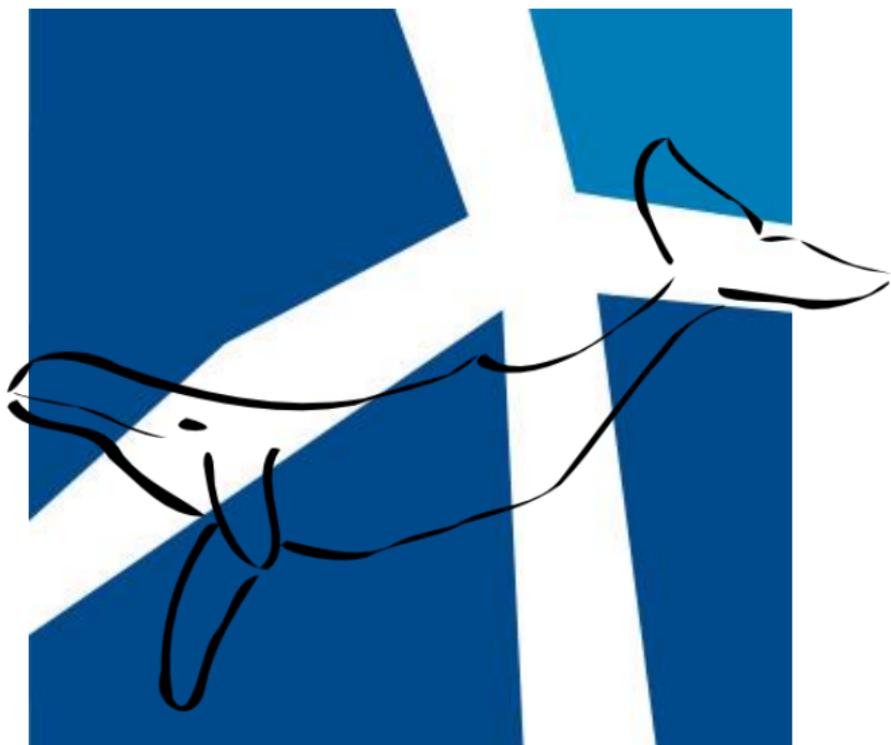


THE ONE ENERGY WHALE BOOK

January 2019



This book belongs to:

CONFIDENTIAL

Table of Contents

Definitions	4
Whaleboard Definitions.....	5
Committees	6
A Whale We Want to Hunt.....	7
Exception Review.....	8
The 4Q's.....	9
Approaching a Customer.....	10
The Whale Analysis	11
A Good Whale (Project).....	12
Project RED FLAGS	13
Project YELLOW FLAGS	14
A Good Customer	15
Customer Relationship Flags.....	16
Site Screening Report.....	17
The Scouting Master Sheet	18
The Whaleboard.....	19
Using the WhaleBoard	20
Initial Evaluations	24
Being Obsessed	27
Whale Hunting Committee Meetings.....	28
Great Debates	29
How Whales Feel.....	30
Strategies & Thoughts.....	31
Great Unanswered Questions	33
Great Quotes.....	34
Whale Hunting KPI's	35
Whale Hunting Communication.....	36
Hunting Technical Tools.....	37
Hunting Strategic Tools.....	38
Hunting Process	39

Underwriting	40
Past Whales	49
Notes... add to the Book	63

DEFINITIONS

Whale A specific *Wind for Industry*[®] project.

Customer A company that owns one or more whales.

Siting Report A summary report that has facts relevant to determine if a whale is ready to be hunted.

Operating Territory

The geographic extent of our current projects that are signed.

Target Territory

The geographic territory that has been approved by the Strategic Committee.

Whaleboard The digital source of all knowledge and tracking of whales that One Energy is hunting.

Ping An insignificant touch trying to get the Whale to respond.

WHALEBOARD DEFINITIONS

Scouting	A whale that we want to hunt and we are actively going after. If it is a customer and not a specific whale, that customer has at least one whale that we know we want to hunt.
Harpooning	A whale or customer that we are actively doing an Initial Evaluation for.
Beaching	A whale (not a customer) that, based on the customer response to the initial evaluation, we expect to move forward and are doing a Detailed Evaluation for. We are also presenting and negotiating a term sheet and PPA.
Harvesting	A whale with a signed PPA or EPC agreement that we are constructing.
Eating	An operating whale (project).
FAA Issues	A site is considered to have FAA Issues if any of the following conditions exist: <ol style="list-style-type: none">1. Notice Criteria Tool shows Grey area or instrument approach area2. DOD long range radar red areas

COMMITTEES

Whale Hunting:	On the boat, responsible for scouting, harpooning, and beaching the whale. Meets weekly or more. (3/4 decides)
Marketing:	Responsible for making whales less afraid of us when we later decide to hunt them. Responsible for marketing and branding. Meets monthly.
Pricing:	Sets a PPA price for a project using prescribed technical information. Relies on objective facts; does not use emotion. Meets weekly as needed.
Proposal:	Approves term sheets that will become the long-term promises of One Energy to the whales. Approves exceptions to the normal Whale Hunting process if those exceptions are in the best interest of One Energy. (4/6 decides)
Strategic	Sets objectives and boundaries of target projects.

