

FINAL SCIENTIFIC / TECHNICAL REPORT

Morris County Improvement Authority
Morris County, New Jersey (“*County*”) Renewable Energy Initiative (“*Program*”)
Through the Morris County Improvement Authority
Grant No. DE-EE0003171

Project Title: Morris County Improvement Authority, Morris County, New Jersey Renewable Energy Initiative
Covering Period: Sept. 23, 2011 to September 30, 2012
Date of Report: May 1, 2013
Recipient: Morris County Improvement Authority
Award Number: DE-EE0003171.000
Working Partners: N/A
Cost-Sharing Partners:

Contacts: Stephen Pearlman John Bonanni
Phone: 973-947-7133 Phone: 973-285-6047
Fax: 973-887-2700 Fax: 973-285-6464
Email: spearlman@iandplaw.com

DOE Project Team: DOE Field Contracting Officer - Michael Buck
DOE Field Project Officer - Joe Lucas

The Morris County Improvement Authority (“*Authority*”), a public body corporate and politic of the State of New Jersey and created and controlled by the County, at the direction of the County and through the Program guaranteed by the County, financed 3.2 MW of solar projects (“*Solar Projects*”) at fifteen (15) sites for seven (7) local government units (“*Local Units*”) in and including the County.

The Program uses a Power Purchase Agreement (“*PPA*”) structure, where the Solar Developer constructs, operates and maintains all of the Solar Projects, for the benefit of the Local Units and the Authority, for the maximum State law allowable PPA period of fifteen (15) years. Although all fifteen (15) sites were funded by the Authority, only the Mennen Arena site was considered for the purposes of the required local match funding for this grant. Specifically at the Mennen Arena site, the Authority financed 1.6 MW of solar panels.

On October 18, 2013, the DOE Grant was drawn down following completion of the necessary application documents and final execution of an agreement memorializing the contemplated transaction by the Local Units, the County, The Authority and the solar developer.

The proceeds of the DOE Grant were then applied to reduce the PPA price to all Local Units across the program and increase the savings from approximately 1/3 to almost half off the existing and forecasted utility pricing over the fifteen (15) year term, without adversely affecting all of the other benefits. With the application of the rate buy down, the price of electricity purchased under the PPA dropped from 10.9 to 7.7 cents/kWh. This made acquisition of renewable energy much more affordable for the Local Units, and it enhanced the success of the program, which will encourage other counties and local units to develop similar programs.