

# Standard Disclosure Form

## Distributed Generation PV System Power Purchase Agreement (PPA) Option

### Before You Sign a Binding Contract

The proposed agreement described in this disclosure represents the terms for a **power purchase agreement (PPA) for a photovoltaic (PV) system** that will be installed on your property. With a PPA, another party will own the system and you will purchase the electricity generated at a discounted, fixed rate. Because you will not own the PV system being installed, you are not eligible to take the federal income tax credit for PV system owners.

The purpose of this form is to provide you with clear and accurate information about the terms of your agreement, but this form is not a substitute for your contract. Do not rely exclusively on this form for your PPA agreement. You should read your PPA agreement closely before you sign it. The Illinois Solar for All program requires that you are presented with this disclosure at least seven days before signing your PPA agreement. You may want to discuss the information presented here with an accountant or financial professional during those seven days. You will have another seven days after signing the contract to terminate that contract.

**Please print and save this document for your records.**

Your Property	Your Seller	Your Approved Vendor
Name:	Name:	Name:
Street:	Street:	Street:
Apartment/Suite:	Apartment/Suite:	Apartment/Suite:
City:	City:	City:
State:	State:	State:
Zip:	Zip:	Zip:
Phone:	Phone:	Phone:
Email:	Email:	Email:

If you have questions after reviewing this Disclosure Form, contact your Approved Vendor or Seller (these may be different companies). You can also contact the Illinois Solar for All Program Administrator via email at [info@IllinoisSFA.com](mailto:info@IllinoisSFA.com) or via phone at **1-888-970-ISFA (4732)**.

## Financial Summary

The following is a summary of important financial information you need to know about the PV system your Seller has designed for you. More detailed information about the system design, costs, and savings can be found further in this form.

### SYSTEM SIZE

		Any system size variations submitted for approval that is plus or minus more than 5% of the specifications listed here will require completion and submission of a new Disclosure Form. The Disclosure Form should exactly match what is presented in the contract.
<b>kW DC</b>	<b>kW AC</b>	

### SUMMARY OF COSTS AND SAVINGS

<b>Current Average Residential Electricity Rate</b>	\$ / kWh	The amount the average residential household pays for their electricity as a cost per kilowatt hour (kWh).
<b>PPA Starting Rate</b>	\$ / kWh	The starting rate at which you will buy electricity with this PPA agreement.
<b>Estimated Monthly Savings</b>	\$	The net estimated average amount of total savings you will see monthly in dollars. This is based on your total first year costs and total first year energy value.
<b>Upfront Costs</b>	\$0	The amount you pay upfront, before the PV system starts producing energy <b>is always \$0</b> .
<b>First Year Costs</b>	\$	The estimated costs and fees you pay over the first year
<b>First Year Energy Produced</b>	kWh	The number of kilowatt hours produced by your system in the first year.
<b>First Year Energy Value Savings Dollars</b>	\$	The estimated amount of savings you will see in the first year in dollars. <b>This must be at least 50%.</b>
<b>First Year Energy Value Savings Percent</b>	%	The estimated amount of total savings you will see in the first year as a percent. The total savings divided by the total energy value <b>must be at least 50%.</b>
<b>Costs Over the Contract Term</b>	\$	The estimated costs and fees you pay over the term of the contract.
<b>Energy Produced Over the Full Contract</b>	kWh	The estimated number of kilowatt hours produced by your system over the term of the contract.
<b>Energy Savings in Dollars</b>	\$	The estimated amount of savings in dollars you will see over the term of the contract.
<b>Energy Savings as a Percent</b>	%	The estimated amount of total savings you will see over the term of the contract as a percent. <b>This must be at least 50%.</b>

## The Terms of Your PPA Agreement

You have selected to purchase electricity through a **power purchase agreement (PPA)**. With a PPA, the PV system is installed on your property and owned by a third-party. You agree to purchase the electricity generated from that PV system at an agreed rate. This rate may change over time to account for the increased cost of energy. The PPA agreement proposed for you requires that you pay an initial rate of \$ \_\_\_\_\_ per kilowatt hour for all the electricity produced by the system paid \_\_\_\_\_ for a total of \_\_\_\_\_ years. This rate will increase annually at a rate of \_\_\_\_\_%. You will not be charged any costs or fees until your system is energized and you see credits on your electricity bill. The following tables include important information about the terms of your PPA agreement, along with projected costs and savings.