A WHALE WE WANT TO HUNT

We only hunt whales that meet these requirements. The summary sheet that describes this specific whale, and only the whale, is prepared and shared with the Whale Hunting Committee. That report is called the **SITE SCREENING REPORT**.

1. Wind Resource / NCF likely to be above 25%.
2. FAA Clear – If presumed hazard then Exception Review.
3. Sufficient land is reasonably available.
4. The facility is expected to have sufficient energy consumption.
5. The utility is a Rate Regulated Utility – if any other utility then Exception Review.
6. The project is in Ohio – if in other territory then Exception Review.

A **SITE SCREENING REPORT** needs to be reviewed by the Whale Hunting Committee and approved with the 4Qs to move forward.

EXCEPTION REVIEW

A one-page summary of each Exception Review, in addition to the Siting Report, needs to be prepared and submitted to the Proposal Committee for approval.

Any two members of the Whale Hunting Committee may call a review and vote of the Proposal Committee for an Exception Review.

THE 4Q'S

When hunting whales it is important to frequently assess the situation and determine if, in light of all relevant factors, that is still a whale that we want to continue to hunt.

1. Is this worth our limited time?
2. Is this a project we want to have our name on?
3. If this is a fight, is it the right time to have that fight?
4. Can we articulate a viable path to get this project approved?

All questions must be answered, and votes recorded, by each member of the Whale Hunting Committee: Yes, No, N/A.

After all of the questions have been answered, the Whale Hunting Committee will vote to decide if we are willing to move forward with hunting that whale. The votes are recorded so there is a record of our decisions and journeys that we can learn from.

Given the answers to the 4Qs, will we continue to hunt this whale?

APPROACHING A CUSTOMER

We will only approach a customer if we know that they have at least 1 whale that we want to hunt.

That way, no matter what, we know we are not wasting our time and efforts.

THE WHALE ANALYSIS

In order to understand the Whale there are some questions that need to be answered:

1. Is this a good Whale (project)?
2. Is this a good Customer?
3. Are there any red flags for this project?
4. Are there any yellow flags for this project?
5. Are there any relationship flags?
6. What is the Technical Outlook for the project?
7. What is the Closing Stage of the project?

The Whale Analysis is completed by the Whale Hunting Committee when the Initial Evaluation is complete.

The results are recorded in the Whaleboard “notes” section as follows:

```
// This is a GOOD PROJECT
// This is a GOOD CUSTOMER
// There are no red flags
// There are no YELLOW FLAGS
// There is 1 RELATIONSHIP FLAGS - recent
ownership change
```

Technical Outlook and Closing Stage are dedicated fields.

It is important to keep the Whale analysis current as facts and circumstances change.

A GOOD WHALE (PROJECT)

A project is either a TYPICAL PROJECT or a GOOD PROJECT.

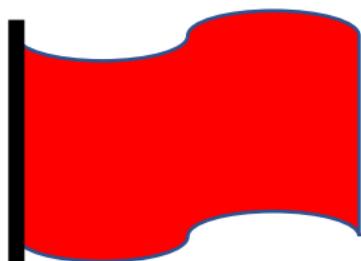
While we will hunt and be fed by both TYPICAL and GOOD projects, we need to recognize GOOD PROJECTS and make sure that they receive special attention. GOOD PROJECTS tend to close quicker, be easier to develop, easier to construct, and easier to operate.

GOOD PROJECTS

1. The decision is financially driven
2. There is a wind resource above 29% NCF
3. It is a rate regulated utility
4. It is in Ohio
5. There is plenty of contiguous usable land
6. There are no FAA issues
7. There is not a restrictive zoning process
8. They are served at 4160V or higher
9. It is a 2+ turbine project
10. There are limited neighbors
11. It is in our Operating Territory

PROJECT RED FLAGS

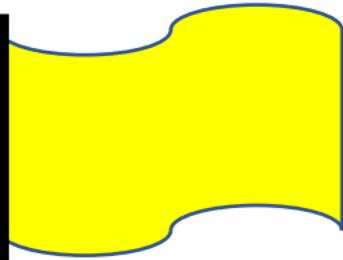
When a whale has a RED FLAG then it cannot be hunted until the RED FLAG is removed.



1. Airport Issue (clearly bad)
2. Wind < 25% NCF
3. No Viable Siting Options
4. Not in the Target Territory

PROJECT YELLOW FLAGS

YELLOW FLAGS are signs that the hunting and beaching will be difficult. It is important to identify and plan for YELLOW FLAGS throughout the entire hunt.



