

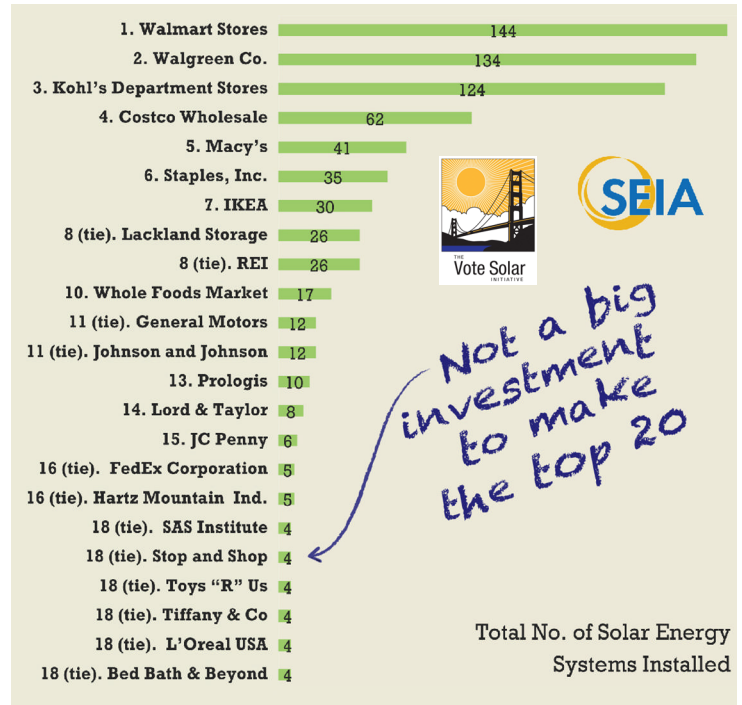
An increasing number of U.S. companies have come to realize the consumer appeal of renewable energy. Plus, the cost of solar power has fallen significantly over the last several years. These two primary factors have caused retail and other consumer-oriented businesses to consider solar installations on their rooftops, parking lots, and other facilities. These systems hook directly into a company's electrical system, replacing (in whole or in part) power purchases from the electric company.

Hunton & Williams can help if your company is considering a solar installation. There may be tax credits you can obtain. You may not have financing available to allocate to a solar project and would rather the installer provide the equipment and simply sell you power. You may not be aware of insurance policies that will guarantee the output of the system for at least a decade. You may not know that in many states your business can sell power back to the utility (on days where you have an oversupply) or continue to buy shortfalls from your electricity provider when needed. You may not know that you can shift the risk to the manufacturers and installers to install, operate, and maintain a solar facility for the life of the system. There may be rooftop warranties at risk. You may need to review your rights to space for installation under a lease. There may be regulatory restrictions that require your business to own the solar installation directly. We routinely advise on these commercial and tax aspects of retail and commercial scale solar facilities.

Many of our clients have been approached directly by solar companies. Solar companies may be more interested in getting a deal done than in protecting your company's long-term interests. We can help you determine a structure that works for your company's financing profile, tax credit appetite, and risk profile; we can help you identify contractors and businesses able to meet your project's needs; and we can help you procure services or power in a long-term contract that protects your company's interests. We can help your company add value to your bottom line through green marketing, carbon footprint reductions and, in some cases, financial savings through reduced energy purchases and profit from selling excess energy back to your electric company.



Big Names are Going Solar



Solar Featured as Part of Corporate Responsibility and "Green Marketing" Program

- Nearly all of the 20 companies with the most installed solar energy systems highlight their solar power portfolio in their corporate responsibility reports. Walmart, in particular, touts its commitment to and progress toward becoming 100% reliant on renewable energy.
- "Green Marketing" may help expand the customer base, as surveys indicate that consumers prefer goods and services from brands with strong environmental reputations.

