

THE ONE ENERGY RENEWABLE ENERGY AGREEMENT

ALTERNATIVE TO TRADITIONAL OWNERSHIP

One Energy understands owning an on-site wind turbine installation is a significant capital expenditure that may not be ideal for all companies. For customers who want to take advantage of the long-term financial benefits of an on-site wind project, One Energy offers an alternative we call a Renewable Energy Agreement (REA), our form of a power purchase agreement used in the industry. One Energy pays the upfront costs, and owns, operates, and maintains the project. The customer buys power at a predetermined rate for 20 years.

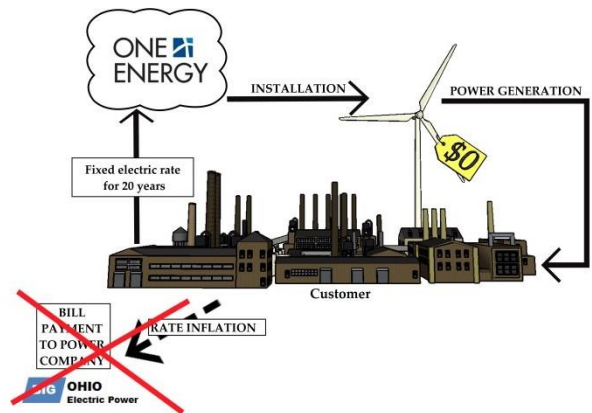
RENEWABLE ENERGY AGREEMENT (REA)

A renewable energy agreement is a power purchase contract between an energy provider (seller) and a customer (buyer) who wishes to purchase energy at a predetermined rate for an extended period of time. Typically, our REAs have flat, fixed rates for the entirety of the agreement, though choosing to have predetermined, *adjusted* rates throughout the agreement is an option. Historically, power purchase agreements, like our REA, have been used by utilities to procure power from independent power producers and by large electricity consumers, such as municipalities, to obtain preferential, predictable rates from utilities.

One Energy has developed our unique REA, which allows the customer to benefit from a *Wind for Industry*® project with no upfront capital expenditures. It also enables the customer to completely stay out of the wind business.

One Energy will install a wind project at the customer's location. In exchange, the customer agrees to purchase the power generated at a predetermined rate for 20 years.

A special purpose entity is established to own, operate, and maintain the wind project. This helps separate the project from One Energy's other projects, and allows the customer a simple option to buy-out the project, if they choose.



COMPONENTS OF A ONE ENERGY REA

The One Energy REA includes:

- **Duration of Agreement:** The REA lasts 20 years, with the potential for an extension by mutual agreement. The REA provides the customer with the option to buy-out the project at specified milestone dates at predetermined formula prices.
- **Electricity Rate:** With the REA, the customer locks in its electricity rate for 20 years. Target rates in northwest Ohio are on the order of 5.5-6.5 cents per kilowatt-hour, depending on the quality of the wind resource, turbine performance characteristics, the structure of project financing, project-specific conditions, and project sizing.
- **Project Delivery:** The project is typically installed on the customer's land, so the customer must provide a land lease and utility easement for on-site construction, operation, and maintenance. In some circumstances, One Energy acquires the land if customer land is inadequate for the project.
- **Credit Requirements:** For financing, a credit review will be performed. Typically, customers who are good candidates for an on-site wind project will qualify. The project will not appear on the customer's balance sheet.
- **Renewable Energy Credits (RECs):** One Energy will own and sell the original RECs, then supply the customer with an equal number of Green-e RECs. The customer can legally market and claim "green" energy use.