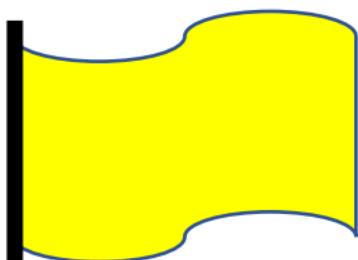
1. Served by a municipal utility or a cooperative.
2. Not located in our current Operating Territory.
3. Lots of nearby homes.
4. Existing or known anti-wind presence.
5. Strict Wind Ordinance in place.
6. Wildlife issues.
7. Land for turbine(s) is not contiguous to facility.
8. FAA presumed hazard (further study needed).

A GOOD CUSTOMER

Whales are what we live on. But, it is important to spot a GOOD CUSTOMER and treat them accordingly.

1. Multiple viable sites
2. Clear(ish) approval process
3. Values energy rate risk protection
4. Long operating history
5. Fits underwriting policy

CUSTOMER RELATIONSHIP FLAGS



1. There is a consultant involved
2. They have “previous wind experience”
3. There are recent or pending ownership changes
4. They are a government or non-profit entity

SITE SCREENING REPORT

A SITE SCREENING REPORT can be prepared by anyone but a member of the Whale Hunting Committee must decide to present it to the Whale Hunting Committee.

A Site Screening Report must get $\frac{3}{4}$ votes to Hunt in order to be accepted. Past Site Screening Reports and the votes associated with those reports are kept to reference later to evaluate how good the Committee's decisions are.

Individual reports are saved in:

Dropbox/Projects-Development/*Company*/ Scout

The Head of Sales is in charge of keeping records of SITE SCREENING REPORTS reviewed by the Whale Hunting Committee.

The following information is contained in a SITE SCREENING REPORT:

SITE INFORMATION

Is there zoning?	Yes			No			Unsure		
Capacity Factor	0-25%		25 – 29 %		29 – 33%		33% +		Unknown
Describe Land Availability									
Land available for 2+ WTG?									
High Urban Development									
Known Anti-Wind Presence									
FAA	In Gray Circle			In Approach Zone			In DoD Red Zone		Miles
Who is the Electric Utility									
In current operating territory?									
In current target territory?									

IMGS: [google earth of site](#), [FAA notice criteria tool](#)

THE SCOUTING MASTER SHEET

The SCOUTING MASTER SHEET is a list of all Whales we have ever looked at or thought about.

Check the SCOUTING MASTER SHEET first to see if we have history with a Whale.

The SCOUTING MASTER SHEET is a reference only, but it is a good reference. Decisions on the sheet are not final unless they have been reviewed by the Whale Hunting Committee.

The SCOUTING MASTER SHEET is in Google Sheets so multiple people can work on it at one time.

USING THE WHALEBOARD

It is important that the Whaleboard have complete and accurate information so that all of the members of the whale hunting team are enabled and working with the same strategy.

The following fields are completed when a Whale is added to the Whaleboard:

1. Project
2. Stage
3. Company
4. Address of Company HQ
5. Address and coordinates of Whale
6. Utility Provider
7. Utility Type
8. An Event note about initial Whale Hunting Committee review of the Site Screening Report

The following fields are completed after the Initial Evaluation is complete by the Analyst or Field Engineer in charge of the Initial Evaluation:

1. Project Size
2. PPA Rate Estimate
3. Capex Estimate
4. Current Grid Rate
5. Annual Consumption
6. Delivery Model
7. Estimated Capacity Factor
8. Estimated Annual Production

EVENTS are anything that involves interaction with the Whale (or customer) or any action taken by the Whale Hunting Committee regarding the Whale.

Keep events current.

Milestones are updated by anyone working on the specific milestone. Milestones are simple high level data points that can be used to understand the timeline of the hunt.

Events that are notes from the Whale Hunting Committee are labeled “WHC”.

MILESTONES:

1. Site Screening Report
2. Customer Visit OE
3. OE Visit Customer
4. Term Sheet Provided
5. Initial Evaluation Completed
6. IE Delivered
7. Generic PPA Contract Given
8. Site Specific PPA Sent
9. PPA Rate Locked
10. PPA Executed
11. Detailed Evaluation Completed
12. Billing Begins

NOTES are Business and Commercial factors about the Whale that are important to understand the Whale and the project.

SPECIAL CONSIDERATIONS are technical facts and considerations. Anything flagged or noted in the IE or DE needs to be listed in this section.

ARCHIVE: A Whale is archived from the Whaleboard only when the Whale Hunting Committee approves the archiving. An archived Whale got away and we are no longer hunting them. Create an event explaining the decision prior to archiving.

HOLDS are special situations where the whale hunt is on pause and waiting for a specific action by One Energy, the Customer, or a 3rd Party. If there is a Hold on a project the reason for the hold should be the first thing listed in the Notes section. Holds appear as a color coded bar on the right side of a Whale tile.

Customer Hold = Red

Internal Hold = Blue

External Hold = Yellow

NATIONAL SCREENINGS – the process of looking at multiple sites for a Customer are special tiles. They are colored Purple and they stay in the “Harpooning – Queue” section. Only specific whales, with new specific tiles, move past that section. These tiles allow us to track the relationship.

