

# Deep Dive for Non-Profit and Public Facility Solar Project Disclosure Form

**Power Purchase Agreement Project** 

**ComEd Customer** 

Your Disclosure Form has a unique identification number. This helps Illinois Solar For All ("ILSFA") track each form. If you contact the Program Administrator with questions, they may ask you for your Disclosure Form ID number.

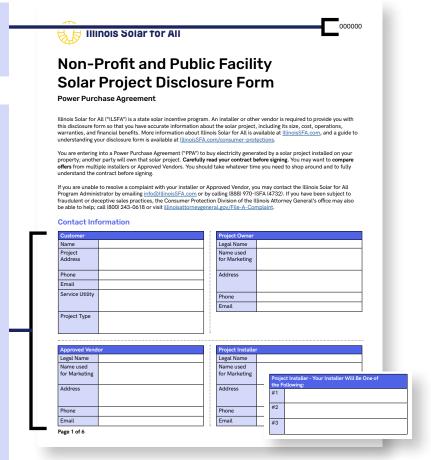
#### **Contact Information**

The customer information provides the address where the solar project will be installed.

The Approved Vendor is the entity that will submit an application for the solar project to participate in ILSFA. The Approved Vendor might also be the Project Owner and/or Installer, or the Approved Vendor may work with other companies, called Designees, to do marketing, sales, installation, and other work.

The Project Owner is the entity that you sign a contract with to buy the electricity from the solar project. You may also need to sign a contract with the Approved Vendor agreeing to sell the Renewable Energy Credits ("RECs") generated by the solar project to the Approved Vendor. The Approved Vendor then sells the RECs to a utility in exchange for an incentive payment.

If the Project Owner has selected an installer at the time that they generate your Disclosure Form, the Disclosure Form will include the Project Installer's contact information. If the Project Owner has not yet selected an installer, they will list 3 different companies that might do the installation work.



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# Power Purchase Agreement ("PPA") Information

This section is very important, as it lays out the costs that you will pay for the electricity from the solar project. This includes the rate you will pay for electricity (which may increase over time), and any fees that will necessarily apply, such as maintenance fees.

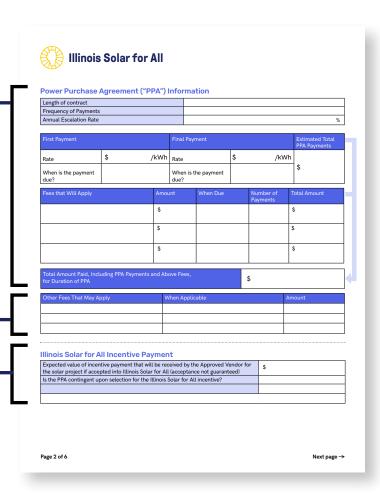
These costs and fees are listed out separately and then totaled up. The cost for the PPA payments is an estimate because the actual costs will depend on how much electricity the solar project produces.

There are 2 sections for fees in the Disclosure Form. One section lists "Fees that will apply."

The second section lists "Other fees that may apply" - this section is for fees that *might* apply, but are dependent on things that haven't happened yet. This includes things like late payment fees or returned check fees—in this example, if you do not make a late payment or bounce a check, you will not have to pay these fees.

#### Illinois Solar for All Incentive Payment

Your Approved Vendor will sell the Renewable Energy Credits ("RECs") generated by the solar project to a utility in exchange for an ILSFA incentive payment. The amount of the incentive payment is disclosed here. This incentive payment helps the Approved Vendor pass savings on to you.



