



PEOPLE'S

COMMUNITY SOLAR



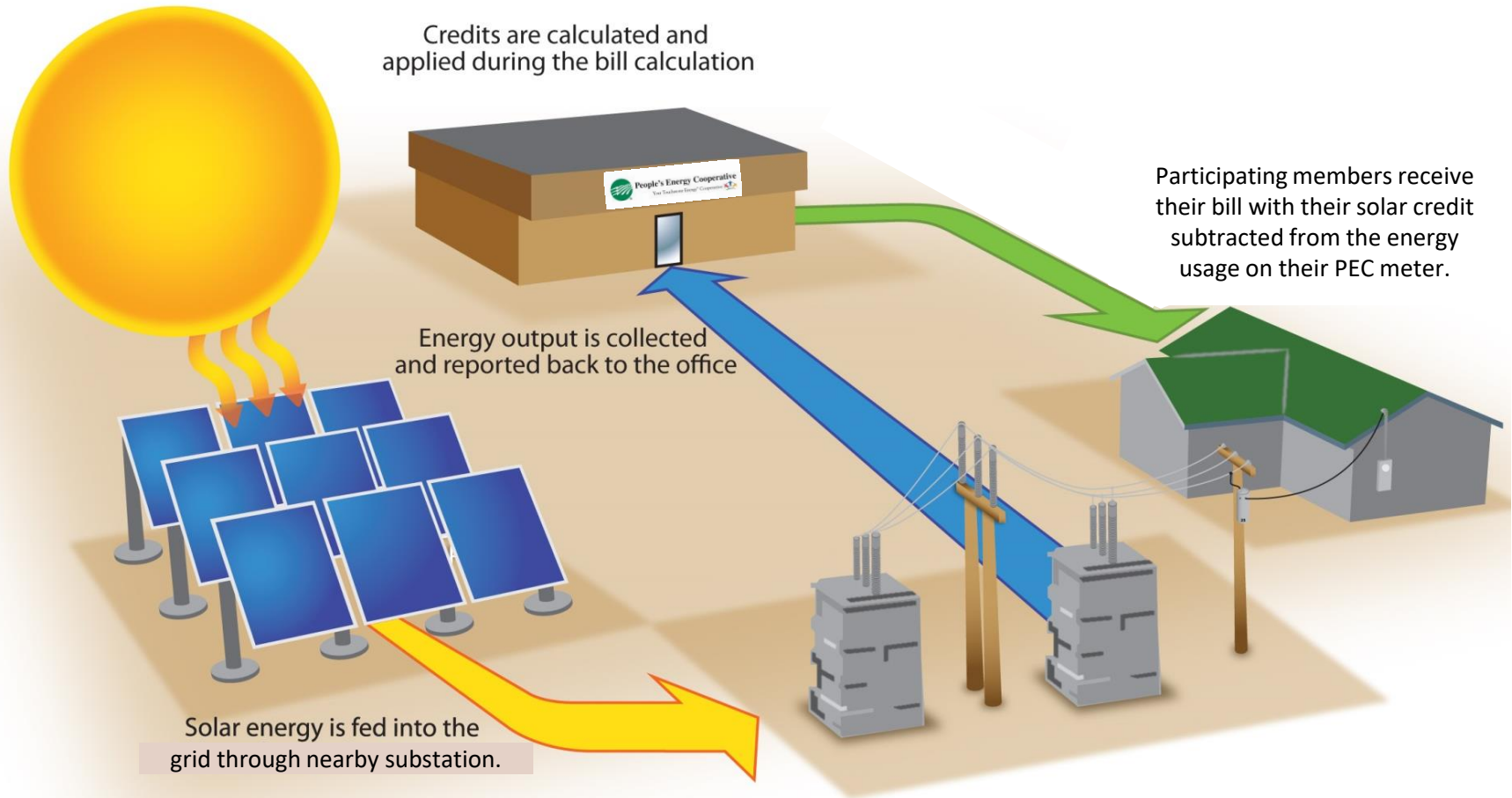
The Concept

What is Community Solar

- ☀️ Community solar is a centrally-located, shared renewable energy arrangement that provides electricity to participating subscribers.
- ☀️ It allows several members the opportunity to share the benefits of a local renewable energy power plant.



