Our Firm

Established in 2008, Sol Systems is one of the leading diversified sustainability platforms in the solar industry. **120+ energy professionals** create innovative value for partners.

- We **develop and execute integrated onsite, offsite, tax equity and commodity solutions** to allow C&I clients to meet sustainability goals.
- We **execute on integrated solutions to maximize ecosystem and community impact**.

Our Team

- As a leading renewable energy **developer**, financier, trader and operator, with **120+ mission driven professionals**.
- Sol empowers entrepreneurs to have a **meaningful impact on the world**.
- Focused on catalyzing the development and **operation of sustainable infrastructure**.

Our Mission

We work with our customers, industry and communities to accelerate an **equitable transition** to a **sustainable energy future**.
What is a Renewable Energy Credit (REC)?

A REC is a tradeable, market-based solution that represents the legal rights to making claims for using renewable electricity.

RECs are created when 1 MWh of electricity is generated from a renewable resource and delivered to the electricity grid.

RECs are managed in REC Tracking Systems to facilitate trading and certification of renewable energy.

Each tracking system provides a standard level of detail: Project or Facility Name, Certificate or Serial number, Vintage, Location, Quantity, and Fuel Type.

RECs are used to reduce an organization's scope 2 emissions from purchased electricity.

From EPA document: RECs play an essential role in accounting and assigning ownership to the attributes of renewable electricity generation and use.
Renewable Energy Credits (RECs)

Sol delivers and retires RECs to reduce the customer’s carbon footprint.

Without REC Purchase

With REC Purchase

Power

Electricity Generation

Electricity Consumer

Sol Delivers RECs
There are two separate REC markets in the United States:

- **Compliance Markets**: State policy dictates that renewable attributes must be purchased by utilities. Demand is created through renewable energy goals set by the legislature.

- **Voluntary Markets**: Corporate demand for renewable attributes drives REC values. These markets exist nationwide for customers.

![Compliance States](image1)

![Where We Sell Voluntary Credits](image2)
# Compliance vs. Voluntary RECs

**Compliance**

- Compliance RECs are used for **renewable portfolio standards (RPS)**
- A renewable portfolio standard (RPS) is a regulatory mandate to increase production of energy from renewable sources such as wind, solar, biomass and other alternatives to fossil and nuclear electric generation.
- RPS requirements by state regulators apply to utilities or electric suppliers in that region. For example, in Washington DC, electricity suppliers must buy 100% of their power from renewable sources by 2032, with 5% coming from local solar power.

**Voluntary**

- Voluntary RECs are **driven by climate-related sustainability goals**
- Voluntary RECs generally have lower prices as they are not tied to stringent RPS programs
- There are three ways to amplify the impact of Voluntary REC:
  - **Buy more** – to match electricity use
  - **Buy long-term** – to enable contracted cashflow for projects
  - **Buy from new-projects** – that need REC purchases enable construction
Hedging Strategy
QUESTIONS?
One Stop Shop

Customize Green Energy Solution

Create & Execute Contract

Deliver RECs

OR

Invoice Customer

Track, Retire and Send REC Details

Customer will Receive Green Certificate

SOLSYSTEMS
Commercial Terms are Confirmed:
Vintage Year, market, REC quantity, price, counterparty, delivery/retirement deadline

Trade Confirmation

<table>
<thead>
<tr>
<th>Vintage:</th>
<th>Front Half 2023 - January 1, 2023 - June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Settlement:</td>
<td>Payment to be made within 5 Business Days after confirmation of Certificate transfer from Seller to Buyer.</td>
</tr>
<tr>
<td>Quantity:</td>
<td>50,000 Renewable EnergyCertificates</td>
</tr>
<tr>
<td>Price:</td>
<td>2.40 USD per Renewable Energy Certificates Total Price: 120,000.00 USD</td>
</tr>
<tr>
<td>Delivery:</td>
<td>Delivery to be made through the Texas GIS. Delivery of these RECs to occur on or before September 15, 2023.</td>
</tr>
<tr>
<td>Contract Detail:</td>
<td>As agreed between Buyer and Seller. The quantity in this transaction is &quot;Firm&quot;. This transaction is subject to contract and credit.</td>
</tr>
</tbody>
</table>
Create and Execute Contract

