MEMO Sunshine

October 14, 2015

John Bonanni, Chairman
MCIA

Dear Mr. Bonanni,

Please see attached report and spreadsheets. It is MEMO Sunshine Renewable's understanding that the MCIA will be using this for its own purposes, including distribution to the general public.

Regards,

Mitchell Nadel
CFO

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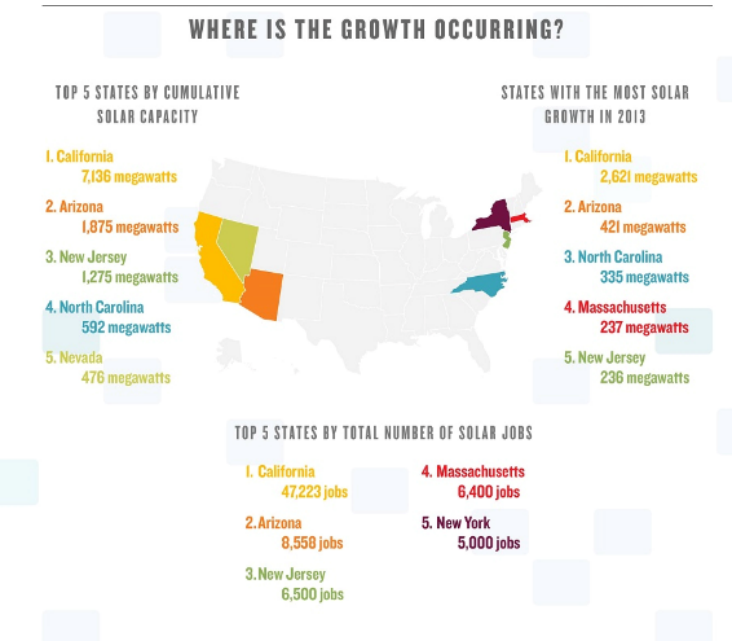
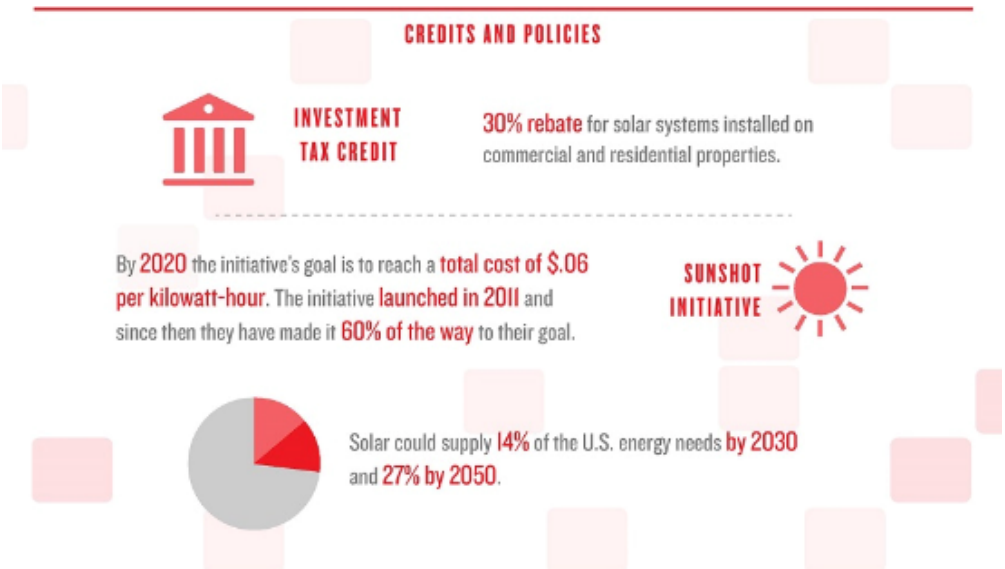
Our core businesses involve three integrated companies; MEMO-Cogen, Inc., Energy Portfolio Associates, and MEMO Sunshine Renewables. The latter two enterprises fall under the umbrella of MEMO-Cogen, Inc. MEMO-Cogen was established in 1987 with the goal of achieving energy conservation and management with particular interest in developing cogeneration projects. Energy Portfolio Associates was founded in 2006 when deregulation expanded beyond the New York State market. Our core business includes reselling energy, energy saving installations, and solar project development. Our company owns and manages several solar projects throughout the State of New Jersey. MEMO Sunshine Renewables is the SREC trading arm whereby we manage our own SRECs and those of newly developed projects. It is with this experience that we are able to put together this analysis. Please note this is an analysis based on research and the management of our own systems. We take no responsibility for the outcome of your choices.

