

SREC Markets

In SREC state markets, the Renewable Portfolio Standard (RPS) requires electricity suppliers to secure a portion of their electricity from solar generators. The SREC program provides a means for Solar Renewable Energy Certificates (SRECs) to be created for every megawatt-hour of solar electricity created.

The SREC is sold separately from the electricity and represents the "solar" aspect of the electricity that was produced. The value of an SREC is determined by the market subject to supply and demand constraints. SRECs can be sold to electricity suppliers needing to meet their solar RPS requirement. The market is typically capped by a fine or solar alternative compliance payment (SACP) paid by any electricity suppliers for every SREC they fall short of the requirement.

Washington, DC

A combination of extremely aggressive annual solar goals and a tough infrastructure and demographic environment have kept the DC SREC market undersupplied. However, efforts to promote greater access to solar such as a 2013 community net metering law and initiatives to promote greater penetration of solar installations among low-income residents, promise to increase District solar installation rates. The District of Columbia City Council passed a law in July 2011 preventing out-of-state systems from participating in the DC SREC Market.

SREC FACTS

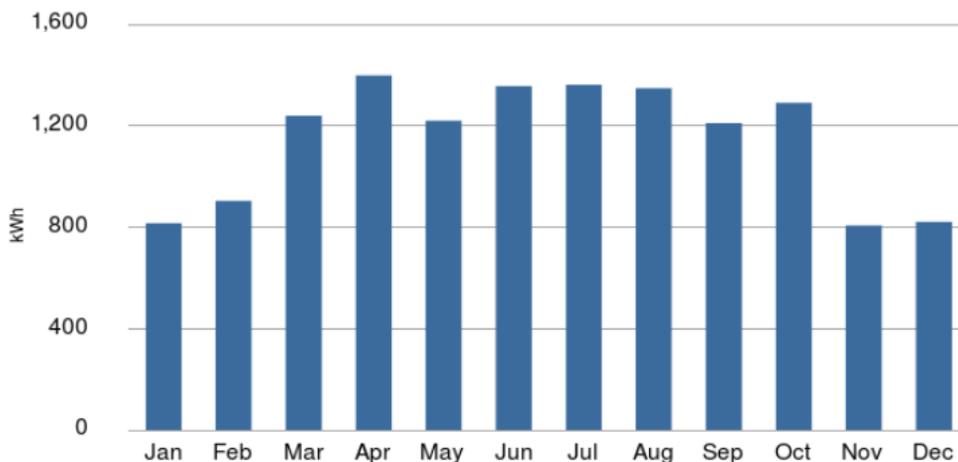
- 1 SREC = 1 Mwh of solar electricity, or 1,000 kWh's
- A 10 kW facility generates around 14 SRECs annually
- SRECs are sold separately from the electricity
- Value is determined by market supply and demand mechanics
- Facilities must be certified by a state to sell SRECs

Solar Solution owns approximately 540 sites that generate SREC's and are currently registered with GATS / PJM under 3 separate accounts. The systems generates approximately 5,500 SREC's which are sold to utilities and expected to generate approximately \$2.4M to \$2.6M annually. The total number of sites owned by Solar Solution will continue to increase as more systems are installed; as there are currently 60 additional sites being processed which do not include the above figures. The SREC value will depreciate over time as the market becomes more mature and more system are installed. The below charts outlines the monthly SREC revenue received for 2015 so far, and an over-view the total income received for the past two years.

| 2013 | 2014 | JAN | FEB | MAR | APR | MAY | JUN | Est. 2015 |
|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----|-------------|
| \$1,210,522 | \$1,670,865 | \$108,360 | \$142,590 | \$165,028 | \$159,280 | \$272,095 | | \$2,340,000 |

Monthly payments recorded based upon the SREC generation of two months prior. (March payment is for January's generation)

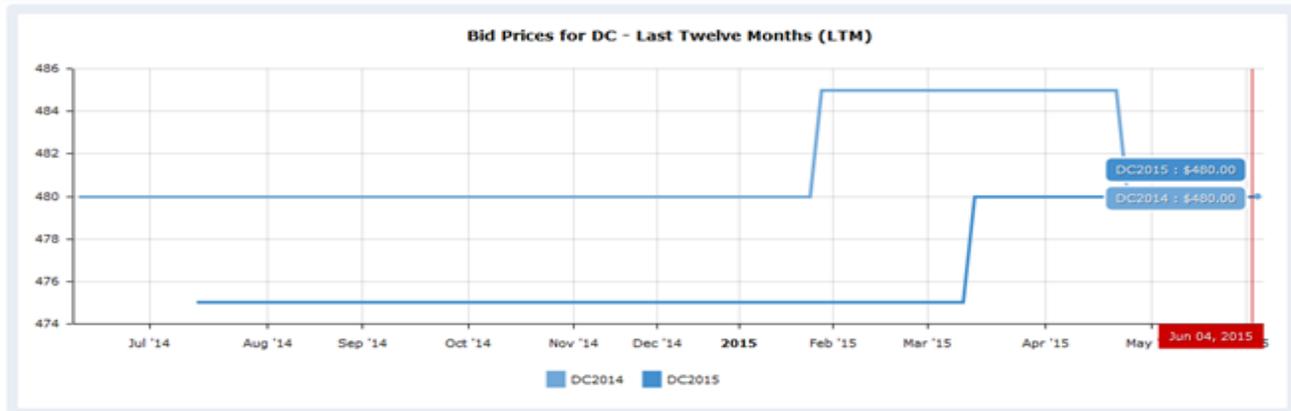
Estimated Electricity Produced by a 10kW System in Washington DC



NOTE:

Production in the summer months is about 40% higher in than the winter months, so SREC revenue payments are naturally lower January thru April.

Market prices



Market requirements

The breakdown of the state SREC market requirements as currently set by state legislation.

| Energy Year | Estimated Capacity (MW) | Estimated SRECs Required (MWh) | SACP |
|-------------|-------------------------|--------------------------------|-------|
| 2015 | 68.7 | 82,412 | \$500 |
| 2016 | 82.2 | 98,585 | \$500 |
| 2017 | 99.1 | 118,864 | \$350 |
| 2018 | 118.0 | 141,575 | \$300 |
| 2019 | 140.6 | 168,690 | \$200 |
| 2020 | 167.0 | 200,391 | \$200 |
| 2021 | 198.5 | 238,155 | \$150 |
| 2022 | 236.8 | 284,193 | \$150 |
| 2023 | 276.3 | 331,559 | \$50 |

Solar requirement

Reaching 2.50% of total electricity generated in 2021.

SACP

The Solar Alternative Compliance Payment (SACP) is the penalty price that power providers must pay per SREC if they are unable to file the required number of SRECs at the end of the compliance period. The DC SACP is set at \$500 per SREC through 2016, declining thereafter.

Eligibility begins

Upon date of interconnection or the beginning of the most recent calendar year (whichever happens second).

Meter readings

Facilities less than 10 kW DC capacity are eligible to produce SRECs from estimated generation based on NREL's PV Watts solar resource calculator. Systems larger than 10 kW require a revenue grade meter.