



Mr. Edgar Cisneros, City Administrator
CITY OF COMMERCE
2535 Commerce Way
Commerce, CA 90040

December 27, 2017

**SUBJECT: SINGLE/SOLE SOURCE JUSTIFICATION STATEMENT –
JATON LLC RE THE SCE COMMUNITY RENEWABLES PROGRAM**

Dear Mr. Cisneros:

JATON LLC is pleased to offer its proposal to the City of Commerce (City) to participate in Southern California Edison's (SCE) Community Renewables Program.

This letter is in response to questions raised by City staff requesting clarification on the SCE Community Renewables Program.

The SCE Community Renewables Program is a new program (initial launch September 2016) being offered by SCE allowing customers to invest in the development of solar energy generation facilities to reduce their electrical costs, and help clean up the environment by reducing greenhouse gas emissions. This is a unique program being offered only to SCE customers, with a very limited window for participation (only 269-MW allocated to be distributed by March 2019).

The CR Program is designed to allow customers to enter into Customer Developer Agreements (CDA) directly with approved solar developers, while still retaining SCE as its electrical service provider. In this way, customers enrolled in the program are never at risk of losing electrical service even if the solar developer were to default and/or fail to deliver electricity to the grid. The only differences that a customer will see are: (1) an additional bill from JATON for its solar electricity generation cost, (2) a "bill credit" from SCE that approximately offsets the normal SCE generation charge, and (3) a reduced electrical cost that over time could be significant.

JATON has been working for the past 2-years with SCE to qualify JATON's projects for inclusion into the Community Renewables Program. ***JATON is proud to say that at this time, it is the only firm to have its Phase 1 and 2 Marketing Materials approved by both SCE and Green-e Energy (SCE's 3rd party renewable energy auditor), and also to have obtained the requisite Letters Of Interest (LOI) necessary to be approved to enroll customers into the Program.***

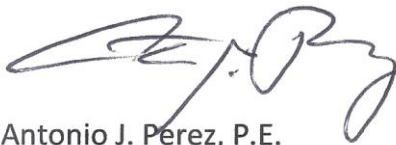
The final requirement remaining in order to execute binding Customer Developer Agreements is the signing of a 20-year Power Purchase Agreement (PPA) with SCE. JATON will be submitting at least 3MW worth of solar projects for inclusion into the CR Program in December 2017, and anticipates signing a 20-year Power Purchase Agreement (PPA) with SCE in March 2018.

In conclusion, JATON LLC is proposing to enter into a binding Customer Developer Agreement with the City, that will be contingent on:

- Execution of a 20-year Power Purchase Agreement (PPA) between JATON LLC and SCE.
- Completion of construction and commissioning of JATON's Solar Facilities allowing transmission of JATON solar power into the California Electrical Grid. Deliveries of solar energy from JATON's facilities is expected to commence in December 2018.

Please contact me at 818-667-9078 or tony@jaton-llc.com should you have further questions.

Very kind regards,

A handwritten signature in black ink, appearing to read 'Antonio J. Perez'.

Antonio J. Perez, P.E.
Director of Energy Generation & Founding Partner
JATON LLC

Cc: Jake Brown, CEO, JATON LLC