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, in basic terms, a solar electric array that generates renewable energy and/or bill credits to multiple subscribers within the community. Subscribers—or program participants—can include local residents, businesses and non-profit organizations. Participating customers pay to subscribe to the program, and in turn, receive a credit on their monthly electric bill based on the solar energy production of the project.

2. **Why community solar rather than rooftop solar?**
   According to the National Renewable Energy Laboratory (NREL), nationwide, only 25% of residential and commercial 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 then passed on to program participants.

3. **What is SOLAR**CHOICE**?**
   SOLARCHOICE is the program name for the community solar program being offered by Austin Utilities (AU). The **SOLAR**CHOICE program can capture the economies of scale of a larger community solar garden and thereby offer a lower cost to subscribers.

4. **Why is Austin Utilities offering SOLAR**CHOICE**?**
   Community solar is increasingly becoming available in communities across Minnesota and the United States. As interest in solar continues to grow, AU wants to make sure you and other customers have this option as well.

SOLARCHOICE **PROGRAM**

5. **How does the program work?**
   Participants will be able to subscribe to the output of a set number of solar panels, not to exceed 75% of the customers' estimated total annual energy usage. You 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. Participating customers will pay the regular retail rate for their usage above what the subscribed community solar panels generate. In months where the subscribed panels produce more electricity than the participant used, those credits will roll forward to future months within the program calendar year (May –April).

6. **How much does a subscription cost?**
   Subscription costs factor in current and projected electricity costs and subscription costs per panel will vary depending upon the number of years a participant is subscribing. Each panel subscription will cost $340 to lock in for 6 years. If you subscribed for 6 years and, after that time, wish to "re-subscribe" for an additional term, the re-subscription rate will be based on costs in effect at that time.

7. **How long must I participate?**
   Participants must subscribe for 6 years terms. Participants may have the option of subscribing for additional years once their subscription ends, but the price of those "re-subscriptions" will be based on costs at the time of the re-subscription.

8. **Will I save money?**
   You may or you may not. The purpose of the **SOLAR**CHOICE 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, importantly, 3) cause more solar energy to be added to AU's energy mix sooner than it would otherwise have occurred. Whether participants pay more or less by participating in **SOLAR**CHOICE 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.

9. **Can I take a tax credit for participating in SOLAR**CHOICE**?**
   No – the owners of the facility are entitled to any tax credits associated with the facility.

10. **Do I have to be an AU customer to participate in SOLAR**CHOICE**?**
    To subscribe to AU's **SOLAR**CHOICE program you must be a retail customer of AU in good credit standing.

11. **Can I say my home or business is powered by solar if I participate in SOLAR**CHOICE**?**
    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 SOLAR**CHOICE**?**
    Complete a **SOLAR**CHOICE Application and return it to the AU office. Once you are approved, you will receive a **SOLAR**CHOICE Subscription Agreement. Sign and return the **SOLAR**CHOICE Subscription Agreement to AU, along with a check for your subscription. You will begin to see your **SOLAR**CHOICE credits the first full billing period after you subscribe. (Credits for the **SOLAR**CHOICE program will not begin until September 2017.)

13. **How do I receive credit for participating in SOLAR**CHOICE**?**
    Each month the solar energy generated per panel on a kWh basis at the community solar garden will be calculated. AU will take that number of kWhs times the number of panels you have subscribed to and credit your account for that number of kWhs at the current retail rate.

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, AU 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 will be paid out to subscribers. Since your subscription is limited to 75% of your annual energy usage this should not happen.

16. **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.

17. **Will I still have electricity when the sun isn't shining?**
    Yes – you will receive the same reliable service from AU 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.

18. **What happens if I move?**
    If you move to another address in town your **SOLAR**CHOICE subscription moves with you. If you move outside AU's service territory, you may transfer your subscription to another AU customer.

19. **Is the SOLAR**CHOICE **program subsidized by AU?**
    No – the program is designed so that the panel price includes the cost of maintaining the electric distribution system in AU and other costs of operating the utility. This ensures participating **SOLAR**CHOICE customers and non-participating customers continue to pay their fair share of the costs of safe and reliable electric service.

SOLARCHOICE COMMUNITY SOLAR GARDEN

20. **How big is the community solar garden and much electricity will the solar garden produce?**
    The planned solar garden will be $3MW_{ac}$ (or 3,000 kilowatts), consisting of roughly 9,000 solar panels that are 6 1/2 x 3 1/4 foot and cover roughly 30 acres. Over the course of its projected twenty-five year 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.

21. **Where will the community solar garden be built?**
    The **SOLAR**CHOICE community solar garden is planned to be built in Princeton, MN on a site near the municipal airport. It was found to be the most economical place to build among the 18 Southern Minnesota Municipal Power Agency (SMMPA) utility members who are working together to offer this program.

22. **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.

23. **When will the solar garden be built?**
    Solar power for participating **SOLAR**CHOICE customers will be provided by a $5MW_{ac}$ Lemond Solar Station in Owatonna, MN, that will be operating by June of 2017. If there is enough interest, construction on the Princeton

site will begin once 25% of the planned community solar garden is under subscription by customers of AU and other SMMPA Member utilities, construction will begin and is expected to take approximately three to six months to complete. If the 25% threshold is not met, the new solar garden will not be constructed and **SOLAR**CHOICE will continue to be served by solar energy from the Lemond Solar Station under the same terms and conditions.

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 AU that members of the community will be able to see up close.