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**Mark Buckley, Vice President of Environmental Affairs, Staples, Inc.**

## » Staples, Inc.

### World’s Leading Seller of Office Products Reduces Both Carbon Emissions and Costs

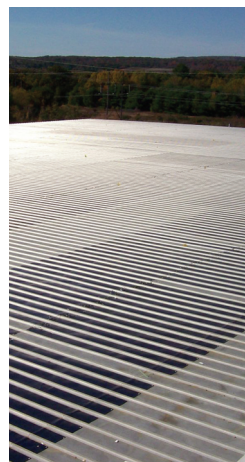
Staples, Inc. invented the office superstore concept in 1986 and today is the world’s largest office products company with 69,000 associates and \$16.1 billion in 2005 sales. With more than 1,800 office superstores in 22 countries, Staples is committed to sustainability and environmental stewardship focusing on four core areas – conserving energy to reduce climate change, recycling materials to reduce waste, selling environmentally preferable products and educating associates, consumers and businesses about how they can make a difference for the environment.

As the fourth largest purchaser of green power among retailers, Staples is an industry leader in the use of renewable energy. Staples voluntarily committed to a 7% reduction in U.S. carbon emissions by 2010 using 2001 as a base year. As of 2005, Staples has realized a net greenhouse gas (GHG) emissions savings of more than 22% and reduced electricity consumption by 14% per square foot of Staples’ properties. Mark Buckley, VP of Environmental Affairs, oversees the environmental impact of running the business. Buckley says, “We’re really taking an integrated approach to carbon mitigation, including energy conservation, green building design, buying more renewables off-grid and renewable energy certificates, and then lastly implementing on-site distributed wind and solar power generation. We regularly look at new and innovative technologies to incorporate into our building designs to reduce energy consumption.”

**Challenge** While Staples is firmly committed to reducing the effects of the organization’s energy use on climate and the environment, they also have to ensure that the steps taken are financially viable. “Solar ownership historically was not something we considered because the IRR was not attractive enough,” states Buckley. “When we first discovered the SunEdison solution, they were really the only pioneer with this type of a solar services model,” continues Buckley. “Their Solar Power Services Agreement (SPSA) allowed us an opportunity to derive all the benefits from solar including reducing our cost per kWh for the solar-generated power without the capital expenditure or the maintenance costs. Early on, we decided to look at the solar service model as a potential route not only for the pilot phase of the first two implementations in California, but also looking at the potential impact of really scaling this up across the country.

“We believe the SunEdison business model is credible and viable, they have good financial backing from reputable investors including Goldman Sachs, and they are dealing with reputable vendors and dealers like BP Solar. Over the last year, SunEdison has purchased additional design and engineering firms and negotiated sourcing contracts to expand implementation capacity, positioning them to be the best strategic partner for Staples in the long term.”

CUSTOMER SUCCESS STORY



COMMERCIAL



# Project Profile: Staples, Inc.

**Industry:** Office Products Reseller/Commercial

**System Type:** Roof-mounted solar panels

**Location:** North American Retail Stores, Distribution Centers and Offices

**System Size:** 2.8 MW across 12 sites to date

**Company:** Staples, Inc. is the world's leading seller of office products with over 1,800 office superstores, 69,000 associates, and \$16.1 billion in 2005 sales.

**Annual Savings:** Reduced energy operating expenses

**Capital Outlay:** \$0

**Solution** Staples partnered with SunEdison in 2005 with two 280 kW solar arrays installed on distribution centers in California (Rialto and Ontario) and one 120 kW system installed on the Staples Home Office in Englewood, NJ. A fourth 433 kW distribution center has been completed for Staples' Killingly, CT distribution center and is the largest solar array in the New England region. The system will produce 10% of the energy for the 500,000 square feet facility, which will reduce carbon emissions by 210 tons per year.

Staples' requirements for the solar projects were straightforward. Buckley states, "There has to be a cost savings from the grid-derived power, there's got to be a corresponding carbon benefit, and there can't be any up-front capital or operating and maintenance expenses for the term of the power purchase agreement. All of those elements are what makes the SunEdison model so attractive to us. Early on, there were no other providers offering a similar service. We have had discussions in the last year with a few other entities that have come into play, but thus far haven't found them to be as competitive as SunEdison. I think SunEdison's management team is innovative and appears to be a real strength of the emerging organization.

"The implementation time frame varies based on many factors," says Buckley. "Some of our implementations are on Staples-owned buildings, and obviously the installation process is a little bit faster because the internal approvals process is pretty simple. Others are on leased buildings, so we've got to negotiate with the landlord and get a letter of consent for an installation. Right now, I would say that every project looks a little bit different, but once the permits are in place and the approvals in hand, we've found SunEdison meets pretty closely the timelines they establish."

**Benefits** "First and foremost for Staples, solar energy delivers a positive environmental benefit and enables us to reduce our dependency on energy produced by burning fossil fuels," states Buckley. "There is also a long-term hedge value associated with having distributed generation capability on our roof that provides some energy independence from the grid and helps mitigate the impact of rising energy costs.

"The bottom line is that we're able to purchase solar energy off our rooftops for less than electricity off the grid, so it's a traditional win-win," concludes Buckley. "The SunEdison solution requires no capital investment and no operating or maintenance expense, provides power at or below the price for grid power, and helps us meet our carbon reduction goal. Looking to future implementations, we have identified about 125 to 150 sites where we think this model will deliver immediate benefits. We're also taking a portfolio-based approach that considers sites that might be marginal on their own but could make sense for us as part of a larger portfolio of implementations. SunEdison is delivering an innovative solution, partnering with several different entities and taking a non-traditional approach to ownership, providing a unique solution to companies like Staples who have a desire to control cost and yet have a positive environmental impact."



**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.