Sol Systems Drafts the Contract

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**REC CONFIRMATION**

The purchase and sale (the "Transaction") confirmed by this Confirmation is subject to the Terms and Conditions for the Sale and Purchase of Renewable Energy Credits, attached hereinafter as Exhibit 3. Capitalized terms are defined in the Definitions section. If you accept the terms of this Transaction, please sign below indicating your acceptance and send this Confirmation back to Sol Systems.

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Transaction Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer</td>
<td>Buyer Company Name</td>
</tr>
<tr>
<td>Seller</td>
<td>Seller Company Name</td>
</tr>
</tbody>
</table>

**RECs**

Green-E Qualifying Renewable Energy Credits from [State name]-sited technology (wind, solar) projects as defined in the Applicable Standard ("REC"). These RECs must be (i) generated from CEI-listed solar facilities and (ii) be eligible for certification under the Green-E Renewable Energy Standard for Canada and the United States, v.3.3.

**Applicable Standard**

The Green-E Renewable Energy Standard for Canada and the United States, v.3.3, and all associated rules, in effect on the date of this Transaction ("Applicable Standard").

**Vintage(s)**

(vintage year)

Front Half or FH refers to REC issued for generation occurring in the first six calendar months of the specified vintage year. Also, Back Half or BH refers to RECs issued for generation occurring in the last six calendar months of the specified vintage year.

**REC Quota**

REC Quota (REC season)

**Contract Price**

Service Fee per REC/REC

**System Location(s)**

All systems identified herein will be part of the portfolio (the "Systems").

Not Applicable [Name, location (address or physical location), and system size, if applicable]

For avoidance of doubt, the specified volume of RECs must be produced from the specific Systems identified in the System Location(s) section of this Confirmation.

**Delivery Date**

(Delivery Date)

For Vintage 202, RECs, the following schedule will be followed:

1. RECs generated between January 1 and June 30 with be delivered on or before September 15 in the same generation year.
2. RECs generated between July 1 and December 31 will be delivered on or before March 15 following the generation year.

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**Delivery Obligation**

Firm. With respect to Seller’s delivery obligation under this Confirmation, the term “Firm” means that Seller guarantees that it shall deliver the specified fixed volume of RECs for each applicable Reporting Year indicated to Buyer without excuse. Force Majeure shall not excuse performance of Seller’s Firm delivery obligation under the Transaction.

**Retirement Obligation**

Firm. With respect to Seller’s retirement obligation under this Confirmation, the term “Firm” means that Seller guarantees that it shall retire the specified fixed volume of RECs for each applicable Reporting Year indicated to Buyer without excuse. Force Majeure shall not excuse performance of Seller’s Firm retirement obligation under the Transaction.

**Payment Date**

Buyer shall pay the Contract Price within 10 calendar days of the date Buyer receives an invoice from Seller reflecting the total amount due to Seller for the delivered or retired (as applicable) quantity of Purchased RECs (the "Payment Date").
Tracking systems are an electronic database that register basic information about each MWh of renewable energy generation in a specific U.S. geographical region and provide a mechanism for retirement of RECs. Each tracking system provides a standard level of detail, the details you can expect to receive from each tracking system is listed below.