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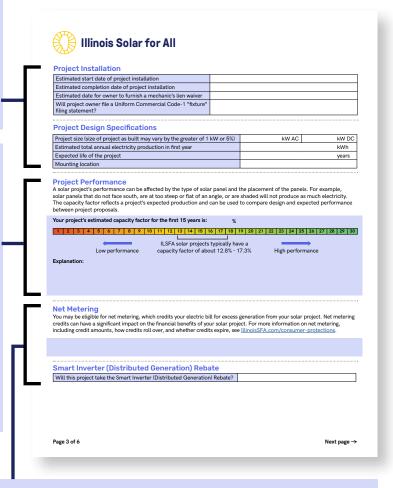
# Project Installation and Project Design Specifications

These sections give information about the solar project design and installation. Pay attention to the size of the project. If the project generates significantly more than your annual electric usage, make sure you understand why the project will be that large. For example, a larger project may make sense if you plan to switch from natural gas to electric heating and/or appliances, or if you plan to get an electric vehicle. In other situations, an oversized project may not make sense.

#### **Project Performance**

This section helps you understand how well the solar project will perform and whether it is sited properly for maximum performance. The range for "typical" ILSFA solar projects is calculated by using the "bell curve." The range for "typical" projects shown on your Disclosure Form reflects the middle 68% of projects (one standard deviation above and below the median). In other words, a "typical" project falls in between the 16th and the 84th percentile.

If the project has lower performance, make sure you understand why this is and whether you will still see the benefits you are expecting from the solar project. It may be that your property or building is not well-suited for solar. Note that projects in northern Illinois generally have lower performance than projects in southern Illinois because the sun's rays are less direct the further north a project is.



#### Net Metering and Smart Inverter (Distributed Generation) Rebate

The below information applies to customers whose net metering applications are <u>submitted PRIOR to January 1, 2025.</u> Net metering policies and rates change after January 1, 2025.

If you are a **residential or small business customer** in ComEd service territory, and are not taking the Distributed Generation Rebate, you will receive full retail rate net metering (also called 1:1 net metering). Net metering credits you for electricity that your solar project sends to the utility electric grid. If your solar project makes more electricity than you use, the electricity flows to the grid. On the other hand, if you use more electricity than your project is generating at any specific time, you will pull electricity from the grid.

ComEd will "net out" the extra electricity that your project sends to the grid against the electricity that you pull from the grid. ComEd will then only charge you supply, delivery, and other volumetric fees (fees that are based on kWh usage) on the netted amount of usage.

For example, if your solar project sends 400 kWh of extra electricity to the grid, and you use 500 kWh of electricity from the grid, ComEd will only charge you for using 100 kWh of electricity. (For electricity from your solar project that you directly use onsite, there are no utility charges or credits.)

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#### Net Metering and Smart Inverter (Distributed Generation) Rebate, Continued

Thinking about it another way, you will receive credits on your electricity bill for electricity that you send back to the grid which are valued at the same per kWh rate that you pay for electricity (that is, the full retail rate).

If you overall send more electricity to the grid in a month than you pull from the grid, ComEd will not charge you any volumetric fees (fees that are based on kWh usage), and the extra net metering credits (in kWh) will "roll over" to the next month. You will still have other charges on your ComEd bill, such as the customer charge.

For residential and small business customers in ComEd territory that have not taken the DG Rebate, net metering credits expire annually. Customers can choose whether this happens in April or October. Generally, solar customers choose to re-set credits in April because it allows them to build up credits over the summer (when solar generates a lot of electricity) and then use up those built-up credits over the winter (when solar generates less electricity).

If you receive energy supply from an Alternative Retail Electric Supplier (ARES) but your electricity is delivered by ComEd, ComEd will provide net metering of the delivery charges and other volumetric charges (charges based on kWh usage) from ComEd. The ARES will be responsible for net meter crediting for supply and transmission charges. If you switch to a new electricity supplier, make sure to ask the new supplier if any accumulated net metering credits will be carried over and applied by the new supplier. ComEd will also continue to apply your accumulated net metering credits to your delivery charges and other volumetric charges (charges based on kWh usage) from ComEd.