Color Coding: In order to make it easy to visualize key tiles on the Whaleboard we use a color-coding system for special tiles. The tile is outlined with the color.

Obsessed = Green

Good Project & Good Customer = Blue

Good Project = Yellow

Project in Jeopardy = Red

Category Total Megawatts: The total at the top of a category adds up all megawatts in the category. Since the project size is only added at “Harpooning – Ready” it appears from there on in category totals.

INITIAL EVALUATIONS

Initial Evaluations are decision making reports that analyze commercial and technical factors for a given project to determine viability and describe the project. They are tool for both One Energy and the Customer to evaluate a project and make go/no go decisions on a project.

When an Initial Evaluation is complete it needs to be presented to the Whale Hunting Committee for review and analysis (Whale Analysis).

When we start an Initial Evaluation we finish it.

If, and only if, we determine that it isn't a technically feasible project during the Initial Evaluation then process may elect to skip the Pricing Committee and not provide pricing for the project.

Outline for our standard Initial Evaluation:

1. Technical Viability
 - a. Site Information
 - b. Electric Service Provider
 - c. Utility Rate Analysis and Facility Consumption
 - d. Preliminary Wind Resource Summary
 - e. Siting Restrictions
 - f. Turbine Siting

2. Commercial Implications
 - a. Financial Analysis
 - i. Delivery Method
 - ii. Historical Energy Prices
 - iii. RECs
 - iv. Incentives
 - v. Predicable Operating Costs
 - b. Corporate Responsibility
 - i. Carbon Reduction
 - ii. Marketing
 - iii. Community
 - c. Risks
 - i. DEPCO
 - ii. Turbine Operating Risk
 - iii. Market Risk
 - iv. Facility Closure or Sale Risk
 - v. Reliability Risk
 - vi. Wind Resource Risk
 - d. Customer Resources
3. Conclusions and Path Forward

Initial Evaluation Exhibits:

- A. Power and Rate Summary
- B. Wind Summary
- C. Site Information
- D. Turbine Siting
- E. ROI Models
- F. PPA Information
- G. Understanding Wind Incentives
- H. Environmental Advantages

- I. One Energy Company Profile
- J. Detailed Evaluation Flow Chart

Items completed as part of an Initial Evaluation
(**External**):

1. Initial Evaluation Report and Exhibits
2. Initial Evaluation Executive Summary
3. Initial Evaluation Power Point Presentation

Items completed as part of an Initial Evaluation
(**Internal Only**):

1. Initial Evaluation Report Request
2. Initial Evaluation 1-page summary
3. OE Project Financial Model
4. KMZ file of project siting
5. Sketchup model of facility

BEING OBSESSED

In the history of the company, no Whale has ever signed a PPA without going through a period where we have become obsessed with that specific Whale and Beaching them. When we become intently focused on the Whale we succeed in Beaching the Whale.

The Whale Hunting Committee is charged with making sure that we are always obsessed with about 5 Whales at any one time.

WHALE HUNTING COMMITTEE MEETINGS

It is very important that the Whale Hunting Committee run an efficient process to ensure that all team members are enabled and effective in their jobs that depend on decisions from the Whale Hunting Committee.

The Whale Hunting Committee will have one 90-minute formal meeting a week. It will have other meetings on an ad hoc basis.

Meeting Standing Agenda:

Time	Topic
15	Review Whales we are obsessed with
15	Review new Scouting Reports
15	Review IR's and do Whale Analysis
30	Sales Activity and Whale Updates (-7 days/+ 21 days)
15	Discussion and Extra Time

Meeting Information Packet – sent prior to meeting and reviewed by all members:

1. Site Screening Reports for review – in priority order
2. IE's completed by COB the Friday before
3. Sales Calendar
4. PPT Calendar
5. KPIs for the first meeting of the month

GREAT DEBATES

There are many great debates between tribe members. Those debates are good and should be monitored for eventual consensus as we learn more.

1. Does the “green” side of a project matter?
2. Do a customer’s “green goals” matter to the decision process?
3. Can you go back to a whale or a customer?
4. Does an existing green energy purchasing plan help, hurt, or not matter?
5. Do consultants / middlemen add value and deserve compensation?

HOW WHALES FEEL

Many things make a Whale scared of our boat.

We believe that these are the 4 fundamental questions that hold a Whale / Customer back from signing a deal. If you want a Whale to sign a PPA, you have to find a way to get them to answer these questions.

QUESTIONS WHALES ASK

1. What don't I know?
2. Why isn't everyone else doing this?
3. Is this worth my limited time?
4. Why now, why not next year?

The 4th question is the hardest one to get a Whale to answer.

There are rumors of a fifth fundamental question, but no one agrees exactly what it is:

- What is the downside?
- What is the worst case?
- What should I be afraid of?

