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Three Ways for Companies to Go Green

Blank Rome is well-versed in securing green energy by using a VPPA, VNMP or MEEC. We briefly describe these options, below.

VIRTUAL POWER PURCHASE AGREEMENTS

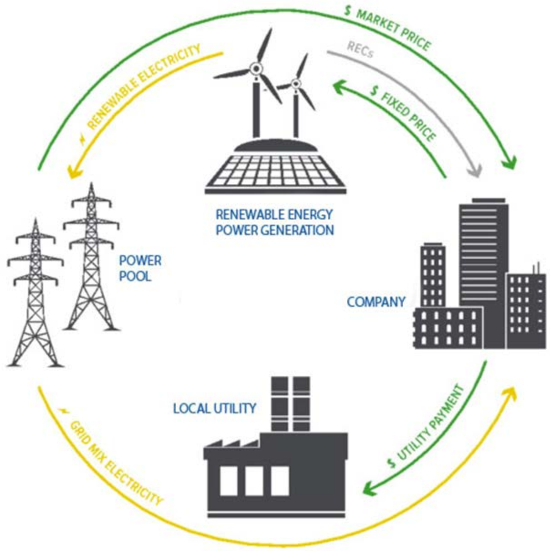
The **Virtual Power Purchase Agreement (VPPA)** involves a Buyer with no access to proximate renewable energy sources committing to pay a fixed price per megawatt hour (MWh) to a Seller who is developing a renewable energy source.

- In return for the fixed payment, the Buyer receives the Renewable Energy Credits ("RECs") from the generation of renewable energy by Seller's project.
- The Buyer uses the RECs to support its claim that it is a "green" company.

VPPA transactions are complex because, in return for the guaranteed fixed payment, the Buyer is entitled to any revenue above the fixed payment when the renewable energy is sold into the market, but must make a true-up payment if the market price is below the fixed price. This arrangement is known as a "fixed for floating swap" and is subject to regulation and reporting under the Dodd-Frank Act.

VPAA transactions are also subject to regulation by the FTC and the SEC.

- "Green" claims must meet certain rules and standards, and must be supported by RECs equal to the claimed consumption of "green" energy.
- FTC "Green Guides" should be followed.



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VIRTUAL NET METERING PROGRAM

The **Virtual Net Metering Program (VNMP)** involves a large (>1 MW) rooftop solar installation on a multi-tenant building (e.g., a large shopping mall), which solar system is connected directly to the electric utility serving the building (and not connected to the building itself). The building and its tenants continue to receive power from the electric utility, as they did before the installation.

- The RECs generated by the solar system are passed to the electric utility which then credits them to the building and its tenants, thereby reducing the amounts paid to the utility.
- A portion (as much as 90%) of the savings enjoyed by the tenants are passed on to the solar system owner, to support the financing for the solar system.

A portion (e.g., 5%) of the gross revenues enjoyed by the solar system owner is paid to the building as rent for use of the rooftop.

METERED ENERGY EFFICIENCY CREDITS

The **Metered Energy Efficiency Credits ("MEECs**) involve installation by an Energy Tenant of energy efficiency systems and materials in a building owned by a Building Owner." The Building Owner continues to pay the electric utility as if the efficiency installations had not occurred, and the utility uses the "excess" revenue to purchase the MEECs (the metered difference between baseline and actual energy consumption) from the Energy Tenant. Those payments support the financing for the efficiency improvements. The Energy Tenant pay a portion (e.g., 10%) of the revenue from the MEECs to the Building Owner as rent.

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