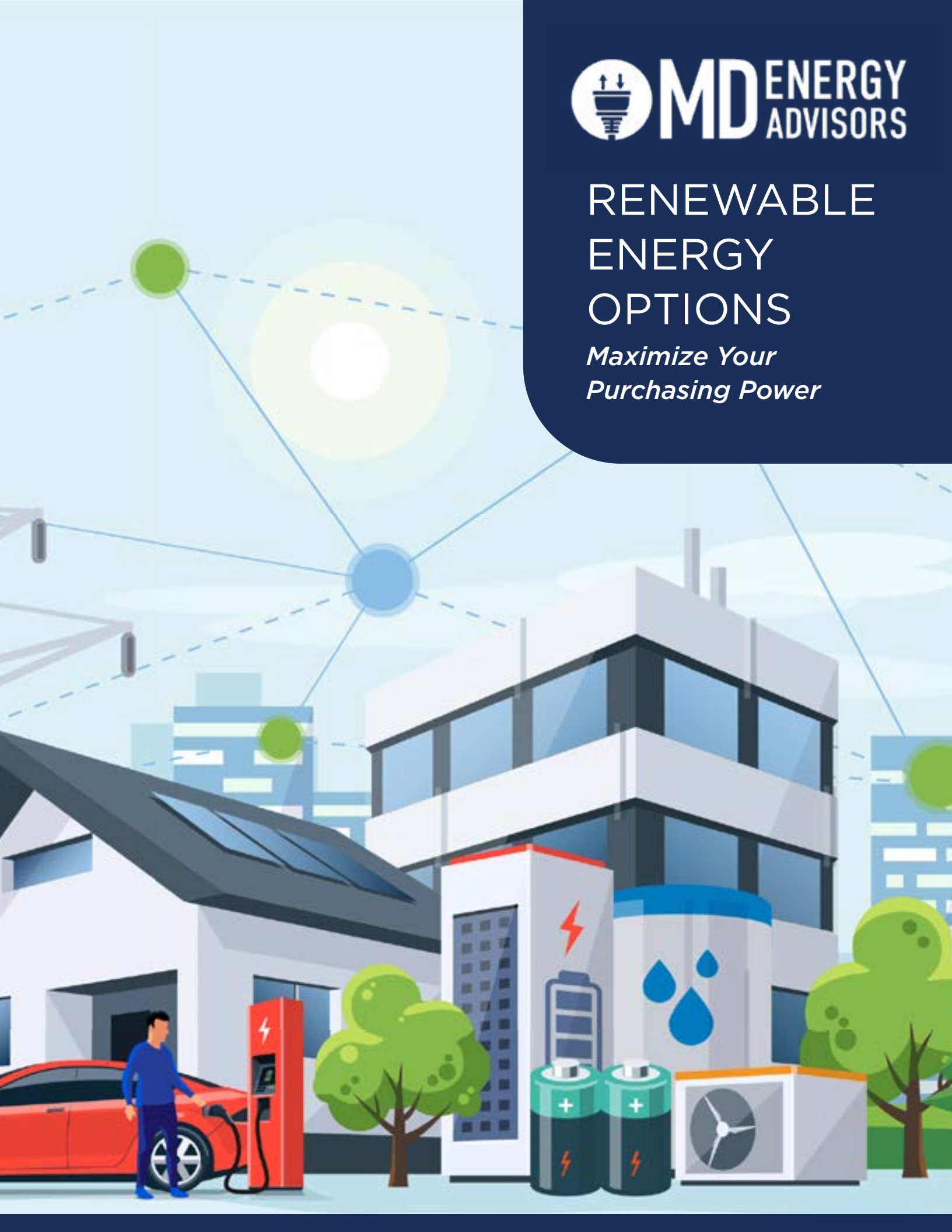




RENEWABLE ENERGY OPTIONS

*Maximize Your
Purchasing Power*





RENEWABLE ENERGY OPTIONS

Maximize Your Purchasing Power

Renewable energy is energy that is collected from “renewable” resources, which means they are naturally replenished. Examples of renewable energy include carbon neutral sources, such as sunlight, wind, rain, tides, waves and geothermal heat. As renewable energy systems are becoming more efficient and more accessible, their share of total energy consumption increases, diversifying the ways in which companies and industries alike access the power needed to run their enterprises.

In the United States, federal, as well as state legislation requiring new energy standards reducing carbon emissions by as much as 100 percent, by as soon as 2026 is also being enacted, which will only continue to further the rise in the use of renewable energy sources. Additionally, public and shareholder pressure to commit to environmental impact goals has led several large corporations to pledge to obtain 100 percent of the energy they consume from renewable sources.