STRATEGIES & THOUGHTS

Thoughts great Whale Hunters have pondered:

1. Use our flexibility in rate structure to its fullest potential.
2. Whales want partners that they trust and are willing to go to war with if the need arises. Convey trust and transparency at every possible moment when in front of the Whale.
3. Don't forget to *Be Professors not Salesmen* ...
4. Get obsessed. If you are not obsessing about the Whale you can guarantee the Whale is not obsessing about you. Only Whales that are obsessed sign PPAs. Get the whale to be obsessed and in the closing spiral.
 - a. "Closing Spiral" when the customer has an individual who has become personally invested in closing the deal and is asking constant and specific questions from many high level areas of the company. All successful whale hunts to date have been the result of a closing spiral.
5. Work multiple levels of the customer when possible.
6. Think about every single aspect of the experience we are giving the customer. Every detail matters.

7. Every whale escapes multiple times (says no) during a hunt. The more no's you overcome the better the whale tastes. "No" from the customer means nothing.
8. Whale hunting is unlike anything else... don't try to compare it.
9. Only those at the C Suite level think about the long-term future. If you are trying to talk "future" you need to have the C Suite involved.
10. Telling a customer that a project is bad and not in their best interests to pursue is something to be proud of. It increases our creditability with the next Whale.

GREAT UNANSWERED QUESTIONS

1. How do we make sales unlimited?
2. Why aren't they calling us?
3. Are we selling god, love, sex, or consumption?
4. Solving Problems vs Saving Money... how does a customer really view us?

GREAT QUOTES

Sometime a few of the right words help in a hunt. These are some of the most successful phrases used by past hunters.

1. Do you know the price of power in 20 years?
2. We have a magic machine that turns air into money... the credibility bar is supposed to be very high for us.
3. If we can't show it to you in writing it doesn't exist.
4. We don't negotiate price. If I am willing to lower the price now it means that I was trying to screw you earlier. We are not trying to screw you. That is the price.

WHALE HUNTING KPI'S

Key Performance Indicators are used to track how the Whale Hunting process is going. While each individual team may have their own KPIs, the Whale Hunting Committee will track and regularly discuss the below KPI's. KPI's are recorded on a monthly basis.

1. REA/PPA Megawatts Signed
2. REA/PPA Projects Signed
3. Whale Contacts – All forms of Whale Contacts other than “pings”
4. Customer NFWC Visits
5. Initial Evaluations completed by original deadline
6. Initial Evaluations delivered to the Customer
7. Post Initial Evaluation Delivered rejections or lost Whales
8. Technical Failures (*post IE Delivered*)
9. How many Whales have been added to Scouting
10. What percent of proposed REA/PPA rates are lower than the Whale's current marginal cost of energy (MCOE)

WHALE HUNTING COMMUNICATION

It is always hard to communicate while dealing with the day to day chaos of our business. The regular and clear communication of the Whale Hunting Committee is critical to the success of the hunt.

Communication Tools

1. Weekly formal meetings for 90 minutes
2. Regular chat via Google Hangouts to the Whale Hunting Committee chat
3. Informal meetings of the committee as needed

Things that hurt committee communication and need to be avoided:

1. Round-robin style dialogue
2. Partial committee meetings
3. Texts, Slack, and other informal chats.

Whale Hunting Committee Business needs to be reserved for the Whale Hunting Committee.

Committee Business:

1. 4Q Reviews
 - a. Agreeing to hunt
 - b. Agreeing to continue to hunt
2. Prioritization of Whale Hunting Deadlines

HUNTING TECHNICAL TOOLS

(IN PROGRESS)

HUNTING STRATEGIC TOOLS

These are strategies that have helped past Whales advance through the process.

What don't I know?

1. Have you looked at Video FAQ on the One Energy website? (www.oneenergy.com/video-faq)
2. Tour of the Wind Campus

Why isn't everyone else doing this?

1. Send them press releases from other projects during pings.
2. Become friends on LinkedIn and make sure your feed has cool OE things in it.

Is this worth my limited time?

1. Get them on the phone with other plant managers / energy buyers from past Whales to show it is as easy as we say it is.

Why now, why not next year?

1. We will provide the first 60-90 days of power from the turbines for free if you sign by XX.

HUNTING PROCESS

(IN PROGRESS)

UNDERWRITING

PPA GO/NO-GO

1. Category 1 - Go (must meet all)
 - a. Credit rating of BBB- or better
 - b. In business more than 50 years
2. Category 2 - Go (must meet all)
 - a. Credit rating of BBB- or better
 - b. In business 20 years or more
 - c. Management belief that customer industry is low-risk for 20 years
3. Category 3 - Go (must meet all)
 - a. Credit rating of BBB- or better
 - b. One or more alternate revenue sources available at project location
4. Category 4 - Go (must meet all)
 - a. Credit rating of BB- or better
 - b. In business more than 50 years
 - c. Management belief that customer industry is low-risk for 20 years
 - d. One or more alternate revenue sources available at project location
5. Category 5 - Go (must meet all)
 - a. Credit rating of BB- or better
 - b. Management belief that customer industry is low-risk for 20 years
 - c. Two or more alternate revenue sources available

