

**VERNON TOWNSHIP BOARD OF EDUCATION AND SOLARCITY TO BRING SOLAR ENERGY TO TWO
VERNON SCHOOLS**

SEPTEMBER 15, 2016

Vernon Township, NJ – Today the Vernon Board of Education (the “District”) held a public ceremony announcing the completion of a 856 kilowatt ground-mounted solar project designed to provide reliable electricity to both Lounsberry Hollow Middle School and Rolling Hills Primary School. This project represents a significant upgrade to the energy supply for both schools, and will deliver significant energy cost savings, along with ensuring that energy costs are stable and predictable over the long term, while also providing an educational resource for students.

In July of 2014, the District undertook a competitive contracting procurement process with the assistance of its special legal counsel Ryan J. Scerbo, Esq., of DeCotiis, FitzPatrick and Cole, LLP and an energy consultant, Mark Warner of Gabel Associates. This team, working with district staff and leadership, implemented a competitive process to ensure that the district attracted the best design and economic proposal available in the market. The District received five proposals in response to its procurement and ultimately, in November 2014, selected SolarCity as the successful respondent.

The District and SolarCity entered into a Power Purchase Agreement (“PPA”) under which SolarCity provides financing, installation, monitoring and maintenance of the solar installation over the 15-year term of the agreement. This approach allows the schools to install a solar system without any upfront capital investment, and ensures that the system is professionally maintained and operated. SolarCity provides a performance guarantee for the life of the project, and the school simply purchases solar energy for less than current utility costs, and at a specified rate for a period of 15 years.

The project is connected to both Lounsberry Hollow Middle School and Rolling Hills Primary School, and all of the electricity derived from the project will be consumed by the two schools. Both schools will be essentially 100% powered by the systems on a net annual basis based on most recent consumption history.

By using the energy on its own property, the District anticipates savings in the range of \$29,000 in the first year, and an estimated nominal savings of more than \$348,000 over the 15 year term of the PPA. The schools will have several options for continued use of the system at the end of this term, in which case the solar array could continue to deliver savings and other benefits for its full useful life, estimated to be approximately 35 years. In addition to the financial benefits, the solar array will provide the Vernon students the opportunity to study and discuss, not only how the system operates, but how it impacts their own community.