



# KIIT Renewable Energy

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*Bringing Earth-Friendly Energy to You*

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## Capability Statement

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## KIIT Renewable Energy Brings Solar Energy to Your Business

As the topic of climate change becomes more critical, we all feel the need to use electricity in a responsible manner. The continued use of fossil fuels to power our economy may increase the temperature of the planet in ways that will harm us, our entire ecosystem, and our future generations to come. Transforming your business to solar electricity is one way you can contribute to the solution.

### Solar is your Solution

Not only is solar electricity good for the earth, it is good for your business! Beyond the ecological benefits, the advantages of solar electricity are many and include:

- Lower energy costs,
- Controlled and predictable energy expenditures,
- Increased property value, and
- Social approval and support.



### KIIT Renewable Energy is your Answer

The high cost of solar equipment and installation makes the transition to solar electricity out of reach for many businesses. The return on investment calculations for solar are just not enough to justify the initial capital expense. However, by putting energy tax credits to work, KIIT Renewable Energy (KRE) can fund 90% of your project and put solar energy easily within your reach.

KRE brings its own sources of Investment Tax Credit (ITC) and financing, so the solar electric development project costs you little or no capital investment. Your business benefits immediately from reduced and controllable electric costs and increased land value. And, at the end of the project period, you become the full owner of the system.

*Solar energy for little or no capital investment. A win-win for you and the planet!*



## The Benefits of Solar

Solar power generation has emerged as one of the most rapidly growing renewable sources of electricity. Solar energy now accounts for about 1 percent of all electricity in America – an impressive number that demonstrates the stability and viability of solar energy, the growth of the market, and also the potential for continued future growth. Solar energy is predicted to continue double-digit, year-on-year growth at least through 2020. Solar power generation has several advantages over other forms of electricity generation:

### Reduced Dependence on Fossil Fuels.

Solar energy production does not require fossil fuels and is therefore less dependent on this limited, expensive, and risky natural resource.



### Environmental Advantages.

Solar power production generates electricity with a limited impact on the environment as compared to other forms of electricity production.

### Matching Peak Time Output with Peak Time Demand.

Maximum output from solar electric systems match times when electricity demand peaks for your business - during daylight hours.

### Modularity and Scalability.

As the size and generating capacity of a solar system are a function of the number of solar modules installed, applications of solar technology are readily scalable and versatile.

### Flexible Locations.

Solar power production facilities can be installed on rooftops or open areas, which reduces investment in infrastructure.



## How KRE Works for You

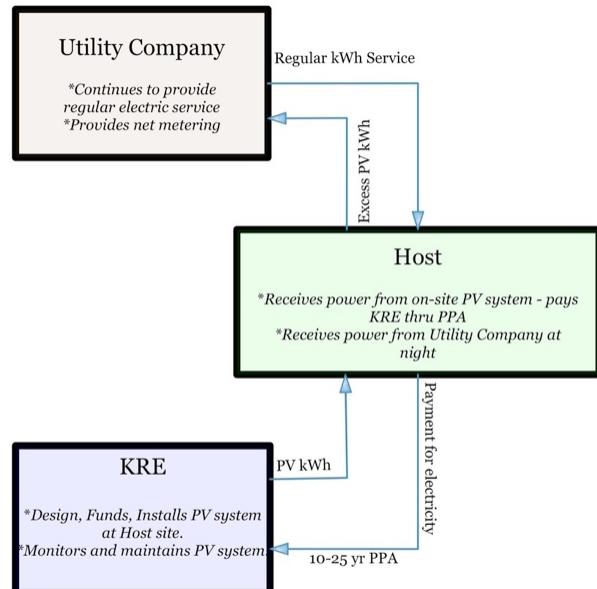
KRE will develop a solar system for your business, on your property, with no investment requirement from you. KRE will sell the electricity you use back to you through a Power Purchase Agreement (PPA) at a set fee that is lower than your current monthly electric bill. The local utility company continues to provide service on a “net-metering” basis, giving you a continued back-up power source.

## How We Do It – the Investment Tax Credit

On December 18, 2015, Congress passed the Omnibus Spending and Tax Bill that included an extension of the ITC until the end of 2020. The ITC is a tax credit for investment into qualified renewable energy up to 30% of the total cost of the project. KRE has access to a significant amount of tax liability to invest in your project. We bring favorable bank financing to pay for the remaining investment of the solar development. We make our return on investment by selling you electricity at a net-savings to your business.

## Power Purchase Agreements

A solar PPA is a financial agreement where you, the customer, buy electricity directly from KRE. In the PPA, KRE funds the design, permitting, financing, and installation of a solar energy system on your property. KRE then sells the power generated to you at a rate that is typically lower than your current bill. KRE receives the income from this sale of electricity.





## KRE Provides Service and Maintenance for the Life of the Project

KRE remains responsible for the operation and maintenance of the system for the entire duration of the agreement, keeping the system running at optimal efficiency. At the end of the PPA contract term, you may have KRE remove the system or may choose to buy the solar energy system from KRE at a greatly discounted price.



## The KRE Solar Project Development Process

KRE handles all aspects of developing a solar project on your property including engineering, permitting, design, and installation. We do not sell solar equipment, so KRE will engineer a solution that matches the best technology in the industry to your unique needs. The whole process takes 100-160 days to complete.