6. Category 6 - Go (must meet all)
 - a. Credit rating of BB- or better
 - b. Two or more alternate revenue sources available
 - c. Investment in plant in excess of \$20 million in last five years
7. Category 7 - Go (must meet all)
 - a. Plant value in excess of \$500 million
 - b. One or more alternate revenue sources available
 - c. Project serves less than 50% of plant load
 - d. More than 20 years in business
8. Category 8 - Go (must meet all)
 - a. Plant value in excess of \$150 million
 - b. Two or more alternate revenue sources available
 - c. Project serves less than 50% of plant load
 - d. More than 20 years in business
 - e. Management belief that customer industry is low-risk for 20 years
9. Category 9 - Go (must meet all)
 - a. Plant value of \$50 million or more
 - b. Corporate parent with \$250 million+ in assets
 - c. Two or more alternate revenue sources available
 - d. Project serves less than 50% of plant load
 - e. Investment in plant in last five years in excess of \$20 million
 - f. Management belief that customer industry is low-risk for 20 years

PLANT CLOSURE CLAUSE

1. Category 1 (must meet all)
 - a. Two or more alternate revenue sources available
2. Category 2 (must meet all)
 - a. One or more alternate revenue sources available
 - b. At least one of the alternate sources is an existing customer with known sufficient electrical demand to absorb full project generation
3. Category 3 (must meet all)
 - a. BBB- or better credit rating
 - b. Known Long Horizon Facility (one of the following)
 - i. Raw material processing facility or mine with 50+ years of reserves
 - ii. Critical operating facility for a pipeline (pump station, refinery)
 - iii. Critical infrastructure facility as certified by DHS

20+ years of operating history or brand-new facility (last two years)

Project Underwriting Policy Details

AUGUST 2018

One Energy is building the next iteration of a utility. We plan to secure a significant market position in the C&I electricity market. Our standard sales contract has a 20-year term, which raises questions around offtaker long-term credit risk. One Energy has promulgated the following project underwriting policy.

The Goal

The underwriting policy goals are to ensure (i) primary revenue source offtaker counterparties are financially viable long-term customers and (ii) a project benefits from an alternative revenue source in the event its primary source is disrupted.

Market Realities

There are important market realities affecting One Energy's market:

1. The majority of US companies are not rated (see Appendix A, chart 2, rating distributions)
2. Of the rated companies in the US, the majority are not investment grade
3. Even companies just below investment grade (i.e., S&P, BB, or equivalent) have very low default rates (See Appendix A, Tables 3 and 4)
4. No rating agencies attempt to give a 20-year credit view
5. Over a 20-year period, a disruptive technology can eliminate or substantially alter an entire industry
6. There are companies that did not exist 20 years ago that have investment-grade ratings today
7. The significant majority of power is used by companies that do not have an investment-grade credit rating

PPA Protections

Our PPA is the first line of defense to protect our primary revenue stream. It is a 20-year take-or-pay contract that contains a number of key provisions designed to protect our revenue stream. (See Appendix B for example clauses.)

Forward Contract Protection

All our PPAs are Forward Contracts and as such are provided special protection in the event of customer bankruptcy.

Strong Assignment Provisions

Unconditional assignment of the project by the customer is only permitted in limited circumstances that are beneficial to our risk profile.

All other assignments are conditional and provide us with increased protection.

Facility Attachment

Our projects “attach” to the customer’s facility and the customer’s obligations are transferred with the facility upon its sale or change in control.

Plant Closure Clause

In certain cases, we agree to a special clause allowing for a specified plant shutdown event as a full termination of buyer obligations. The customer must continue to pay for production, whether used or not, for a 90-day period, thereby allowing One Energy time to implement alternative sales options.

This clause is narrowly drafted to allow only for total plant shutdowns (plant closes, is not sold or transferred, plant does not operate or produce any product, company remains intact). Total plant shutdowns are relatively rare occurrences. Most plants are sold to recapture value and continue to operate with our new owners. That said, the lack of a closure clause is a deal-breaking condition for some customers. Typically, this is because the plants have a requirement at the corporate level or through a debt covenant that requires a protection provided by this clause. We only allow this clause to exist in low-risk scenarios where the plant competitive position is strong and only when we know we have strong backup

options for alternate revenue streams. We feel the use of this clause substantially expands our market and that adherence to our underwriting policy substantially reduces exposure to plant-closure risk.

Buyout and Termination for Convenience

Other than the aforementioned plant closure clause, our PPAs include both buyout and termination-for-convenience clauses. These clauses are drafted with buyout prices that are calculated to be financially advantageous to One Energy if they are executed by the customer.

Understanding Default Scenarios

Portfolio Quality Goals

One Energy's goal is to limit its project primary source revenue interruption to less than 5% of revenues on a portfolio basis.

One Energy selects projects based on the existence of multiple alternative revenue sources in the event its primary source is interrupted.

