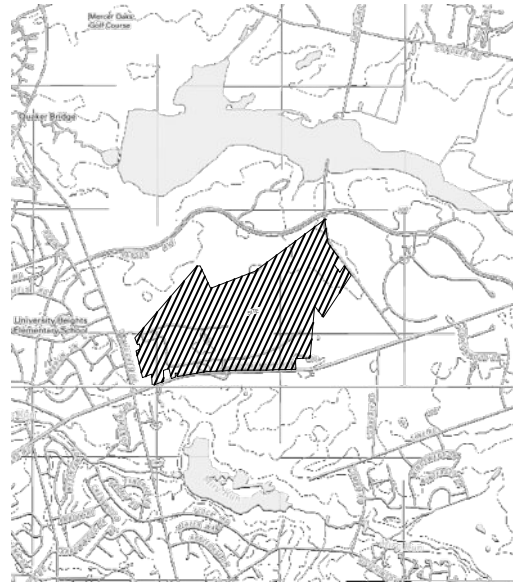
Prior to the award of a contract to Sunlight General Capital, on September 8, 2011 the Mercer County Improvement Authority published on-line, for all interested parties to review, an evaluation report summarizing the proposals received and recommending Sunlight General Capital as the Successful Respondent. This evaluation report was openly discussed at the Mercer County Improvement Authority Board's meeting on September 13, 2011.

Following the award of a contract to Sunlight General Capital, three public forums were held by the project team. At each forum any interested party was provided with opportunities to ask questions, express concerns and obtain information.

The Mercer County Improvement Authority has launched a website dedicated to providing all interested persons with the most up to date information concerning the Solar Project and remains dedicated to addressing resident concerns with truthful and accurate responses.

Comment: The area in question including the Mercer County Park are CURRENTLY known to be incapable of handling the water runoff after a heavy rain without flooding conditions occurring at the lake.

Response: It is assumed the author of the comment above is referring to Lake Mercer located within the Mercer County Park adjacent to the property upon which the Solar Project will be located. The topography shows that the drainage swales flow toward the lake. This is something that has been fully understood and included in the DEP submissions and calculations by the engineering team. The solar PV system will have no effect upon flooding, wetlands, and water runoff volume or water runoff patterns. The system is subject to New Jersey Department of Environmental Protection (DEP) criteria and standards, including wetlands impact and storm-water impact. The DEP is unable to approve any project if it adversely impacts wetlands or storm-water management. Soil hydrology studies have been performed to verify this. See attached USGS data map. (Updated 8/6/12)



Comment: It has not been shown that any vegetation can be sustained when solar panels are used in the concentration proposed or already in place in NJ (in this geographic region).

Response: This conclusion is unfounded. At the May 31st resident outreach meeting, residents showed photos of two projects unrelated to the Solar Project that evidenced conditions of poor vegetative growth and drainage issues. It is inappropriate and unjustified to assume that the Solar Project will generate the same or similar conditions. As stated at the May 31st meeting, various permitting agencies are familiar with the conditions of the sites displayed in the photos presented by the residents. As a result of these projects these agencies have modified their permitting practices and have changed their typical permitting requirements to ensure that the project site for the Solar Project is left in an acceptable condition once construction is completed.

Comment: Placement of Solar Panels cannot Improve the runoff condition of the 45 acres as placement of the man-made objects can only reduce the absorption of the land.

Response: Under New Jersey Department of Environmental Protection Regulations, solar panels are not considered to be an impervious surface. This is largely because the water that lands upon solar panels runs off of the panel and onto the ground below.

Comment: Due to the number of solar companies in distress and the reduction in cost of SRECs, risk of repayment without tax increases to the residents is real.

Response: At the resident outreach meeting on May 31st the project team explained in detail how the transaction has been structured with layers of protection to guard against several types of risk. Further, the presentation presented has been posted to the website.

Comment: A plan that addresses any flooding or runoff that impacts residences located between this property and the first maintained roadway (Old Trenton Road and South Post road).

Response: This statement assumes that (1) there will be a flooding issue and (2) that the Solar Project will be the source of the flooding. The Solar Project is not anticipated to generate a flooding issue or worsen any existing flooding that residents have already claimed they are experiencing.

Comment: Why is MCCC and by association Mercer County, permitting themselves to act as a bad neighbor by putting their adjacent neighbors and local residents at risk for a project that has obviously not been conducted based on sound project management standards?

Response: The project team strongly disagrees. The Solar Project has been carefully and thoughtfully planned for more than two years. Multiple professionals have provided advice and counsel to Mercer County, Mercer County Improvement Authority, and Mercer County Community College. Ample opportunity for resident and interested party input has been provided from the time the Solar Project was conceived to the moment of the response provided herein. Multiple disciplines of “independent experts” from State and County agencies as well as several private entities have reviewed, analyzed and approved the Solar Project. The project team has developed the project in an open and transparent manner and will continue to move the project forward in the same fashion.

Comment: Was the 30% ITC grant included within the Tax Credits/Benefits line item of the Chart set forth below and contained in the Official Statement?