The solar industry continues to grow at an unbelievable pace. According to cleantechnica.com the, "The solar industry is among the fastest-growing power sectors in the country." Worldwide the industry expanded 100% and added 2.3 million jobs in 2013. As evidenced below (from cleantechnica.com)

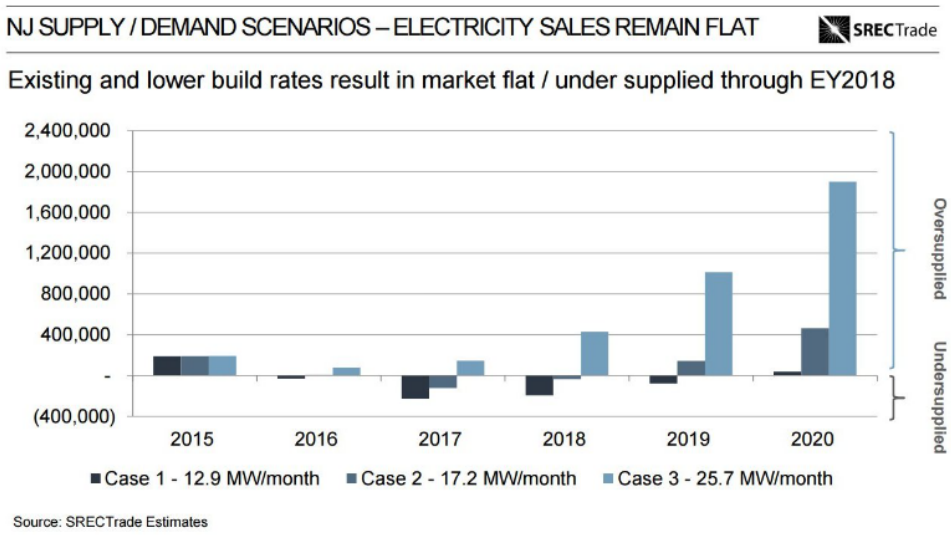


New Jersey continues to be the top three performing states for solar capacity, growth and jobs.

New Jersey and the Federal Government have policies that make solar a necessity and will continue to make the SRECs a great value to 2029. According to cleantechnica.com; the United States by 2020 should reach a total cost of $0.06 per kilowatt-hour. This initiative launched in 2011 has made it half way to that goal. Therefore, we have a long way to go, solar is here to stay.



New Jersey will further support solar through RPS requirements. According to SRECTrade.com, "In July 2012 the state passed new legislation to increase the RPS requirements beginning in 2014 energy year to account for the substantial amount of solar capacity installed in the state." This is important because as solar grows the government is raising their renewable portfolio standards. SRECTrade.com states, "The supply outlook relative to demand for reporting year 2016, appears to point to a flat market meaning that there will likely be enough supply available from previous energy years and from SRECs issues throughout reporting year 2016…..as shown below, the under and oversupply estimated is close to zero meaning SREC supply will balance with the state's RPS demand."



The scenarios for SREC values to remain stable are present and therefore suggest the continued investment in NJ solar is strong and will be consistent for years to come.

However with the upcoming Federal Tax Credit either disappearing or decreasing to 10% we will see a slow-down in system construction. As mentioned before, New Jersey continues to increase their RPS requirements therefore SRECs will remain a viable investment, maintaining their values.

