# AMERICAN ARBITRATION ASSOCIATION

Commercial Arbitration Tribunal

Power Partners MasTec LLC v. Sunlight General Sussex Solar, LLC AAA Case No. 13 158 Y 02044 12

## PARTIAL FINAL AWARD OF THE ARBITRATORS

We, THE UNDERSIGNED ARBITRATORS, having been designated in accordance with the arbitration agreement entered into between the above-named parties and dated 12 December 2011 and having been duly sworn, and having duly heard the proofs and allegations of the Parties, do hereby, AWARD, as follows:

The Awards of the Arbitrators (the "Main Awards") issued this date resolving the claims of the parties as to all matters except inventory, attorney fees, costs and expenses of arbitration are incorporated herein by reference. The Main Awards contain a comprehensive record of the claims of the parties in this arbitration including Findings of Fact and decisions on all matters set forth therein.

The information contained therein will not be repeated here.

The claims of Power Partners MasTec LLC ("PPM") as to inventory purchased by PPM for use in the three EPC contracts are discussed and decided herein.

In accordance with Article 15.3, upon the occurrence and continuation of an Event of Default by Sunlight, PPM had the right to terminate the EPC contract, thereby entitling PPM to payment of the amounts which PPM would have been entitled to receive in the event of a termination by Sunlight pursuant to Article 15.5 plus an amount equal to 10% of the unpaid Contract Price.

As set forth in the Main Awards and the Findings of Fact attached thereto, the record is replete with continuing Events of Default by Sunlight. On July 29 2013, PPM duly terminated Sunlight.

### Inventory Claims by PPM

#### Sussex County

At Rows 33 and 34 of Tab 1 of its Sussex Damage Claim Summary (Exhibit 5661), PPM seeks payment for inventory "[p]urchased by PPM per EPC and available for Future Sites because of Terminated sites which SLG failed to Provide replacement sites" in the amounts, respectively, of \$663,340 for "Non 1603 Panels" and \$296,672 for "Other Inventory.

A total of \$960,012 is sought by PPM for inventory on this EPC contract.

At Tab 4 of that exhibit, evidence of payment by PPM for 2,471 Canadian Solar model 295 Non 1603 panels in warehouse inventory is presented in the amount of \$663,339.95

The EPC contract states at ATTACHMENT V-B, Milestone payment schedules that PPM is entitled to payment for panels when delivered to PPM's local warehouse.

At Tab 5 of that exhibit, evidence of payment by PPM for 22 pieces of Solectria inverters in warehouse inventory is presented in the amount of \$296,672.

The testimony by PPM was that these panels and inverters were long lead time items and for purposes of commercial economy were purchased in bulk for all sites anticipated under the contract. Sunlight had an obligation to provide replacement sites when sites in the original EPC were found to be unsuitable. Article 3.5.2 (b)

Sunlight breached its obligation to provide replacement sites likely due to a substantial drop in price for panels and inverters in the marketplace (Exhibit 5927).

PPM offered to sell the inventory to Sunlight on several occasions at cost. (TR. 6309/10-18 and Exhibits 6119, 6118, 6120, 5927, 5929, 1930 and 5993). With prices having dropped in the marketplace, PPM's offer was not acceptable to Sunlight.

Sunlight refused to pay for this inventory. PPM is entitled to payment of \$1,056,013 (\$960,012 plus \$96,001). Sunlight is entitled to the 2,471 aforesaid panels and the inverter equipment listed with serial numbers on an Attachment to this Award, to the extent not already turned over to Sunlight.

PPM is entitled to recover from Sunlight on its inventory claim the following amount:

### Sussex County: \$1,056,013

The Panel directs that Sunlight pay PPM the amount of \$1,056,013 within fifteen (15) days of the date of this Award.

The Panel directs that PPM turnover to Sunlight the aforesaid inventory, to the extent that it has not already done so, within fifteen (15) days of the date of this Award.

This Partial Final Award is in full settlement of all claims and counterclaims submitted in this Arbitration relative to the uninstalled panels and inverters purchased by PPM for the Sussex EPC contract. All claims not expressly granted herein as to the foregoing subject are hereby, denied.

Claims for interest, attorney's fees, costs and expenses shall be dealt with in a subsequent Award.

This Partial Final Award may be executed deemed an original, and all of which shall  Date  Date	in any number of counterparts, each of which shall be constitute together one and the same instrument.  John P. Madden
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I concur in this Partial Final Award.	
Date	Michael A. Kahn
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Date	Michael A. Kahn

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