How it Works



PEC Interest in Community Solar

☀️ **Growing member interest in solar**

- Concern for environment
- Federal and State mandates and subsidies
- Decreasing costs for solar

☀️ **Provides an innovative energy solution at a fair and reasonable price**

☀️ **Engages members with a product that meets their needs and interests**

☀️ **Concern over 3rd party competition**

- 'No money down' sales pitch
- Unrealistic payback claims



Member Interest in Community Solar

- ☀️ **Concern for environment**
- ☀️ **Hedge against future energy prices**
- ☀️ **Allows members the opportunity to utilize solar energy**
 - Only ~20% of sites are suitable for solar installation
- ☀️ **More affordable than owning their own system**
 - Economies of scale lead to lower per-watt costs for participants
 - Flexible sizing to fit any budget
 - No need to upgrade structures to accommodate personal array
- ☀️ **Single one-time price, no additional fees**
 - Construction, maintenance and insurance costs
 - If member moves, the panel(s) can be transferred to another member
- ☀️ **No maintenance – maintained by professionals**



Community Solar Program Comparison

	Utility A	Utility B	Utility C	People's
Size of System	42 kW	39 kW	245 kW	250 kW
# panels/units	140 panels	96 panels	792 panels	820 panels
Size of panel/unit	410 watts	410 watts	310 watts	305 watts
Cost per installed watt	\$2.82	\$3.66	~\$3.00	\$2.23
Annual panel/unit output	480 kWh	588 kWh	425 kWh	412 kWh
Payback	18 years	18.5 years	15 years	14 years
Years of Contract	25	20	17	20
Member cost per panel/unit	\$1,250	\$1,500	\$950	\$750



The Array

People's Community Solar

☀️ **Owner**

- People's Energy Cooperative

☀️ **Project Facilitator**

- National Renewables Cooperative Organization (NRCO)

☀️ **Contractor**

- Able Energy Co., River Falls, WI

☀️ **Manufacturer**

- Canadian Solar, Ontario, Canada



People's Community Solar

☀ Site Location – Elgin Business Park





The Program

People's Community Solar

☀️ Subscription price = \$750 per 305-watt panel.

- Includes all costs to build, operate, maintain and insure the system.
- Two payment plan options
 - Lump sum due when signing agreement
 - \$25/month for 30 months (will appear as a bill charge)

☀️ Energy produced will be credited to members on their monthly electric bill.