All Tracking System provide specific REC detail:

- Renewable facility location
- Generation technology
- Facility owner
- Fuel type
- Month/year the MWh was generated (Vintage)
- Certificate/Serial Numbers
- Volume
Starting with vintage 2018 generation, the M-RETS platform tracks environmental attributes used for voluntary claims in all states, provinces, and territories in North America. M-RETS is an independent non-profit organization, making it unique amongst REC or energy tracking systems in the U.S.
### NAR Tracking System:

<table>
<thead>
<tr>
<th>Sub-Account</th>
<th>Sub-Account ID</th>
<th>NAR ID</th>
<th>Asset</th>
<th>Fuel/Project Type</th>
<th>Certificate Vintage</th>
<th>Certificate Serial Numbers</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>DefaultACT</td>
<td>3059</td>
<td>GEN2474</td>
<td>Bethel Wind Farm LLC - Bethel Wind Farm LLC</td>
<td>Wind</td>
<td>09/2022</td>
<td>NAR-REC-2474-TX-09-2022-136769-1 to 16947</td>
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<td>GEN2474</td>
<td>Bethel Wind Farm LLC - Bethel Wind Farm LLC</td>
<td>Wind</td>
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<td>DefaultACT</td>
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<td>GEN2474</td>
<td>Bethel Wind Farm LLC - Bethel Wind Farm LLC</td>
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<tr>
<td>DefaultACT</td>
<td>3059</td>
<td>GEN2474</td>
<td>Bethel Wind Farm LLC - Bethel Wind Farm LLC</td>
<td>Wind</td>
<td>08/2022</td>
<td>NAR-REC-2474-TX-08-2022-136259-2065 to 10957</td>
<td>8,852</td>
</tr>
</tbody>
</table>

### MRETS Tracking System:

- Default 092022 7222 M307 Pointe du Bois - Pointe du Bois Hydroelectric Water 06/2015 - - MB MB, MN 715
- Default 092022 7222 M306 Long Spurine - Long Spurine Hydroelectric Water 03/2015 - - MB MB 570
- Default 092022 7222 M306 Slarea Falls - Slarea Falls Hydroelectric Water 04/2015 - - MB MB, MN 310
- Default 092022 7222 M304 Pine Falls - Pine Falls Hydroelectric Water 07/2015 - - MB MB, MN 655
REC Retirements vary by Tracking System, however, the general processes remain the same:

1. Create Retirement Sub-Account for Counterparty
2. Fill in Reasoning for REC Retirement (e.g. Green-E Retirement, Voluntary Retirement).
3. Fill in Any Additional Details for Future Auditing.

Figure 1: Retiring RECs in EMA (Auto-Retirement)

Figure 3: Manually Retiring RECs in ERCOT
REC delivery/transfers vary by tracking system, however, the general processes remain the same:

1. Batch RECs in Internal Inventory Management Platform (Trading App).
2. Download Batch for Transfer – if in EMA Supported Tracking System.
3. Execute Delivery per Price, Quantity, and Counterparty Account in Contract Details.
4. Mark Batch as Transferred and Send Invoicing Details.

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**Figure 1**: Batching RECs in Trading App

**Figure 2**: Executing Delivery in EMA
Invoice Process

Invoices are sent to counterparties once a retirement or transfer is made or prior to delivery for a pre-pay contract. Below is an example of our invoicing structure:

1. Details of the REC Transfer: Quantity Delivered, Market & Vintage Year, Price per REC
2. Delivery Date & Invoice Due Date: Typically, 10 calendar days from delivery
3. Payment Information

![Invoice Example]

To: Discount Power, Inc
6 Armstrong Road
Shelton CT 06484
United States

Quantity: 5,000
Description: MA Class I 2022
Unit Price: $38.75
Amount: $193,750.00

Tax Total: $0.00

Total: $193,750.00

Payment Instructions:

Preferred Method: ACH
Institution: Bank of America
Routing: 026006490
Account: 001924243492

Alternate Payment Method: Wire
Institution: Bank of America
Routing: 026006490
Account: 001924243492

Thank you for your business!

Reference: Please add payer name and invoice # in reference to ensure proper credit
Confidential - Internal Distribution
Green Certificate for REC Retirements

Renewable Energy Certificate

Presented to:

SOLSYSTEMS

For supporting renewable energy sources by purchasing clean electricity

#X

KILOWATT HOURS

100%

RENEWABLE ENERGY

Yuri Horwitz
Founder and CEO of Sol Systems

6/15/2023

6/15/2023 | Strictly Private & Confidential
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