

## Appendix 2

### Alectrona Power Purchase Agreement (APPA)

#### Product Disclosure Statement

An Alectrona Power Purchase Agreement (APPA) is a long term contract to provide you with a solar energy system. This document contains important information about the terms and conditions of the APPA, the risks, obligations and protections you will be bound to under the APPA.

##### *Advantages of an APPA with Alectrona*

Our APPA allows for your business to experience the benefits of a solar energy system without any upfront capital cost, and without being responsible for any of the normal operational or commercial risks associated with ownership such as maintenance costs or system underperformance. Under the APPA you only pay for the kWh which are actually generated by the system. The kWh charge is structured to allow Alectrona to cover all costs, normal operational and commercial risks over the course of the APPA.

At your option, a battery may be included as part of the APPA. It is important for you to know that batteries are not a cost effective option for most customers. Generally, Alectrona would only recommend the installation of batteries where they were displacing diesel generated electricity, or in the case of special purpose requirements such as an uninterruptible power supply (UPS).

##### *Risks of an APPA*

This APPA is a long term agreement and your circumstances may change significantly during its term. For example:

Your consumption of electricity may fall significantly and you will not be able to consume 100% of the electricity produced by the system. Under this agreement you are required to purchase 100% of the electricity produced by the system regardless of your actual consumption;

We cannot guarantee that your Licensed Electricity Retailer (LEC) will be willing to purchase any electricity you export to the grid or what tariff you will be paid should the LEC be willing to purchase the exported electricity. Non Primary Source of Energy supplied under this APPA is a supplementary source of electricity and is not an alternative or substitute for a primary supply contract with your Licensed Electricity Retailer. As such, you will need to maintain a primary supply contract with a Licensed Electricity Retailer.

##### *Retail License Exemption*

Alectrona is a non primary electricity provider and has been granted a retail license exemption under the Electricity Industry Act (2004) and as a result is not bound by the same obligations as a Licensed Electricity Retailer or the Electricity Ombudsman Scheme. This exemption does not affect any of the consumer protections available to you under state or federal consumer laws.

##### *APPA Rate, Term and Estimated Costs*

This APPA is a long term agreement, running for **???** years from the first full day of system operation. You will be charged a rate of **???** per kWh supplied by the system during the first year, and escalated in line with the inflation rate (consumer price index – CPI).

The system that we will install at your premises is a **???** kW system and is designed to supply approximately **???** kWh per day. We will supply you with a graph which details the estimated output of your system by month which will give you a reasonable indication of the seasonal variation in system performance.