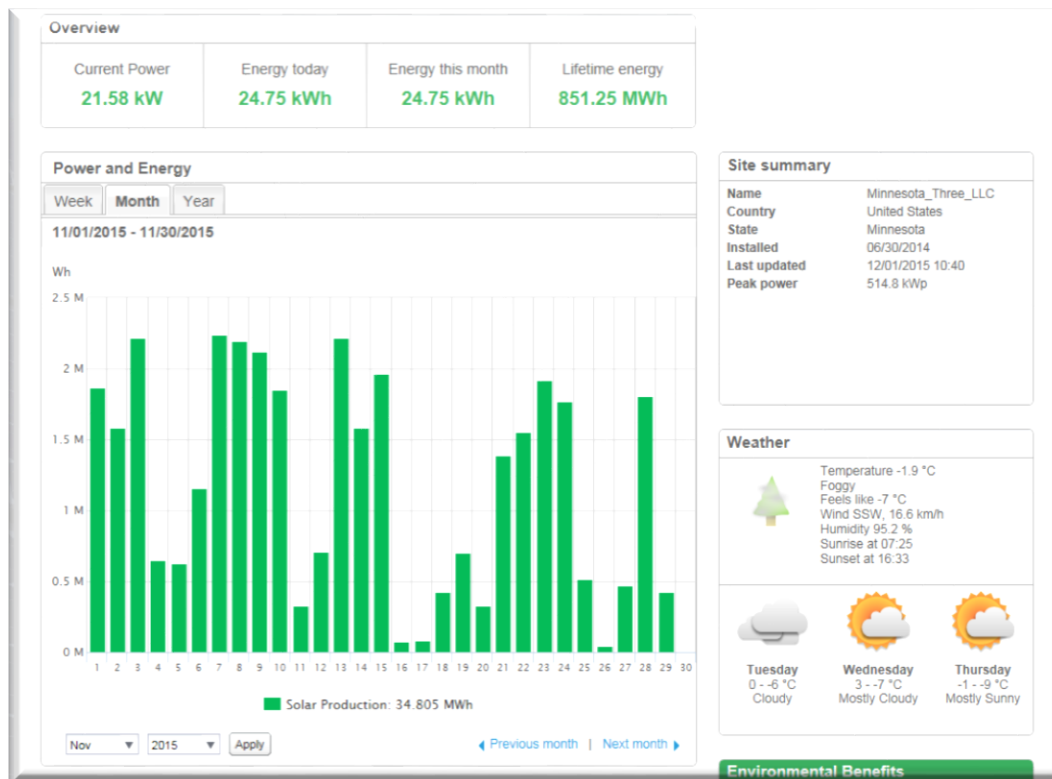
Example of Bill Credit

Detail of Charges

SINGLE PHASE GENERAL SERVICE	METER PCS12345	
BASIC SERVICE CHARGE (MAIN)		37.00
ENERGY CHARGE	950 KWH @ \$.111270	107.07
COMMUNITY SOLAR CREDIT	875 KWH @ -\$.111270	97.36 CR
TOTAL ELECTRIC CHARGES		46.71
MINNESOTA SALES TAX 3.12		
OLMSTED COUNTY SALES TAX		.18
ROUNDUP		.99
CURRENT CHARGES		51.00

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☀️ Energy production will be viewable through a web portal from our website.



People's Community Solar

☀️ **20 Year Agreement Term**

- ☀️ Begins with in-service date of all panels
 - All agreements end 20 years from in-service date (if you buy 3 years after in-service date, agreement would be prorated for 17 years)

☀️ **14-year payback based on:**

- ☀️ Avg monthly usage of 900 kWhs
 - 10,800 kWhs per year
 - 1% annual member usage escalator
- ☀️ Avg Retail Rate per kWh = \$0.115
 - 1.5% annual rate escalator



Solar Comparison for 8kW

☀️ **Subscribe to 26, 305-watt panels (8kW)**

- $10,800 \text{ kWhs} / 412 \text{ kWhs unit} = 26 \text{ panels}$
- $\$750 \times 26 = \$19,500$
 - Includes annual insurance, maintenance and repairs
 - No tax credit to participants

☀️ **Build an 8 kW array on your own**

- $\$3.25 \text{ per watt} \times 8 \text{ kW} = \$26,000$
 - Dependent on installation method
 - Does not include annual insurance
 - May not include maintenance or repair costs
 - 30% tax credit for the first year - expires Dec 2016

Note: 10,800 kWh's is the average annual energy use by a residential member.
412 kWh's is the average annual output per panel over 20 years.





The Agreement

Key Points of Agreement

- ☀️ Must be an active PEC member in good standing with a metered account.
- ☀️ Subscription is for the energy output, you are not purchasing panels.
- ☀️ There is a limit to the number of panels you can subscribe to based on historic usage.
- ☀️ The energy produced will be divided equally among subscribers each month.



Key Points of Agreement Cont'd.

- ☀ Excess energy production will roll over to the next month with no expiration.
 - The Cooperative will not payout cash for any unused credits.
- ☀ Insurance does not cover energy lost due to extraordinary events.
- ☀ Subscription can only be transferred/sold to other PEC members.
- ☀ At the end of the 20-year term the energy production becomes the Cooperative's.





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