Knowledge about your company’s renewable energy purchasing options gives you the power to make informed decisions and to potentially lock-in cost effective energy rates for up to two decades—now. This information is critical for building owners, businesses, tenants and the bottom line costs paid for energy.



You Have Options

At MD Energy Advisors (MDEA), one of our most important roles is to educate business consumers about their energy options. Generally, there are two ways to purchase renewable energy:

- **Off-Site** renewable energy systems are not located on the purchaser's property; and
- **On-Site** renewable energy systems are located on the purchaser's property.

The most common form of renewable energy purchasing is through Off-Site projects. There are three options for purchasing renewable energy Off-Site. In this backgrounder, we provide an overview of each and comparison details to help you begin to think through the right purchasing option for your company.

ONE

Renewable Energy Credit also known as a "REC" is a certificate corresponding to the environmental attributes of energy produced from renewable sources. Electricity cannot be considered "renewable" without a REC to substantiate it. The actual power is sold into the local grid, and the societal benefits are sold in the form of RECs, separately, as a commodity into the marketplace.

TWO

Supplier Sourced Renewable Power, which is also sometimes called Custom Sourced Renewable Power (CSR) allows for the fast, easy and flexible purchase of physical power and RECs from new and existing renewable projects. This may include contracts with solar farms to purchase renewable energy for your building's use. With Custom Sourced Renewable Power, you pay one price for your company's electric, including congestion costs coming from the renewable energy resource. A third-party vendor secures the agreement with the developer and that vendor manages the risk for unit contingency, congestion and developer credit.

THREE

Power Purchase Agreement (PPA), or electricity power agreement, is a contract between two parties, one who generates electricity (the seller), and the other, who is looking to purchase electricity (the buyer). The PPA defines all of the commercial terms for the sale of electricity between the



two parties, including when the project will begin commercial operation, schedule for delivery of electricity, penalties for under delivery, payment terms and termination of the agreement. Contractual terms of a PPA may last anywhere between 5 and 20 years, during which time the power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

FEATURES	RENEWABLE ENERGY CREDITS (RECs)	SUPPLIER SOURCED RENEWABLE POWER	POWER PURCHASE AGREEMENTS (PPAs)
PROS	No Capital investment needed; can be purchased independent from electric supply	<ul style="list-style-type: none"> •No Capital investment needed •Fixed, firm product, eliminating wholesale market risk •Can be structured as a fixed price shape (Power Portfolio), a fixed price block (Power Portfolio), a percentage hedge (LFBI), or a fixed priced •In some cases customers can claim additionality from a CSRP purchase 	<ul style="list-style-type: none"> •Energy can be associated with specific renewable energy projects •Independent
CONS	Prices Fluctuate	<ul style="list-style-type: none"> •Prices fluctuate with the market •Cannot sell offsets •Sourced from specific new or merchant projects 	<ul style="list-style-type: none"> •Longer terms and more complex billing •Can expose offtakers to a wide range of wholesale risks
LOW-COST PRICING		✓	✓
RENEWABLE ENERGY CREDITS	✓	✓	✓
PROMOTION/MARKETING	✓	✓	✓
ADDITIONALITY CLAIM		✓	✓
POINTING RIGHTS		✓	✓
PROJECT TOURS		✓	✓
NO BUILDING MODIFICATIONS	✓	✓	
SIMPLIFIED RETAIL CONTRACT		✓	
TAX BENEFITS			
STANDARD CONTRACT TERM	Any length	Any Length But terms range from 5 - 10 years	Any length
TARGET MARKET	Any size electric user wanting a simple way to buy renewable energy	Large industrial spaces/ institutions and medium commercial spaces, for example small hospitals or colleges	Large institutions such as universities and Fortune 500 companies





Let MD Energy Advisors guide you on a sustainable and successful renewable energy path. We have developed more educational materials about each renewable energy option available.

“Partnering with MD Energy Advisors to achieve our sustainability and financial goals has paid off. We are able to offer all-inclusive living by creating a clean and renewable energy source and reduce system maintenance for the long-term. The energy savings realized by this conversion, are in turn, passed onto our residents.”

-Alex Mandel

Director of Development
28 Walker Development





MDEA delivers energy solutions with unparalleled customer service. By infusing art into energy, we create dynamic customer-centric experiences. We deliver personalized solutions that matter to people and the world around them. For more information, please visit, [mdenergyadvisors.com](https://www.mdenergyadvisors.com).