



Renewable Energy Aggregated Procurement (REAP) Program Overview



La Canada USD
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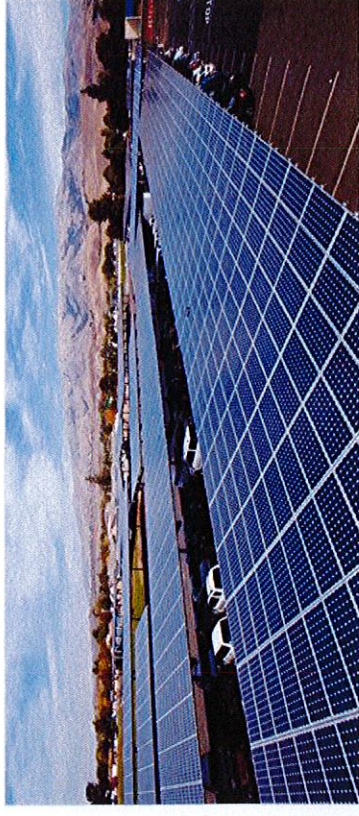
SPURR: School Project for Utility Rate Reduction

- Joint Powers Authority (JPA) formed in 1989 by California public school districts with over 250 members.
- Aggregates purchasing power: “Buying Together. Buying Better”
- Governed by Board of K-12, COE, and CCD administrators.
- No cost to join SPURR.



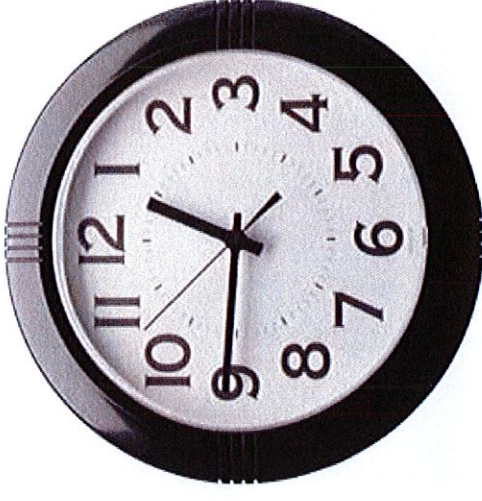
What is the REAP Program?

- SPURR's Renewable Energy Aggregated Procurement (REAP) Program is an aggregated solar buying program that leverages the collective purchasing power of SPURR's large membership to:
 - 1.** Streamline the solar buying process → **Save time**
 - 2.** Drive down solar project pricing → **Save money**
 - 3.** Improve project terms for California school districts. → **Reduce risk**
- Through a statewide competitive RFP, REAP secured pre-negotiated “piggybackable” solar project pricing and terms for SPURR members and eligible non-members.
- Current REAP Participants include Gilroy USD, Central USD, Fairfax ESD, Tracy USD, Templeton USD, Atascadero USD, Livermore Valley JUSD, Paso Robles JUSD, and City of San Diego. → ~20 MW
- Approximately 15 other agencies set to approve REAP Program projects. → ~40MW



Why Create the REAP Program?

- SCE net energy metering (NEM) rules are set to change early 2017.
 - New NEM rules will be less favorable to school districts.
 - Projects completed **before** NEM rules change can “grandfather” on existing and more favorable NEM rules for 20 years.
- Changes to Investment Tax Credit (ITC) at end of 2016
 - PPA pricing supported by vendor access to 30% ITC on total project cost
 - **Impact:** Power purchase agreement (PPA) prices will go up.
- Take advantage of summer construction window



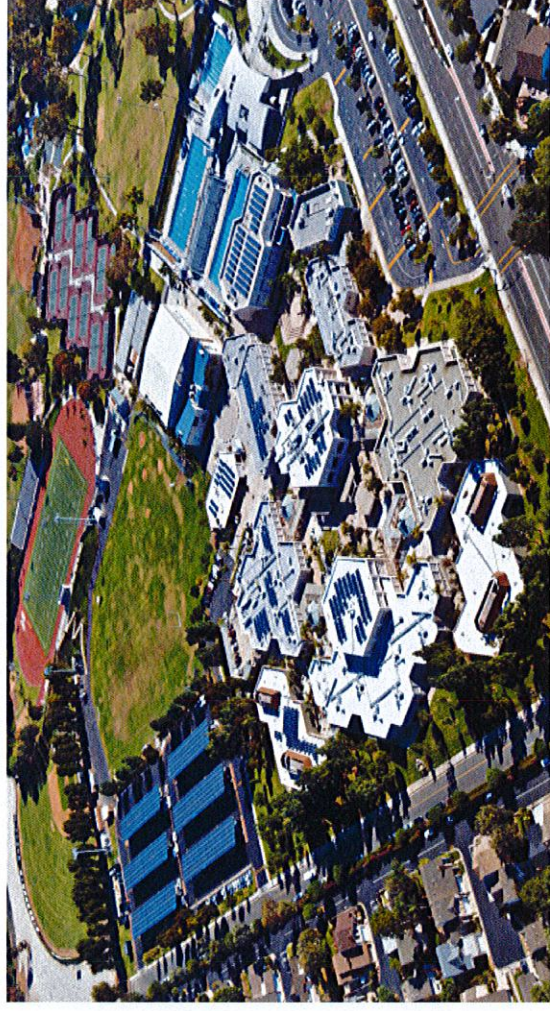
REAP Program RFP Process

- REAP Program RFP solicited pricing and terms for 28 different solar project types with very specific project includes, excludes, and assumptions.
- Vendor responses required to include:
 - Company background and experience.
 - System designs, component specs, O/M packages.
 - Contract documents.
 - Firm pricing for cash purchase and PPA scenarios.



SunEdison Selected as REAP Vendor

- Extremely competitive pricing (PPA and cash purchase)
- Strong K-12 and College experience with personnel statewide.
- Financial strength and strong track record globally.
- Experience with aggregated procurement for public agencies.



SunEdison and SPURR entered into master contract

Master Contract: Summary of REAP Pricing & Terms

- Very low PPA pricing, with zero annual escalation.
- Pricing includes:
 - “Turnkey” project development: engineering, design, permitting, materials, and construction.
 - Operations and maintenance.
 - Online system monitoring.
 - Prevailing wage.
 - Annual performance guarantee with true-up tied to retail rate.
 - SPURR administrative fee.
 - RECs retained by the District.
 - System removal at end of 20 years (at discretion of District).



Buying Together. Buying Better.

Questions?

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