Costa Rica

Pursuant to Article 17 of the "Law to Authorize Private Large-Scale Electricity Generation," Costa Rica provides renewable energy power generators tax benefits to offset the higher commercial costs associated with renewable energy generation, including custom duties on machinery and equipment for the generation, control, transformation and transmission of power. Renewable energy power producers with renewable energy are also allowed to deduct losses obtained during one tax year within the following three years.

Peru

Similar to the other jurisdictions in which our projects are located, Peru provides renewable energy power generators pricing incentives and tax benefits to offset the higher commercial costs associated with renewable energy generation. Under a number of decrees, Peru adopted a renewable energy auction scheme to provide energy generators with guaranteed payment under long-term PPAs. Under the auction scheme, 20 year PPAs are awarded to renewable energy producers that offer the lowest tariff per kWh for a given technology. The energy producer is to be paid regular monthly rates for the energy produced, according to short term marginal costs paid to all generators in the National Electric Interconnected System. The additional premium over the regular tariff is to be passed on to end-users, incurred in regular connection tolls, which are established annually. The calculated premium at the end of each tariff period will result in a charge in favor of or against the investor, which will be paid in monthly installments throughout the 12 months immediately following the annual liquidation period. Such liquidation will be subject to a 12% monthly interest rate in favor if the investor.

Renewable energy power producers also benefit from accelerated depreciation under Peruvian income tax laws. The special depreciation rate will be no more that 20% per year, which means that the assets can be depreciated in five years. These power producers also may opt for the anticipated recovery of the value added tax, a special tax regime which provides for the return of the value-added tax imposed on the importation and/or local acquisition of intermediate goods, capital assets and construction contracts and services carried out in the pre-commercial operations stage of the renewable energy projects.

Uruguay

The Uruguayan government has declared the promotion and protection of domestic and international investments in renewable energy a national interest. The Investment Act promotes, among other things, power generation from renewable energy sources and the conversion to more energy efficient equipment.

Renewable energy producers are eligible for various tax exemptions, among other benefits, if the energy producer's revenues generated from eligible activities exceed 75% of such producer's total income or such energy producer sells electric power in eligible market of forward contracts.

Malaysia

Malaysia's renewable energy program introduced feed-in tariffs for various renewable energy sources. In order to be entitled to sell renewable energy under the program at the relevant feed-in tariff rate, an application for a feed-in tariff approval has to be made to and be granted by SEDA, the statutory body responsible for managing the implementation of the feed-in tariff mechanism. Any company incorporated in Malaysia may apply for a feed-in tariff approval so long as no foreign person holds, directly or indirectly, more than 49% of voting power or the issued share capital of such company and the company is not an offtake counterparty or its associate.

Upon being issued the feed-in tariff approval, the solar project will, within such period as may be prescribed by SEDA, enter into a PPA with an offtake counterparty, which may be a Malaysian utility or an industrial or