# Project Operations, Maintenance, Warranties, and Guarantees

All ILSFA contracts must include a full system warranty, as well as operations and maintenance guarantees for 15 years (20 years for public schools), at no additional cost to participants. Some sellers may offer longer warranties or guarantees. Some types of damage may not be covered; make sure you understand whether you are responsible for obtaining additional insurance coverage.

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	nce (operational upkeep) xing malfunctioning project)		
	d to improper installation		
	arranty for solar panels		
	arranty for project inverter		
Details of system	performance warranty		
Insurance for loss	s or damage to the project		
warranties listed a	bove during the term of you	PPA – consult your contract for infor	the project that is not covered by the mation on insurance requirements.
varranties listed a	bove during the term of you	PPA – consult your contract for infor	mation on insurance requirements.
If You Move If you move, the proposed outright.  Conditions for	bove during the term of you	PPA - consult your contract for infor	mation on insurance requirements.

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# Value of Electricity and Savings Estimates

This section estimates the value of the electricity that the solar project will generate and your savings over the first year, and over the duration of your PPA.

To estimate the value of electricity that the solar project will generate:

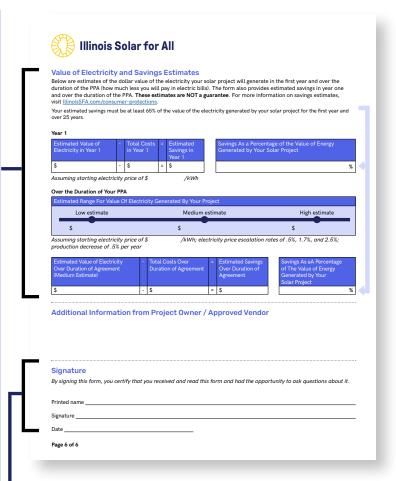
- For Non-Profit and Public Facilities customers, this
  estimate takes the customer net metering electricity
  price in dollars per kWh and multiplies that by the
  estimated amount of electricity that the solar project is
  expected to generate.
- To estimate the value over the duration of your PPA, the calculation assumes that the value of electricity will increase by 0.5%, 1.7%, or 2.5% per year, and that the amount of electricity that the solar project generates will decrease by 0.5% per year. These estimates do not account for the time value of money. This means that value generated several years in the future is not discounted.

The Disclosure Form also shows your savings as a percentage of the value of energy generated by the solar project. This is calculated by dividing your estimated savings by the estimated value of electricity generated.

For Non-Profits and Public Facilities, ILSFA requires that your estimates of savings must be at least 50% of the value of the electricity generated in the first year and over the duration of your PPA, unless you are also able to utilize the federal Investment Tax Credit, in which case your estimates of savings must be at least 65% of the value of electricity generated in the first year and over the duration of your PPA.

#### **Signature**

Make sure that you fully understand your Disclosure Form and take the time to ask questions before signing.



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## Glossary for NP/PF Solar PPA

Alternative Retail Electric Supplier (ARES): Companies other than the default electric utility that sell electric supply. Customers may choose to purchase electricity supply from an ARES rather than the default utility. The utility will still deliver the electricity and generally will still bill for both supply and delivery.

**Approved Vendor (AV):** Solar contractor or developer that enrolls your solar project in the ILSFA program, and also sells the Renewable Energy Credits ("RECs") generated from solar projects to the utility in exchange for an ILSFA incentive payment.

Capacity Factor (CF): The ratio of actual energy generated by a power plant over a time period (usually a year) and the total energy that power plant could have generated over the same time period, if it was optimally sited and ran at full capacity 24 hours a day, 365 days a year. The capacity factor for solar projects may seem relatively low, because solar projects only generate electricity when the sun is shining.

**Designee:** Entities that have direct interaction with end use customers on behalf of an Approved Vendor. Designees may work as installers, marketing firms, lead generators, and/or sales organizations on behalf of an Approved Vendor. Designees must be registered with the Program.

