

THE ONE ENERGY POWER PURCHASE AGREEMENT

ALTERNATIVE TO TRADITIONAL OWNERSHIP

One Energy understands that owning an onsite wind turbine installation is a significant capital expenditure which may not be ideal for all companies. For customers who want to take advantage of the long-term financial benefits of an onsite wind project, One Energy offers an alternative called the Power Purchase Agreement, or PPA. One Energy pays the upfront costs, and owns, operates, and maintains the project. The customer buys power at a fixed rate for 20 years.

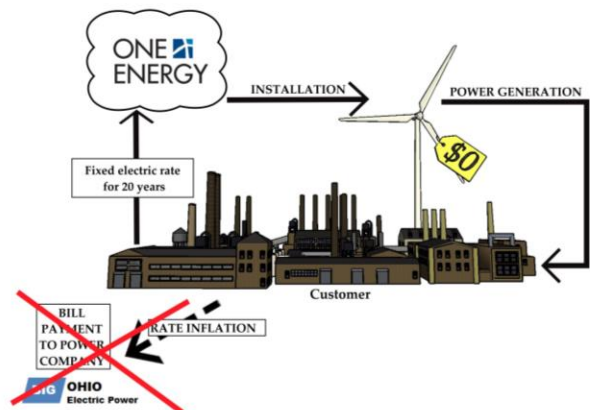
POWER PURCHASE AGREEMENT (PPA)

A power purchase agreement is a contract between an energy provider (seller) and a customer (buyer) who wishes to purchase energy at a fixed rate for an extended period of time. Historically, PPAs have been used by utilities to procure power from independent power producers and by large electricity consumers, such as municipalities, to obtain preferential, predictable rates from utilities.

One Energy has developed a unique PPA that allows the customer to benefit from a Wind For Industry project with no upfront capital expenditures. It also enables the customer to completely stay out of the wind business.

One Energy will install a wind project at the customer's location. In exchange, the customer agrees to purchase the power generated at a predetermined rate for 20 years.

A special purpose entity is established to own, operate, and maintain the wind project. This helps separate the project from One Energy's other projects, and simplifies the customer's option to buyout the project.



COMPONENTS OF A ONE ENERGY PPA

The One Energy Power Purchase Agreement includes:

- Duration of Agreement – 20 years, with the potential for an extension by mutual agreement. The PPA provides the customer with the option to buyout the project at specified milestone dates.
- Electric Rate – With a PPA, the customer locks in its electric rate for 20 years. Target rates in northwest Ohio are on the order of 6.5-7.5 cents per kilowatt hour, depending on the quality of the wind resource, turbine performance characteristics, the structure of project financing, and project specific conditions.
- Project Delivery – The project will be installed on the customer's land, so the customer must provide a land lease and utility easement for onsite construction, operation, and maintenance.
- Credit Requirements – For financing, a credit review will be performed. Typically, customers who are good candidates for an onsite wind project will qualify. The project will not appear on the customer's balance sheet.
- Renewable Energy Credits (RECs) – One Energy will own and sell the original RECs, then supply the customer with an equal number of Green-e RECs. The customer can legally market and claim "green" energy use.

PROJECT DELIVERY METHOD COMPARISON

TRADITIONAL OWNERSHIP

POWER PURCHASE AGREEMENT

	TRADITIONAL OWNERSHIP	POWER PURCHASE AGREEMENT
Key benefits	Lower long-term cost of electricity. Higher savings.	No upfront cost. Immediate savings.
Key drawback	Upfront investment	Lower savings than ownership
Initial capital investment	Customer	One Energy
Ongoing investment	Customer	One Energy
Long-term power cost	Near zero after initial investment recaptured.	Less than Utility and protection from future rate increases.
Protection from rate inflation	Customer gets power at the "as generated" cost for the life of the turbine.	Customer is guaranteed fixed electric rate for all power produced by project for 20 years.
Return on Investment	Customer gets rate certainty and return on capital.	Customer gets rate certainty.
Ownership of project	Customer	One Energy owns and operates project, and sells power to Customer.
Ownership of Renewable Energy Credits (RECs)	Customer owns RECs, can claim "green" energy use, and can sell RECs in market.	One Energy owns and sells original RECs. One Energy supplies Customer with equal number of Green-e RECs.
Ongoing project insurance	Customer	One Energy
Investment Tax Credit benefits	Customer	One Energy
Megawatt Scholarships	Not required. One Energy encourages Customer participation and will help set up scholarships if Customer desires.	Required. One Energy will offer "Megawatt" Scholarships to local high school students going on to college for STEM degree (\$5,000 / turbine / year).
Publicity / Marketing opportunities	Customer	Customer
Project development	One Energy with Customer support for permitting / community outreach.	One Energy with Customer support for permitting / community outreach.
Project engineering and construction	One Energy responsible for all engineering and construction until project placed in service.	One Energy responsible for all engineering and construction.
Project location	Project installed on Customer's property.	Project installed on Customer's property. Customer provides land lease and utility easement to One Energy for construction and O&M.
Interconnect location	Customer's tie-in with Utility	Customer's tie-in with Utility
Net Metering Agreement (Interconnection)	Held by Customer	Held by Customer
Ongoing operations and maintenance	One Energy delivers project with 5+ year O&M agreements in place. Customer responsible for maintaining and extending agreements.	One Energy responsible for all O&M for life of project.
Production	Production curve and availability guaranteed for 5 years. Warranty options up to 10 years.	Customer only pays for power produced.
Option to buyout project	Not Applicable	Customer has option to buyout project at specified milestone dates at specified costs outlined in PPA.
Life of project	20+ years, Customer decides when point of diminishing returns is reached.	20 Year PPA with option to extend by mutual agreement.
Turbine takedown at end of useful life	Customer	One Energy