Alternative revenue sources include nearby loads as well as the ability to sell power under Qualifying Facility status to the wholesale market.

Multiple layers of protection in the form of alternates ensure projects will never be without revenue streams.

Alternate Revenue Streams

The majority of our projects sell electricity to customers that are located near other large electric loads that can serve as potential alternative customers.

If a customer's production facility ceases to exist (i.e., it is not sold or transferred whereupon the PPA also transfers to a new facility owner), then it is our intention to sell our project's electricity production to a neighboring business. Our preference is to own the land associated with our projects, although in some cases we may lease land co-terminus with the PPA term from the offtaker. In either case, our land control combined with ownership of the protection

system (i.e., the switching station) provides substantial legal, commercial, and physical flexibility in securing an alternate customer. For example, we can run a new collection line to a new customer adjacent to our location and provide a new tie-in (typically \$100k or less for all necessary work). Given natural escalation on electricity pricing, we would expect to secure equivalent or better rates under an alternate PPA.

Merchant Options

All our projects enjoy the ability provided by their QF status to sell energy to the grid at avoided cost rates. A typical project for us in 2018 has a PPA rate of 5.5 cents/kWh. The local LMP is typically around 3.9 cents. The typical avoided cost is just above LMP. That means in a day-one failure scenario, we have a 100% fall back at more than 70% of primary stream value. Assuming a 4.1-cent avoided cost rate day one and a 2.7% grid annual inflation rate by year 12, natural spot pricing escalation would cause One Energy to actually prefer merchant sales to remaining under the initial 5.5-cent fixed-rate PPA.

Appendix B Key PPA Language

PPA Section 6.4 – Buyout Options

Receiver shall have the option, in its sole discretion, to purchase //PROJECTCO, inclusive of all its assets on, and only on, the milestone dates set forth in Exhibit G (each a “Milestone Date”). All Milestone Dates are measured from the Project Operational Date. The “Purchase Price” for each Milestone Date shall be as defined in Exhibit G and in no event shall the Purchase Price be less than the Fair Market Value as of the Milestone Date, which shall be determined in accordance with Exhibit G.

If, at the time Receiver elects to execute its buyout option, the entity //PROJECTCO has any debt, then the Purchase Price, as defined above, shall include the payoff of all debt by Provider at Provider’s cost (cash-free, debt-free). //PROJECTCO’s long term service contracts and other non-debt related obligations shall remain intact at the time of sale of the entity.

In order to exercise its buyout option, Receiver shall provide written notice to Provider no less than six (6) months prior to the Milestone Date. The Date of Sale shall be the first day following the Milestone Date.

If the Receiver elects to execute its buyout option, then the Provider shall, by mutually agreed-upon form, grant the Receiver the necessary easements and leases for the continued operation of the Generating Facility throughout the Term of this Agreement and terminate any and all existing utility and ingress/egress easements related to this Agreement by and between Receiver and Provider.

PPA Section 6.5 – Termination for Convenience

At any time, Receiver may terminate this Agreement for convenience. In the event of a termination for convenience, Receiver shall pay Provider according to the following:

- A. Prior to five years after Project Operational Date: \$XXXXXX
- B. More than five years after Project Operational Date: the corresponding Purchase Price for the closest Milestone Date proceeding the buyout.

Plant Closure Clause as included in Section 6.5 in limited cases

Notwithstanding the foregoing, if Receiver, in good faith and for legitimate business reasons, in Receiver’s sole discretion, elects to cease operation and/or production at the Industrial Facility (hereinafter referred to as a “Shutdown Event”), then Receiver may, with ninety (90) days prior written notice,

terminate this Agreement for convenience without cost or penalty to Receiver. In the event the Shutdown Event lasts less than one (1) year after such suspension, Receiver agrees to fully resume its obligations under this Agreement, and this Agreement shall be fully reinstated in force and effect from the date of the cessation of such Shutdown Event. In the event the Shutdown Event continues longer than one (1) year after such suspension, then this Agreement shall be deemed to be terminated and of no further force or effect without cost or penalty to Receiver.

PPA Section 14.9 – Forward Contract

The Parties acknowledge and agree that the Agreement and the transactions consummated thereunder constitute a “Forward Contract” within the meaning of the United States Bankruptcy Code and that each of Provider and Receiver is a “Forward Contract Merchant” within the meaning of the United States Bankruptcy Code.

APPENDIX C

Subjective Factors and Plant Value

Industry Subjective Factors

For categorization with respect to Go/No-Go and plant closure clause acceptance purposes, management will consider a range of subjective factors to assess industry risk. One Energy feels a low-risk industry is one that has:

1. Long-term industry existence – i.e., in excess of 30 years
2. Low levels of disruptive forces:
 - a. Low substitute threats
 - b. Low levels of regulatory jeopardy
 - c. Minimal raw materials constraints
 - d. Minimal market constraints
 - e. No substantial or permanent excess capacity threats

Plant Value

Plant value shall be determined on the basis of GAAP statements, appraisals, insurance valuations, or other reputable information sources.