		Sources of Basic Lease Payments
Power Purchase Price Payments:		9.9%
	Mercer County College	9.9%
Company Revenue:		90.1%
	Tax Credits/Benefits*	28.2%
	SREC Revenue	61.9%
	Total:	100%

*ITC is applied to total debt service amount as in-kind Equity Contribution by SunLight General, therefore, it is not included in the Tax Credits/Benefits line.

Response: This 28.2% included in the Tax Credits/Benefits line item of the Chart only includes the additional tax benefits to be derived from the accelerated depreciation of the asset.

Comment: What is a Solar Renewable Energy Certificate (SREC)?

Response: SREC stands for Solar Renewable Energy Certificate and is a type of clean energy credit in the form of a tradable certificate useful for demonstrating compliance in state Renewable Portfolio Standard (RPS) markets. In New Jersey’s RPS rules, an SREC is issued once a solar facility has generated 1,000 kWh (1MWh) through either estimated or actual metered production. The SREC represents all the clean energy benefits of electricity generated from a solar electric system. SRECs can be sold or traded separately from the power, thus providing solar system owners a source of revenue to help offset the

cost of installation.

Comment: How Do SRECs work?

Response: Each time a project generates 1,000 kWh of electricity, an SREC is earned. System owners report the energy production to the SREC tracking system, which allows SRECs to be placed in the customer's electronic account. SRECs can then be sold to energy suppliers that have a statutory obligation to purchase a specific amount of SRECs each year. The system's first 15 years of production produce SRECs, thereby providing revenue to the system owner during this time. Electricity suppliers, the statute-required purchasers of SRECs, are required to pay a Solar Alternative Compliance Payment (SACP) if they do not meet the requirements of New Jersey's Solar Renewable Portfolio Standard (RPS) by purchasing SRECs. As SRECs are traded in a competitive market with supply and demand dynamics, the price may vary significantly. The actual price of an SREC during a trading period can and will fluctuate depending on supply and demand. Source: www.njcleanenergy.com

Comment: How do SRECs help finance solar development?

Response: New Jersey's RPS requires that electric suppliers and providers retire SRECs in scale with their retail electricity sales in increasing amounts each year through 2026 and beyond. This long term demand for SRECs provides owners a predictable source of additional revenue that can facilitate long term financing for solar installations. Source: www.njcleanenergy.com

Comment: How is the price of the SREC determined?

Response: The price of an SREC is determined by a number of factors, including supply and demand for SRECs in any given year and the SACP level. Electric suppliers and providers (load serving entities) are required to pay a SACP if they do not meet the Solar RPS through purchasing SRECs. Therefore, the SACP serves as a ceiling for SREC prices. Currently, the SACP is set at \$641, declining to \$594 in energy year 2016.

Comment: Who buys SRECs?

Response: Solar system owners can choose to sell their SRECs to a broker, aggregator, or Load Serving Entity (LSE) ie. the electric suppliers and providers, who must buy SRECs to meet their RPS obligations.

Comment: What are some recent SREC price quotes?

Response:

Recent SREC Price Quotes: Third Party Trading Brokers				
Source	Date of Pricing Summary	2012 SREC Value	Longer Term SREC	
			Date	Value
Icap Energy	June 1	150 - 160	2014 - 2015	165 - 190
Karbone Research	June 1	155 - 175	2013 - 2015	170 - 185
Skystream Markets	May 28	160 - 180	2014	175 - 190
Average		163		179

Additional Brokers can be found at www.njcleanenergy.com.

Comment: What is the impact to the soil condition of this project?

Response:The soil condition will be unaffected by the project.

Comment: What is the construction plan to avoid compacting the soils?

Response: Existing soil density measurements are taken around the site, and existing vegetation is mown. Pre-determined construction access paths are prepared. Sub-soils and top-soils removed during excavation and preparation are stockpiled separately to prevent co-mingling. Equipment is installed using the lightest and lowest-contact-pressure equipment that is suitable for the task. Equipment movement outside of the prepared access paths is minimized. Following construction, soil density measurements are again taken around the site. Any areas determined to have been compacted and unsuitable for planting are de-compacted. All compacted access paths are remediated by removing the topsoil, scarifying the subsoil, and replacing the topsoil with unsettled topsoil. The site will be planted with a Mercer County Soils Conservation District-approved seed mix.

Comment: Why couldn't the roofs and parking lots be used and what did you consider?

Response: As we mentioned during our presentations, we looked at roofs and parking lots extensively in early December 2011 and identified only three potentially viable roofs - the theater, gym and conference center. Suitable roofs are those that are un-shaded (or where the shading is not caused by permanent structures or trees that cannot be removed), and that will not require replacement within the next 10-15 years. All three roofs would have required further structural feasibility studies for further confirmation, and two would require tree removal and trimming. However, the maximum total system size for all of these roofs combined would only be approximately 220kW (approx. 70kW each). Therefore, these sites were not considered part of the final project.

The parking lots are all heavily tree-shaded and face in directions that are not well suited for solar PV generation. For reference, we have enclosed photos of some of the obstructions observed.



Updated August 6, 2012