

SOLARCHOICE – Community Solar Frequently Asked Questions



COMMUNITY SOLAR

1. What is a community solar?

Community solar, often referred to as a community solar garden, is a solar electric array that generates renewable energy and/or bill credits to multiple subscribers within the community. Subscribers, or program participants, pay to subscribe to the program, and in turn, receive a credit on their monthly electric bill based on the solar energy production.

2. Why community solar rather than rooftop solar?

According to the National Renewable Energy Laboratory (NREL), nationwide, only 25% of residential rooftops are suitable for solar, so rooftop solar is not an option for these customers. In some cases the customer rents the property, in others, it is shaded by large trees or faces the wrong direction to effectively generate energy from the sun. Community solar generally requires a lower upfront cost, eliminates the installation hassle, and removes the burden and risk of ongoing maintenance. Larger, utility-scale solar gardens capture economies of scale that are passed on to program participants.

SOLARCHOICE PROGRAM

3. What is SOLARCHOICE?

SOLARCHOICE is the program name for the community solar program being offered by Rochester Public Utilities (RPU). The **SOLARCHOICE** program can capture the economies of scale of a larger community solar garden and thereby offer a lower cost to subscribers.

4. Why is Rochester Public Utilities (RPU) offering SOLARCHOICE?

Community solar is increasingly available in communities across Minnesota and the United States. As interest in solar continues to grow, RPU wants to make sure you and other customers have this option as well.

5. How does the program work?

Participants will subscribe to the output of a set number of solar panels. Customers are not purchasing the actual panel, just the output from the panel(s). The electricity, or kWh, generated by the subscribed panels each month will create a credit of that same number of kWh's on the participating customer's bill. In months where the subscribed panels produce more electricity than the participant used, those credits will roll forward to future months within the program year. Every March, credits will be zeroed out.

6. How much does a subscription cost?

Each panel subscription will cost \$650.

7. How long must I participate?

Subscriptions are for a period of 12 years.

8. Do I have to be an RPU customer to participate in SOLARCHOICE?

To subscribe to RPU's **SOLARCHOICE** program, you must be a residential customer of RPU in good credit standing.

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9. Will I save money?

You may or you may not. The purpose of the **SOLARCHOICE** program is to 1) provide customers with a solar option, 2) provide an opportunity to gain a level of price certainty by locking in the cost of a portion of their future energy usage and, most importantly, 3) cause more solar energy to be added to RPU's energy mix sooner than it would otherwise have occurred. Whether participants pay more or less, by participating in **SOLARCHOICE** than they would have under traditional, rates will depend on a number of factors including the future cost of electricity and actual amount of solar generation, both of which can be estimated but not guaranteed.

10. Can I take a tax credit for participating in SOLARCHOICE?

No. The owners of the facility are entitled to any tax credits associated with the facility.

11. Can I say my home is powered by solar if I participate in SOLARCHOICE?

Unfortunately not, for two reasons. First, the electricity generated by the solar garden will be injected into the electrical grid and will therefore become indistinguishable from all other electricity in the grid. The utility will retain the Solar Renewable Energy Credits (essentially the "renewable attributes") therefore participants are not able to make environmental claims. Participants can say, and be proud of the fact, that they were part of an effort to add more solar to the electric mix sooner than it would have otherwise occurred.

12. How do I participate in SOLARCHOICE?

Complete a **SOLARCHOICE** Application and return it to the RPU office. Once you are approved, you will receive a **SOLARCHOICE** Subscription Agreement. Sign and return the **SOLARCHOICE** Subscription Agreement to RPU. Your one-time payment or monthly payment will be billed starting in January 2018. You will begin receiving kWh credits starting in January 2018.

13. How do I receive credit for participating in SOLARCHOICE?

Each month you will receive an energy (kWh) credit on your bill. The solar energy generated per panel on a kWh basis at the community solar garden will be calculated. RPU will take that number of kWhs times the number of panels you have subscribed to and credit your account for that number of kWhs.

14. Will I get the same credit every month?

No. The amount of the credit will vary based on the amount of electricity that the community solar garden generates in that month. Because there is more sunlight in the summer months and less in the winter, your credit will be higher in the summer and lower in the winter.

Solar panels produce less electricity as they age. When brand new, the panels are expected to generate approximately 515 kWh of electricity per year and average 501 kWh per year for the first twelve years.

15. What if my subscribed panels produce more electricity than I use in a month?

It is possible that your subscribed solar panels will produce more electricity in some summer months than you use. In that case, RPU will carry-forward those credits to future months within that program calendar year where your subscribed panels produce less than your monthly usage. Credits unused at the end of the program calendar year will expire and be forfeited. Since your subscription is limited to 12 times your minimum month's usage over the most recent twelve month period, this should not happen.

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16. Will I still have electricity when the sun isn't shining?

Yes. You will receive the same reliable service from RPU you have come to expect. The output from the community solar garden is blended in to the overall supply which includes electricity that is generated by sources that are not dependent on the sun shining or wind blowing.

17. What happens if I move?

If you move to another address in town, your **SOLARCHOICE** subscription moves with you. If you move outside RPU's service territory, you may transfer your subscription to another RPU customer.

18. Is the **SOLARCHOICE** program subsidized by RPU?

No. The program is designed so that the panel price includes the cost of maintaining the electric distribution system in RPU and other costs of operating the utility. This ensures participating **SOLARCHOICE** customers and non-participating customers continue to pay their fair share of the costs of safe and reliable electric service.

SOLARCHOICE COMMUNITY SOLAR GARDEN

19. How big is the community solar garden and much electricity will it produce?

The planned solar garden will be 3MW_{ac} (or 3,000 kilowatts), consisting of roughly 9,000 solar panels that are 6½ x 3¼ foot and cover roughly 30 acres. Over the course of its projected life, the solar garden is anticipated to generate an average of just over 4 million kilowatt hours of electricity per year. Based on average Minnesota residential electric usages, the solar garden will produce enough energy to power approximately 453 homes.

20. Where will the community solar garden be built?

The **SOLARCHOICE** community solar garden is planned to be built in Princeton, MN on a site near the municipal airport.

21. Who will build and maintain the community solar garden and who will own it?

MC Power, an experienced community solar developer, will construct and own the community solar garden. MC Power will utilize local contractors for maintenance and portions of the solar garden construction.

22. Am I responsible for any future costs to maintain the community solar garden?

No. The owner of the community solar garden is responsible for all future maintenance.

23. When will the solar garden be built?

Initially solar power for participating **SOLARCHOICE** customers will be provided by the 5MW_{ac} Lemond Solar Station in Owatonna, MN, which will be operational by June of 2017. Construction of the Princeton site will begin once 25% of the planned community solar garden is under subscription by customers of and is expected to take approximately three to six months to complete. If the 25% threshold is not met, **SOLARCHOICE** will continue to be served by solar energy from the Lemond Solar Station.

24. Will I be able to visit the solar garden?

The solar garden is not generally accessible to the public because it is a working electric facility that is protected by fencing. However, there will be a small, 12-panel solar facility, located at RPU that members of the community will be able to see up close.