The analysis consisted of taking the 5 year average starting from 2012 and on, as you can see from the tab labeled SREC Analysis. Each 5 year period was averaged until the target year 2028-2029. The systems we manage and our experience of selling 1500+ SRECs create the belief that SRECs will remain at a constant value despite assumed changes in system build out. We were more conservative in our projections as detailed in the tab labeled SREC Predictions.

MEMO Sunshine

SREC Trading Analysis - Pricing

EY2012 SACP=$658			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Nov	2012	886,593	2,257	78,574	$658	$52	1,108,765	$287.71
Oct	2012	866,940	3,079	68,533	$658	$48	1,030,191	$292.86
Sept	2012	850,833	3,247	25,439	$500	$50	961,658	$297.39
Aug	2012	834,995	9,677	86,222	$613	$50	936,219	$302.81
Jul	2012	813,598	18,311	292,185	$640	$50	849,997	$316.18
Jun	2012	783,247	113,299	121,355	$635	$85	557,812	$316.19
May	2012	739,719	102,942	78,459	$658	$50	437,974	$325.76
Apr	2012	689,842	69,223	48,617	$640	$75	357,998	$346.55
Mar	2012	667,867	60,685	50,701	$635	$100	309,381	$342.56
Feb	2012	628,922	43,636	37,581	$650	$112	258,680	$361.67
Jan	2012	521,327	42,745	50,186	$669	$115	221,099	$373.75
Dec	2011	487,688	40,592	52,716	$658	$115	170,913	$369.46
Nov	2011	442,991	36,897	52,024	$650	$100	118,197	$353.21
Oct	2011	425,132	34,467	34,724	$658	$120	66,173	$403.07
Sept	2011	413,224	45,941	18,412	$675	$50	31,449	$401.90
Aug	2011	395,254	48,535	12,252	$665	$100	13,037	$410.48
July	2011	362,385	37,738	785	Due to low trade volume, the July trades are reported with the pricing data in August.			
	Total		713,271	1,108,765				

Five Year 2012-2016 EY Average=$458			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Nov	5 Year	1,260,025	41,135	121,307	498	62	1,756,537	206
Oct	5 Year	1,251,959	45,056	230,064	581	71	1,653,804	207
Sept	5 Year	1,241,178	83,384	159,342	545	60	1,442,314	208
Aug	5 Year	1,232,810	78,746	117,625	533	72	1,301,546	209
Jul	5 Year	1,058,785	73,804	259,598	436	42	1,032,495	149
Jun	5 Year	1,201,314	118,528	149,328	425	42	791,471	150
May	5 Year	1,033,076	111,263	102,694	440	47	660,717	150
Apr	5 Year	1,015,902	92,177	90,068	460	39	576,597	150
Mar	5 Year	1,006,224	81,801	104,960	426	52	485,025	150
Feb	5 Year	989,800	79,928	66,399	428	32	398,639	152
Jan	5 Year	983,249	78,015	117,333	322	46	247,479	112
Dec	5 Year	1,063,337	90,635	78,055	442	32	226,728	150
Nov	5 Year	1,048,263	95,628	57,654	328	44	132,199	225
Oct	5 Year	1,038,684	88,748	83,405	487	52	121,342	126
Sept	5 Year	769,067	412,448	571,358	470	40	57,442	221
Aug	5 Year	761,216	91,432	32,620	353	40	35,055	228
July	5 Year	747,571	63,825	21,009	Due to low trade volume, the July trades are reported with the pricing data in August.			
	Total		1,726,552	2,362,818				

