

**Finance Subcommittee Meeting
Wednesday, November 16, 2011 5:30 PM
Central Services**

I. October Statement of Accounts

II. Update on Solar Energy Projects

Attachments:

Letter of Intent for Solar Energy Project

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III. Update on Electrical Generation Bid Contract

IV. Bus Contract Discussion

V. Update on High School Roof Leaks

VI. Energy Savings Contest Proposal Review

VII. Other



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POWER PURCHASE AGREEMENT LETTER OF INTENT

THIS LETTER OF INTENT, dated November 7, 2011, is by and between Granby Public Schools (the “Customer”) and ROSS SOLAR GROUP. For purposes of this agreement, “RSG” means ROSS SOLAR GROUP or its designee.

The purpose of this Letter of Intent is to set forth the mutual understanding of the principal terms and conditions whereby RSG would construct a solar project at Customer’s facility as detailed in the Preliminary Proposal attached. The specific solar project (the “Project”) would be constructed and owned by RSG and / or RSG’s Partner. The Customer would enter into a Power Purchase Agreement with terms of 15 years (the “PPA Agreement”) with the Customer to purchase the energy output from the Project.

1. The terms of the Power Purchase Agreement would provide the following:
 - a. The entire energy output of the Project shall be sold and delivered to the Customer on an exclusive basis.
 - b. RSG will be responsible for operations and maintenance of the Project, at its own expense, and comply with all applicable federal, state and local utility rules and regulations and county and municipal building permits applicable to the Project.
 - c. The Power Purchase Agreement would have a 15 year term commencing on the Project’s placed in service date.
 - d. The Customer would pay RSG 3.5 cents below grid prices (13.5 cents per kWh) for the electricity generated by the solar electric system. After the first year, the utility rate of 13.5 cents per kWh will be adjusted with an annual 2.5% annual escalator for the durations of the PPA agreements. RSG will issue a price protection to ensure the cost to the Customer for the clean renewable energy shall never exceed utility grid prices. Such terms will be set in the Power Purchase Agreement based upon the final design and financing parameters.
 - e. The Customer/ Host agree to “assign” the Solar Renewable Energy Certificates (SREC/ZRECs) earned by the meter to the Project owner and remain with the owner of the project if/when title is transferred at a later date.
 - f. Any applicable state or utility company grants, rebates or subsidies will be paid to RSG and / or RSG’s Banking Partner, as owner of the project. The Customer will cooperate in the application process to obtain any such grants.
 - g. Host Customer and RSG or its assigns will enter into a Lease for the rooftop or land space at \$1 per year and such document will cover RSG and project owner’s access in order to maintain the said system.
 - h. Because a re-roofing projected is expected within 15 years at Granby Memorial High School, a partial or full removal of the Solar PV system may be necessary. To ensure funding for this project, Ross Solar Group will retain an additional \$.01 per kwh generated by the Solar System and reserve it 100% to offset the future re-deployment cost.

2. During the term of this Letter of Intent, the Customer will give RSG access to its grounds and facilities as reasonably requested by RSG to facilitate engineering analysis. During the term of this Letter of Intent, RSG and the Customer will cooperate to develop a construction plan to minimize disruption to Customer operations for inclusion in the Power Purchase Agreement. Customer will also provide RSG three years of historical financial information as part of its due diligence process. Customer will provide RSG with the most recent 12 months worth of electric bills.

3. Upon acceptance of this Letter of Intent by Customer and for 120 days thereafter, the Customer agrees not to solicit or negotiate, or permit its agents or employees to solicit or negotiate, or furnish information to any other solar power entity, concerning the construction and development of a solar panel project for the Customer. The Customer understands that, after execution of this Letter of Intent, RSG will conduct significant engineering analysis, due diligence and prepare for the start of the Project at its own expense, and such a period is intended to allow RSG to commence such activity while the parties finalize a definitive Power Purchase Agreement.

4. The parties' entry into a definitive Power Purchase Agreement and Lease will be subject to finalizing such agreement satisfactory to each such party in its sole discretion, and will be subject, among other things, to engineering analysis, obtaining of permits, satisfactory likelihood of state grants, other applicable due diligence, and obtaining financing by RSG.

5. The parties will work as quickly as possible to negotiate and enter into a definitive Power Purchase Agreement and satisfy the other conditions set forth above.

6. Except for Section 3 which will be binding on the parties under the laws of the State of Connecticut, this Letter of Intent constitutes an expression of the parties' interest and is not to be interpreted as a binding legal agreement.

7. Upon signature of this Letter of Intent _____ agrees to show good faith by providing Ross Solar a \$5,000 deposit, refundable at the signing of the Power Purchase Agreement {the Contract}.

Please acknowledge your acceptance of this Letter of Intent by signing below in the space provided.

Very truly yours,
ROSS SOLAR GROUP

By: _____
Josh Ross, Partner

Accepted on _____(date):

On behalf of _____ (Customer)

By: _____

Title: _____