Reduce Your Company's Carbon Footprint

A relatively small 100 kW system placed on a rooftop and used to operate a business for 25 years would reduce its CO₂ footprint by about 2,600 tons -- the equivalent of about 260,000 gallons of gasoline.

Getting Value from Solar

Companies are installing solar at record rates. Over 3,600 non-residential solar facilities began operations in the U.S. in the first half of 2012 alone. The cost of solar panels and their components has declined by 70% in the 18 months ending June 2012 thanks to production over-capacity. In some places, it is more cost-effective to deploy solar than to buy electricity from the local utility. Even where the sun does not shine brightly, strong tax and other incentives can encourage solar. That helps explain why New Jersey is the #2 solar state in the United States. And no matter where a company is located, solar provides price predictability for more than 20 years. This hedge against electric price volatility helps companies manage long-term budgets. Financing options are also increasingly available. When a company does not want to allocate capital to a project, other players will often finance installation costs in exchange for a long-term revenue stream.

Solar isn't right for all companies. Businesses looking to "go green" and located in states with good sun and good solar programs are the best candidates. We can advise you on how to best structure a deal, help you procure competitive proposals, and minimize your risks.

Some Good States for Solar

State	Quality of Solar Resource ¹	Avg. Utility Price (¢/kWh)	Federal Tax Credit	State Incentive	Net Metering	Feed-In Tariff
Arizona	6.4	10.72	✓	✓	✓	
California	5.9	14.53	✓		✓	✓ ²
Colorado	5.6	10.02	✓	✓	✓	✓ ²
Connecticut	4.2	15.51	✓		✓	
Delaware	4.7	11.34	✓	✓	✓	
Florida	5.4	10.60	✓	✓	✓	✓ ²
Georgia	5.3	10.37	✓	✓	✓	
Hawaii	5.6	34.49	✓	✓	✓	✓
Iowa	4.4	8.79	✓	✓	✓	✓ ²
Maryland	4.6	11.59	✓	✓	✓	
Massachusetts	4.2	14.21	✓	✓	✓	
New Hampshire	4.1	14.13	✓		✓	
New Jersey	4.4	14.62	✓		✓	
New Mexico	6.4	9.66	✓	✓	✓	
New York	4.0	16.54	✓		✓	✓ ²
North Carolina	5.0	9.66	✓	✓	✓	
Texas	5.7	8.99	✓	✓	✓ ²	✓ ²
Utah	5.6	8.60	✓	✓	✓	
Vermont	4.0	14.28	✓	✓	✓	✓
Virginia	5.0	9.43	✓		✓	

¹ Approximate annual average solar resource, in kWh /m² /day

² No statewide policy, local /regional program(s) only

The Numbers

While we cannot share data about our clients' projects, the following figures reflect how a project can work.

State: Georgia

Size: 100 kW

Anticipated annual output: 130,000 kWh

Annual performance guarantee: 10 years' output guaranteed

Anticipated lifespan: ~25 years

Major components backed by 10-25 year warranties

Total installation cost: \$325,000

Available federal tax credits (30%): \$98,000

Available state tax credits: \$112,000

5-year accelerated MACRS depreciation: \$100,000

Total installation cost, net of credits/depreciation: \$15,000

Annual value of electrical output (at current utility rate): \$20,000

Annual monitoring and maintenance cost: \$3,000

Annual net savings on electric bills: \$17,000

About H&W

Hunton & Williams is a full-service law firm with more than 800 lawyers in 19 offices worldwide, including offices in many of the best solar states.

We have extensive experience advising on a wide range of solar energy matters. Attorneys with our solar practice represent clients in connection with the development, design, financing, structuring, construction and operation of solar investments, projects and transactions. Our clients include lenders, equity and tax-equity investors, developers, contractors and other industry participants on solar projects throughout the United States and around the world, including the largest solar power project to date in Virginia.

In 2011, we were named 'Service Provider of the Year' by the Solar Energy Industries Association, the leading solar trade association.

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