EY 2013 SACP= $641			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Nov	2013	1,120,252	3,082	135,241	$600	$75	2,005,366	$179.04
Oct	2013	1,114,753	8,930	58,315	$599	$106	1,870,125	$180.08
Sep	2013	1,104,548	5,550	101,996	$641	$70	1,811,810	$180.30
Aug	2013	1,098,075	9,454	114,737	$585	$70	1,709,814	$182.72
July	2013	1,084,133	19,714	553,447	$610	$50	1,595,077	$184.41
June	2013	1,060,324	157,361	145,381	$641	$50	1,041,630	$184.28
May	2013	1,028,590	137,672	150,287	$613	$50	896,249	$186.66
Apr	2013	996,709	96,105	100,390	$640	$40	745,962	$190.31
Mar	2013	977,196	61,194	128,898	$641	$68	645,572	$195.57
Feb	2013	941,713	55,566	126,629	$620	$40	516,674	$208.88
Jan	2013	930,659	47,642	96,603	$641	$40	390,045	$228.20
Dec	2012	907,565	65,933	72,070	$620	$40	293,442	$215.06
Nov	2012	896,006	60,244	75,602	$658	$60	221,372	$219.56
Oct	2012	876,353	90,783	82,813	$658	$40	145,770	$252.81
Sept	2012	860,246	106,498	34,124	$650	$50	62,957	$309.77
Aug	2012	845,440	101,993	21,510	$620	$50	28,833	$312.37
Jul	2012	824,030	95,855	7,323	Due to low trade volume, the July trades are reported with the pricing data for August.			
	Total		1,123,576	2,005,366				

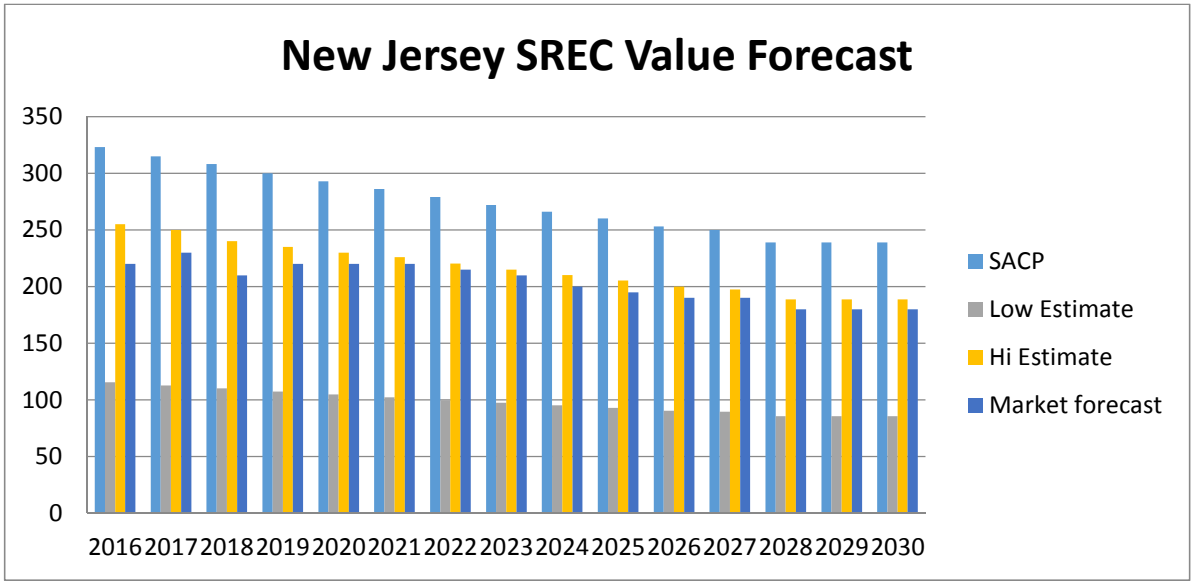
Five Year 2017-2021 EY Average=$300			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Nov	5 Year	1,476,152	48,191	142,114	583	73	2,057,830	241
Oct	5 Year	1,466,704	52,784	269,526	681	83	1,937,476	242
Sept	5 Year	1,454,073	97,686	186,673	639	70	1,689,709	243
Aug	5 Year	1,444,270	92,253	137,801	624	84	1,524,796	245
Jul	5 Year	1,240,395	86,463	304,126	511	49	1,209,596	175
Jun	5 Year	1,407,371	138,858	174,942	498	49	927,229	175
May	5 Year	1,210,276	130,348	120,309	516	56	774,047	175
Apr	5 Year	1,190,156	107,988	105,517	539	46	675,498	175
Mar	5 Year	1,178,819	95,833	122,963	499	60	568,219	176
Feb	5 Year	1,159,577	93,638	77,788	502	38	467,016	178
Jan	5 Year	1,151,902	91,397	137,459	377	54	289,928	131
Dec	5 Year	1,245,728	106,181	91,443	517	37	265,618	176
Nov	5 Year	1,228,068	112,031	67,543	384	52	154,874	264
Oct	5 Year	1,216,846	103,971	97,711	571	61	142,156	147
Sept	5 Year	900,982	483,194	669,361	551	47	67,295	258
Aug	5 Year	891,785	107,115	38,215	414	47	41,068	267
July	5 Year	875,800	74,772	24,613	Due to low trade volume, the July trades are reported with the pricing data in August.			
	Total		2,022,702	2,768,104				

