

# WHAT IS A PPA ?



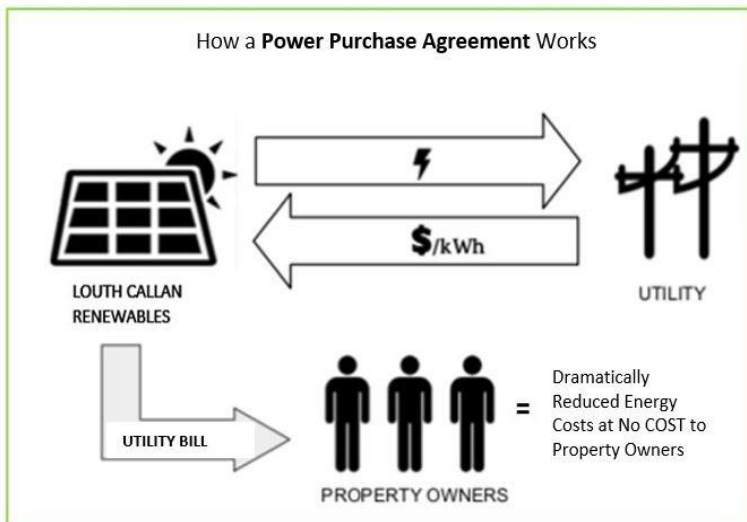
## POWER PURCHASE AGREEMENT (PPA)

A solar Power Purchase Agreement (PPA) is a financial arrangement in which a third-party investor, Louth Callan Renewables (LCR), owns, operates, and maintains the solar system. A host customer agrees to site the system on its property and purchases the system's electric output from the Louth Callan Renewables for a pre-determined period.

While many private companies use PPAs, they are a perfect option for government and nonprofit entities, because there is no upfront expense and the typical term (up to 25 years) provides more stable energy costs for future budget planning. This financial arrangement allows the host property owner to receive stable and much lower cost electricity over the long term. Since LCR also installs every project, we use the solar solution incentives to pay for any construction and ongoing operation of the solar facility.

## SUMMARY PPA BENEFITS

- You incur no upfront capital costs and no new debt incurred
- You get positive cash flow year one from day one
- You enjoy predictable energy pricing over the long term
- You have no worry over system performance or operating risk
- You visibly demonstrate your environmental commitment
- You show strong support for the local economy and job creation



## TYPICAL PPA SAVINGS

There are separate utilities across each state and the rates vary considerably. That said, a Power Purchase Agreement typically can reduce your electricity costs up to 40%. For more energy intensive businesses and buildings, a PPA is a no cost solution for dramatically reducing high power bills. The Louth Callan Renewables team provides a no cost analysis of your bill to determine the amount of savings you can achieve.