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Contact: Andrew Neilly
925-930-9848
andrew@gallen.com

**Rooftop Solar Can Help REITs Cut Buildings'
Carbon Emissions in Half and Tap New Revenue Stream**

LAS VEGAS – November 14, 2007 – Institutional owners of U.S. commercial real estate, including publicly owned real estate investment trusts (REITs), currently control enough rooftop real estate in the U.S. to generate 15,000 megawatts of solar power -- and cut the carbon emissions of those properties by as much as 50%, according to Recurrent Energy, a San Francisco-based solar services provider.

According to the EPA, electricity usage is the single largest source of carbon emissions for commercial buildings. Considering only those rooftops controlled by institutional investors where solar can be cost effective, 15,000 megawatts of new solar electric generation would mean annual avoided emissions of about 30 billion pounds of carbon dioxide. That's roughly equal to the environmental benefits of taking 3 million cars off the road.

Currently, there is approximately 8.5 billion square feet of investor-owned large (> 35,000 s.f.) commercial rooftops nationwide, according to data analyzed by Recurrent Energy. Of this figure, about 5.5 billion square feet is considered suitable for photovoltaic installations because the roofs are flat and free of shading. Roughly two billion square feet of this space is located in states that currently have – or will have in place by 2010 – favorable incentives for solar electric generation. These rooftops could accommodate up to 15,000 megawatts (MW) of solar electric generation, compared to a total of less than 750 MW currently installed throughout the U.S. in both off-grid and grid-connected installations.

“Organizations that own a substantial portfolio of commercial buildings have a critical role to play in reducing U.S. greenhouse gas emissions,” said Craig Cornelius, Program Manager for the U.S.



Department of Energy's Solar Energy Technologies Program. "Rooftop solar energy is an ideal building enhancement, providing on-site pollution-free electricity."

"By tapping the solar potential of empty rooftops, owners of large commercial real estate portfolios, such as REITs, have a unique opportunity to quickly and effectively reduce their greenhouse gas emissions," said Arno Harris, CEO of Recurrent Energy.

According to Harris, the challenge in "solarizing" institutional real estate rooftops in the past has been in coming up with a model that provides compelling incentives to both the landlord and the tenant. "Many of these buildings are covered by triple net leases – which unfortunately don't provide an incentive for either landlord or tenant when it comes to 'greening' a building by installing solar," says Harris. "By developing a power purchase agreement structure which provides solar benefits for both tenants and landlords, we've effectively solved the triple net lease barrier and made it viable for landlords to finally open up their rooftops to solar across their entire portfolios."

Recurrent Energy leases rooftop space on which it builds, owns, and operates solar installations. The firm also maintains the systems so that there is no operating risk or costs to the landlord. Recurrent Energy then sells solar-generated electricity to the tenants via a power purchase agreement – typically at or below current utility rates. Tenants receive the benefit of clean energy at competitive pricing. Landlords receive a new income stream from the rooftop lease, a free and quick way to 'green' their existing property, and the added value a solar installation provides upon sale of the building. Installation of solar energy can help buildings qualify for certification under the U.S. Green Building Council's LEED certification as well as the ENERGY STAR program administered by the EPA and U.S. Department of Energy.

"It's a winning proposition for everyone involved," Harris says, adding "there's a window of opportunity for REITs and institutional owners of large real estate portfolios to embrace solar while federal and state incentives make it economically attractive."

Additional information is available at www.recurrentenergy.com

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