EY 2014 SACP= $339			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
November	2014	1,355,220	2,277	194,867	$270	$50	2,923,695	$175.80
October	2014	1,346,458	7,793	280,105	$670	$110	2,728,828	$175.53
September	2014	1,329,403	8,766	231,272	$620	$60	2,448,723	$176.80
August	2014	1,323,838	8,075	91,929	$500	$95	2,217,451	$179.13
July	2014	1,310,510	29,784	555,764	$600	$40	2,125,522	$179.96
June	2014	1,272,864	164,586	366,414	$510	$63	1,569,758	$182.55
May	2014	1,253,582	158,618	127,996	$620	$70	1,203,344	$182.62
Apr	2014	1,244,143	116,395	188,295	$590	$60	1,075,348	$181.01
Mar	2014	1,231,620	63,782	94,457	$524	$70	887,053	$182.69
Feb	2014	1,192,133	55,162	99,400	$524	$70	792,596	$183.39
Jan	2014	1,179,192	52,207	170,466	$610	$70	693,196	$183.26
Dec	2013	1,132,095	103,455	143,767	$590	$40	522,730	$176.45
Nov	2013	1,118,543	91,969	77,064	$510	$70	378,963	$181.86
Oct	2013	1,113,043	132,960	201,965	$641	$50	301,899	$182.89
Sep	2013	1,102,834	126,470	59,396	$545	$50	99,934	$198.19
Aug	2013	1,096,358	121,102	36,469	$545	$50	40,538	$223.03
July	2013	1,082,413	120,692	4,069				
	Total		1,364,093	2,923,695				

Five Year 2022-2027 EY Average=$263			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Nov	5 Year	1,729,352	56,456	166,490	683	85	2,410,802	282
Oct	5 Year	1,718,282	61,838	315,757	798	97	2,269,804	284
Sept	5 Year	1,703,486	114,442	218,693	748	82	1,979,539	285
Aug	5 Year	1,692,000	108,077	161,437	731	99	1,786,339	287
Jul	5 Year	1,453,155	101,294	356,292	598	58	1,417,074	205
Jun	5 Year	1,648,773	162,676	204,949	584	58	1,086,274	205
May	5 Year	1,417,871	152,706	140,945	604	65	906,817	205
Apr	5 Year	1,394,299	126,511	123,616	631	54	791,364	205
Mar	5 Year	1,381,017	112,270	144,055	585	71	665,684	206
Feb	5 Year	1,358,476	109,699	91,131	588	44	547,121	209
Jan	5 Year	1,349,484	107,074	161,037	441	63	339,658	153
Dec	5 Year	1,459,403	124,394	107,128	606	44	311,179	206
Nov	5 Year	1,438,714	131,247	79,128	450	60	181,439	309
Oct	5 Year	1,425,567	121,804	114,471	669	71	166,539	173
Sept	5 Year	1,055,524	566,074	784,175	645	55	78,837	303
Aug	5 Year	1,044,750	125,488	44,770	484	55	48,113	313
July	5 Year	1,026,023	87,598	28,835	Due to low trade volume, the July trades are			
	Total		2,369,649	3,242,907				