**Distributed Generation (DG):** A system that generates electricity and is located on-site, behind a customer's meter, and used primarily to offset a single customer's load; it cannot exceed 2,000 kW AC in size. Distributed generation (also called on-site generation or decentralized generation) is a term describing the generation of electricity for use on-site, rather than transmitting energy over the electric grid from a large, centralized facility (such as a coal-fired power plant).

**Distributed Generation Rebate:** Under the Illinois Public Utilities Act (220 ILCS 5/16-107.6), ComEd and Ameren must both offer a rebate to customers who install distributed generation projects, including solar, that meet certain eligibility requirements, including being equipped with a smart inverter. ComEd refers to this as the Distributed Generation Rebate. More information from ComEd is available at <a href="https://www.comed.com/SmartEnergy/MyGreenPowerConnection/Pages/SolarRebates.aspx">https://www.comed.com/SmartEnergy/MyGreenPowerConnection/Pages/SolarRebates.aspx</a>.

Federal Tax Credit: The federal government has a tax credit program for solar projects. Owners of residential solar projects may be eligible to deduct up to 30% of the cost of their solar project from their federal income taxes. The Department of Energy's Homeowner's Guide to the Federal Tax Credit for Solar Photovoltaics is available at <a href="https://www.energy.gov/eere/solar/homeowners-guide-federal-tax-credit-solar-photovoltaics">https://www.energy.gov/eere/solar/homeowners-guide-federal-tax-credit-solar-photovoltaics</a>. Note that some homeowners may not pay enough in federal income tax to be able to use the full value of the tax credit, but tax credits can be rolled over to use in a subsequent year. Consult a tax professional to discuss your circumstances.

Illinois Power Agency: State Agency that administers the procurement of renewable energy resources to meet Illinois' renewable energy goals, including renewable energy incentive programs like ILSFA.

Illinois Shines: A state program administered by the Illinois Power Agency that supports the development of new photovoltaic distributed generation systems and new photovoltaic community renewable generation projects in Illinois through the purchase of Renewable Energy Credits ("RECs").

Illinois Solar for All (ILSFA): A state program administered by the Illinois Power Agency that supports the development of new photovoltaic distributed generation and new community renewable generation projects that serve low- and middle-income households, and non-profits and public facilities that serve and are located in environmental justice communities or income-eligible communities.

**Interconnection:** The process of connecting a solar project to the electric grid, which requires approval from the utility that operates the electric grid. All ILSFA projects must be interconnected to the electric grid.

Kilowatt (kW): 1,000 watts of electrical power.

Kilowatt-hour (kWh): 1,000 watts of power used for one hour. Electrical energy consumption and production is measured in kWh. For example, if a 100-watt lightbulb is used for 10 hours, it will use 100 watts of electricity per hour, or 1000 watts over 10 hours. Over the 10-hour period, the lightbulb used 1 kWh.

**Mechanic's lien waiver:** A document, often provided to a customer upon completion of payment, that indicates that a contractor is waiving its right to file a mechanic's lien. A mechanic's lien is used by contractors to ensure that they are paid; the lien gives the contractor a security interest in the customer's property.

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## Glossary for NP/PF Solar PPA, Continued

**Net Metering:** Metering and billing arrangement to compensate distributed energy generation (DG) system owners for generation that is exported to the utility grid.

Program Administrator: The entity responsible for running day-to-day operations of Illinois Solar for All, which is the non-profit Elevate.

Project Installer: The company that will complete the installation work for the solar project.

Project Owner: The company that owns the solar project and enters into the installation contract / PPA with the customer.

Renewable Energy Credits (RECs): The environmental attributes of 1 MWh of electricity generated by a renewable generator, such as a solar project. Note that 1 MWh = 1000 kW.

**Smart Inverter Rebate:** Under the Illinois Public Utilities Act (220 ILCS 5/16-107.6), ComEd and Ameren must both offer a rebate to customers who install distributed generation projects, including solar, that meet certain eligibility requirements, including being equipped with a smart inverter. Ameren sometimes refers to this as the Smart Inverter Rebate.