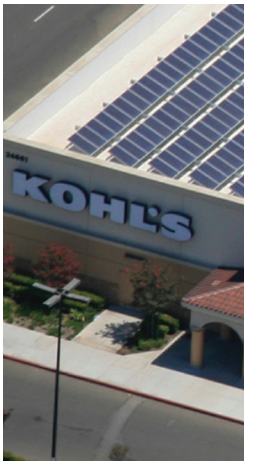
"I don't think there is any bad thing you can do when it comes to making good decisions about the environment. We win on many fronts. We get cost savings, we're using renewable green power, and we know it's going to be predictable for 20 years. It also shows that we are taking action to support green power. Our near term goal is to have 100 solar rooftops over the next few years."

June Fischer, Senior Manager
Environmental Strategies, Kohl's

CUSTOMER SUCCESS STORY



Kohl's Department Stores

Largest Rooftop Solar Rollout in U.S. History

Based in Menomonee Falls, Wisconsin, Kohl's is a family-focused, value-oriented specialty department store offering moderately priced, exclusive and national brand apparel, shoes, accessories, beauty and home products in an exciting shopping environment. With more than 114,000 associates operating 929 stores in 47 states, Kohl's is committed to the communities it serves and recognizes the positive impact it can have on the environment.

As June Fischer, Senior Manager of Environmental Strategies for Kohl's, explains, "Kohl's environmental mission is to be a leading, environmentally responsible retailer through focused resource stewardship by our associates and vendors. As a retailer, we know that energy use is our biggest impact on the environment, so maximizing energy efficiency is our number one strategy. We also are making every effort to minimize waste in the supply chain, improve new building designs with environmentally-friendly construction, reduce climate damaging emissions in transportation, and encourage environmental values among our associates and partners. We understand that our customers are expecting us to make good environmental decisions. We don't see it as an optional business practice."

Challenge As a growth company, Kohl's is working to expand to 1400 stores by 2012. Kohl's plans to open every new store as a "green" store and has over 80 stores planned for 2008. Supporting this rapid growth in an environmentally friendly manner is not easy. Large solar implementations can be complex to manage and traditionally require a substantial up-front capital investment.

Fischer states, "As we started formalizing our environmental strategies and understanding our energy use and its impact, we wanted to investigate green sources of power and get off the grid for some of our consumption. Our average store size footprint is 88,000 square feet which provides a nice, new, flat roof. We also have a very large concentration of stores in sunny states including California and Arizona, so solar energy is a great fit. As we got into the analysis with SunEdison, we realized we could save money while moving into a green source of power with no capital outlay.

"There were a number of compelling reasons why Kohl's selected SunEdison, what stood out the most was SunEdison's extensive experience delivering solar installations. They aren't theoretically talking about large solar implementations. They've actually put the installations in and have the experience doing it. That was really important to us because we didn't want to have a lot of hands-on effort in making this happen." Fischer adds, "SunEdison also pioneered the Solar Power Services Agreement (SPSA) Model and had the best financial backing to make the project come together. SunEdison was very flexible, offering us a number of options such as whether we wanted to pay for the installations ourselves or use the SPSA. We appreciated their flexibility in providing a lot of ways to approach the solution."

SunEdison®
simplifying solar

COMMERCIAL

Project Profile: **Kohl's**

Industry: Specialty Department Stores/Commercial

Location: North American Stores & Distribution Centers

Company: Based in Menomonee Falls, Wis., Kohl's is a family-focused, value-oriented specialty department store offering moderately priced, exclusive and national brand apparel, shoes, accessories, beauty and home products in an exciting shopping environment. A company committed to the communities it serves, Kohl's operates 929 stores in 47 states. Kohl's currently employs more than 114,000 associates.

System Type: Roof-mounted solar panels

System Size: Estimated 25 MW across 65 sites in California alone

Annual Savings: Reduced energy operating expenses

Capital Outlay: $0

Solution Kohl's selected the SunEdison Solar Power Services Agreement approach. SunEdison pays for the solar panels and installation and then sells the electricity generated to Kohl's on a 20-year contract with the price pegged at or below the cost of grid power. This removes the high cost of installing and maintaining solar panels for Kohl's, while delivering predictable pricing for the long term.

This is the largest purchase and deployment of solar power by a single entity in U.S. history. Fischer says, "We're going to be hosting 65 installations on retail store rooftops in California alone. As of January 2008, we currently have 19 sites completed and we have 22 sites at some level of construction. We are a little more than a third of the way through this process. The remaining installations are expected to be completed in 2008." The systems will provide about 20-30% of each store's power. Each store will have approximately 2,340 solar panels that will nearly cover the roof of the typical 88,000 square feet building.

"SunEdison kept the installation process simple for us and they really handled most of the details," Fischer continues. "From the time that we signed the contracts, we've had an onsite person here from SunEdison that helped us get through the process. We didn't have a lot of extra resources to assign to the project, so they really stepped up and handled a lot of the legwork for us. They went out and performed the roof inspections and provided us with the design drawings. SunEdison then started the pre-construction process. From implementation to installation, we have had surprisingly few problems going forward with our construction."

Benefits As the largest single host of solar electricity production in North America, the Kohl's implementation will generate 25 MW of electricity in California alone when it is complete. This is greater than that of the five largest photovoltaic systems in the U.S. combined, and equivalent to the electricity used by 3,087 California homes. It will offset more than 28 million pounds of carbon dioxide in the first year, similar to taking approximately 2,500 cars off the road.

"Solar energy is clean, quiet and you can't see the panels sitting on our rooftops," says Fischer. "It's also fairly predictable in our sunny climate. I don't think there is any bad thing you can do when it comes to making good decisions about the environment. We win on many fronts. We get cost savings, we're using renewable green power, and we know it's going to be predictable for 20 years. It also shows that we are taking action to support green power. Our near term goal is to have 100 solar rooftops over the next few years. We will look at every opportunity that is available to us and viable to continue with the program. It has just been very easy and it makes a lot of sense.

"Ultimately, SunEdison provided a cost savings to us for our energy that was a terrific bonus," Fischer concludes. "The process was fast, and they gave us on-site support to work through the process. The SunEdison solution is a great partnership between retail businesses and green power. They enable the implementation of solar through their Solar Power Services Agreement that otherwise would be very capital intensive. Everyone wins… the investors and customers win with cheaper power… and ultimately, we are providing more sources of green power to this country with a positive impact on the environment."

About SunEdison: SunEdison is North America's largest solar energy services provider, and operates across a global marketplace. We deliver predictably priced solar energy services to complement your existing utility services. Unlike other solar companies, SunEdison provides a fully managed service; we finance, install, own, operate, monitor and maintain photovoltaic power plants for our commercial, government and utility customers without the high capital outlays traditionally associated with solar energy.