EY 2015 SACP= $331			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Aug	2015	1,469,029	12,528	104,982	$480	$83	2,651,990	$192.25
July	2015	1,462,617	19,948	650,499	$500	$40	2,547,008	$191.13
June	2015	1,452,078	213,825	345,133	$485	$70	1,896,509	$190.17
May	2015	1,438,113	180,995	202,367	$485	$95	1,551,376	$187.76
Apr	2015	1,430,252	115,679	95,912	$490	$70	1,349,009	$187.76
Mar	2015	1,421,106	85,161	141,976	$495	$48	1,253,097	$187.45
Feb	2015	1,414,180	74,497	142,317	$488	$67	1,111,121	$185.93
Jan	2015	1,369,627	62,856	169,175	$590	$46	968,804	$183.49
Dec	2014	1,353,277	98,501	208,575	$486	$70	799,629	$179.11
Nov	2014	1,346,126	103,381	139,726	$518	$41	591,054	$175.31
Oct	2014	1,337,364	152,339	226,727	$518	$70	451,328	$181.15
Sep	2014	1,320,309	164,188	153,637	$518	$70	224,601	$167.25
Aug	2014	1,314,744	163,745	66,311	$518	$70	70,964	$178.25
July	2014	1,309,862	150,158	4,653				
	Total		1,597,801	2,651,990				

Five Year 2028-2033 EY Average=$215			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Nov	5 Year	1,991,395	65,011	191,718	786	98	2,776,103	325
Oct	5 Year	1,978,648	71,208	363,603	919	112	2,613,740	326
Sept	5 Year	1,961,609	131,783	251,830	862	95	2,279,492	328
Aug	5 Year	1,948,383	124,454	185,899	842	114	2,057,016	331
Jul	5 Year	1,673,347	116,642	410,280	689	66	1,631,798	236
Jun	5 Year	1,898,606	187,326	236,004	672	67	1,250,873	236
May	5 Year	1,632,716	175,845	162,301	696	75	1,044,224	237
Apr	5 Year	1,605,573	145,681	142,347	722	62	911,277	236
Mar	5 Year	1,590,278	129,282	165,883	674	82	766,553	237
Feb	5 Year	1,564,321	126,321	104,940	677	51	630,025	240
Jan	5 Year	1,553,967	123,298	185,438	508	73	391,125	176
Dec	5 Year	1,680,542	143,243	123,361	698	51	358,331	238
Nov	5 Year	1,656,717	151,135	91,118	518	70	208,932	356
Oct	5 Year	1,641,578	140,261	131,816	770	82	191,774	199
Sept	5 Year	1,215,464	651,850	902,998	743	63	90,783	349
Aug	5 Year	1,203,057	144,503	51,554	558	63	55,403	360
July	5 Year	1,181,492	100,871	33,204	Due to low trade volume, the July trades are			
	Total		2,728,714	3,734,294				

EY 2016 SACP= $323			SREC Quantity		Monthly		Cumulative	
Month	Year	Active kW DC	Issued in Month	Traded in Month	High ($/MWh)	Low ($/MWh)	# of SRECs Traded	Weighted Avg Price ($/MWh)
Aug	2015	1,469,029	185,530	92,869	$480	$50	92,869	$193.25
July	2015	1,462,617	153,510					
	Total		339,040	92,869				

Energy Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SACP	323	315	308	300	293	286	279	272	266	260	253	250	239	239	239
Low Estimate	116	113	110	107	105	102	100	97	95	93	91	90	86	86	86
Hi Estimate	255	250	240	235	230	226	220	215	210	205	200	198	189	189	189
Market forecast	220	230	210	220	220	220	215	210	200	195	190	190	180	180	180