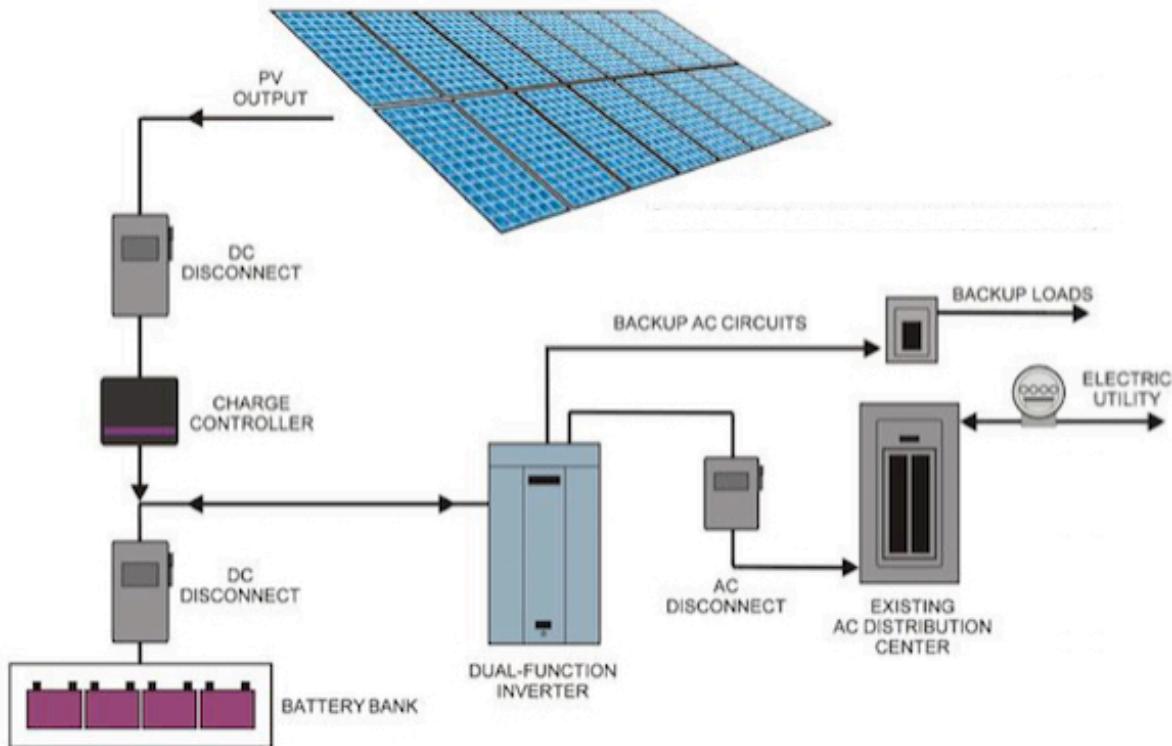
KRE begins the engineering process by determining the size and type of system that would best suit the needs of your business. This initial design will help predict the overall cost of the system and may or may not include off-grid battery capability.

The cost of the system is the main factor in negotiating the PPA and the future cost to you of electricity. Other factors in negotiating a PPA with you include property access, improvement of existing infrastructure required, planned price escalations, payment terms, deposits, and a property succession agreement.

Once the PPA is signed, KRE begins the design, permitting, and regulatory process. Permits include the Interconnection Service Agreement (ISA - to establish net-metering with the local utility company), building permits, electric permits, etc.



#### TYPICAL PV GRID-TIE SYSTEM WITH BATTERY BACKUP



Equipment order and site construction begins as soon as possible after the permitting process. The timeframe for solar development projects varies according to the size and complexity of the project. However, they generally run between 100 and 160 days.

KRE is currently developing three solar projects for customers in New Mexico, Los Angeles, and Massachusetts. Our system and our approach has been validated and is a successful.



## Why a Solar Project with KRE is Right for your Business

A KRE solar development project brings many advantages to your business. Besides the public support you will receive for making your business earth-friendly, there are several benefits to developing a solar project with KRE:

### No upfront capital costs.

KRE handles the upfront costs of designing, procuring, and installing the solar system. Without any upfront investment, you are able to adopt solar and begin saving money as soon as the system becomes operational.

### Reduced energy costs.

Solar PPAs provide a fixed, predictable cost of electricity for the duration of the agreement. Under the PPA the price you pay rises at a predetermined rate, typically between 2% - 5% per year, lower than projected utility price increases. Solar is a value proposition as a hedge against continually rising electricity prices and this becomes more apparent with each electricity price hike.

### Limited risk for your business.

KRE, as the system owner, is responsible for system performance, equipment maintenance, and any operating risk. Although unlikely, any equipment or system failure is handled swiftly and efficiently by the experts at KRE.

### Potential increase in your property value:

A solar electric system is a very desirable asset and has been shown to increase property values. The long-term nature of this agreement allows the PPA to be transferred with the property and does not hinder the prospect of a future sale.

### Expert and on-going customer service:

KRE provides regular inspections and preventative maintenance of equipment to ensure maximum electric out-put for you. We are there to ensure a clean and neat appearance of the solar array, making a positive business statement for you.



## Take Advantage of the ITC Now– Don’t Delay

The ITC is scheduled to end in 2020, making investments in solar far less profitable after that point. Do yourself, your business, and the environment a favor and contact KRE today to explore solar electricity. We are here to serve you and look forward to bringing you earth-friendly energy.