PAST WHALES

Any good whale hunter studies the past to learn what has worked for hunters before them.

Whale: Cooper Farms Wind VW

Whale #: W012

Signed: April 6, 2011

First Approached: May 2010

Location: Van Wert, Ohio

Megawatts: 3.0

NOTES

PPA



EPC

GOOD PROJECT



TYPICAL PROJECT



GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

Not in current operating territory

Who approved the project:

CEO/COO (both owners)

Whale: Haviland Wind

Whale #: W014

Signed: November 11, 2011

First Approached: May 2011

Location: Haviland, Ohio

Megawatts: 4.5

NOTES

PPA

✓ EPC

✓ GOOD PROJECT

TYPICAL PROJECT

GOOD CUSTOMER

✓ TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

Not in current operating territory

Who approved the project:

President/CEO (both owners)

Whale: Cooper Farms Wind VW – 2
Whale #: W015

Signed: June 19, 2012

First Approached: March 2012

Location: Van Wert, Ohio

Megawatts: 1.5

NOTES

PPA



EPC

GOOD PROJECT



TYPICAL PROJECT



GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

FAA presumed hazard

Who approved the project:

CEO/COO (both owners)

Whale: Harpster Wind Project

Whale #: W017

Signed: December 19, 2014

First Approached: February 2012

Location: Harpster, Ohio

Megawatts: 1.5 MW

NOTES

✓ PPA

EPC

GOOD PROJECT

✓ TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

Not in an existing operating territory

Who approved the project:

SVP and CFO

Whale: Zephyr Wind Project (Ball)

Whale #: W019

Signed: January 22, 2015

First Approached: June 2014

Location: Findlay, OH

Megawatts: 4.5 MW

NOTES

✓ PPA

EPC

✓ GOOD PROJECT

TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

None

Who approved the project:

CFO

Whale: Whirlpool Findlay

Whale #: W020

Signed: December 16, 2014

First Approached: July 2014

Location: Findlay, OH

Megawatts: 3.0 MW

NOTES

✓ PPA

EPC

✓ GOOD PROJECT

TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

None

Who approved the project:

CFO/VP International Supply Chain

Whale: Whirlpool Marion

Whale #: W023

Signed: May 13, 2016

First Approached:

Location: Marion, OH

Megawatts: 4.5 MW

NOTES

✓ PPA

EPC

GOOD PROJECT

✓ TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

Not in operating territory

Wildlife issues

Who approved the project:

CFO/VP International Supply Chain

Whale: Whirlpool Ottawa

Whale #: W024

Signed: May 13, 2016

First Approached:

Location: Ottawa, OH

Megawatts: 1.5 MW

NOTES

✓ PPA

EPC

GOOD PROJECT

✓ TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

Co-op

Land not contiguous

FAA presumed hazard

Who approved the project:

CFO/VP International Supply Chain

Whale: Valfilm Findlay

Whale #: W025

Signed: March 10, 2017

First Approached: March 2015

Location: Findlay, OH

Megawatts: 3.0 MW

NOTES

✓ PPA

EPC

GOOD PROJECT

✓ TYPICAL PROJECT

GOOD CUSTOMER

✓ TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

Nearby homes

FAA presumed hazard

Who approved the project:



President

Whale: Whirlpool Greenville

Whale #: W026

Signed: July 26, 2017

First Approached: June 2016

Location: Greenville, OH

Megawatts: 4.5 MW

NOTES

✓ PPA

EPC

GOOD PROJECT

✓ TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

Not in current operating territory

Nearby homes

Existing or known anti-wind presence

Who approved the project:

CFO/VP International Supply Chain

Whale: Autoliv – Nissin Findlay

Whale #: W027

Signed: March 5, 2018

First Approached: July 2015

Location: Findlay, OH

Megawatts: 3.0 MW

NOTES

✓ PPA

EPC

GOOD PROJECT

✓ TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

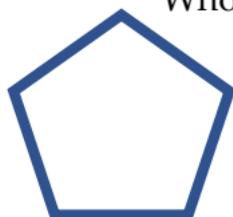
YELLOW FLAGS:

FAA presumed hazard

Nearby homes

Strict wind ordinance

Who approved the project:



General Manager

Whale: Lafarge Paulding

Whale #: W028

Signed: July 13, 2018

First Approached: April 2016

Location: Paulding, OH

Megawatts: 4.5 MW

NOTES

✓ PPA

EPC

✓ GOOD PROJECT

TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

None

Who approved the project:

US CEO

Whale: Zephyr Wind 2.0 (Ball)

Whale #: W030

Signed: July 16, 2018

First Approached: February 2018

Location: Findlay, OH

Megawatts: 4.5 MW

NOTES

✓ PPA

EPC

✓ GOOD PROJECT

TYPICAL PROJECT

✓ GOOD CUSTOMER

TYPICAL CUSTOMER

RED FLAGS:

None

YELLOW FLAGS:

None

Who approved the project:

CFO