Terms of the PPA		
Upfront costs	<b>\$0</b>	The amount you are required to pay before you start receiving energy from the installed PV system. <b>This is always \$0.</b>
Length of contract	<b>years months</b>	The length of time you are required to make payments.
Initial rate per kWh	<b>\$</b>	The amount you pay for energy produced by the system. This is always a <b>minimum of 15 years.</b>
Frequency of PPA payments		How often you make payments. For example, you may be required to pay monthly.
Annual payment increases <sup>1</sup>		The rate at which your cost per kilowatt hour will increase over time, if at all. Payments will increase by _____ % every year.
First payment due		The date when your first payment is due. For example, 30 days after the system is energized.
Contingent on Illinois Solar for All		Is this agreement contingent on the project being selected by the Illinois Solar for All program?

The amount you pay at regular payment periods (typically monthly) will vary based on the energy your system produces. You are paying a fixed rate for each kilowatt hour produced. But, the number of kilowatt hours that will be generated by the system can only be estimated.

## The Costs and Fees Associated with Your PPA Agreement

The following are the costs and fees associated with installing and maintaining your PV system over the full term of the PPA agreement. Most costs are included in your agreed electricity rate and some services may not have associated fees. Some costs or fees may or may not be included in your payments, and therefore may require payment separately. Some payments may be conditional, such as a late fee that will not be charged unless you have a late payment. Please read each item to understand what payments you are required to pay and when.

<sup>1</sup> Many PPA contracts increase the rate at which you purchase electricity on an annual basis to account for inflation and projected annual increases in electricity rates. These escalation rates compound, meaning they apply not only to the initial payment rate, but also to the increases added annually. The savings calculated for you in this Disclosure Form account for all these increases to give you a clear estimate of all your costs and savings over time.

Costs and Fees				
System warranty fee	The system warranty is included at no cost to the customer.			
System maintenance fee	System maintenance is included at no cost to the customer.			
Document preparation fees	Are you charged these fees?	Are these fees included in your payment?	\$	Any administrative costs, if any, associated with originating the PPA agreement.
Internet non-connection fee	Are you charged these fees?	Are these fees included in your payment?	\$	If you do not maintain a high-speed internet connection to facilitate the transmittal of generation data from your system for creating RECs, you may be charged a fee by the Seller to cover the cost of such a connection.
Estimated system removal fee	Are you charged these fees? <b>No</b>	Are these fees included in your payment? <b>Yes</b>	<b>\$0</b>	The estimated cost to remove the system equipment when it has reached the end of its useful life <b>is always \$0</b> . See below for end of life options.
Automated clearinghouse fee	Are you charged these fees?	Are these fees included in your payment?	\$	You may be required to enroll in a program in which your PPA payments are made through an electronic transfer of funds cleared through an automated clearinghouse and there may be a fee associated with enrolling.
Uniform Commercial Code Notice Removal and Re-filing fee	Are you charged these fees?	Are these fees included in your payment?	\$	A filing fee to protect the Seller's equipment. <sup>2</sup>

Any Other Fees:			
	Included in PPA payment:	\$	
	Included in PPA payment:	\$	
	Included in PPA payment:	\$	

<sup>2</sup> Some PV system Sellers will file a Uniform Commercial Code-1 filing statement, often referred to as a "fixture filing" or a "UCC-1 filing," which allows them to legally take possession of the system if you breach your PPA contract. A fixture filing can make it more complicated for you to refinance your mortgage or convey the value of the real estate equipped with the PV system.

Financial Fees:				
Returned checks fee	Are you charged these fees?	Are these fees included in your regular payment? <b>No</b>	\$	The fee charged each time a check is returned for insufficient funds when making a payment. These fees are not included in your PPA payment.
Late payment fee	Are you charged these fees?	Are these fees included in your regular payment? <b>No</b>	-	If a payment is made more than _____ days after due date, you will be charged \$_____ OR late payments accrue interest at _____% annually. These fees are not included in your payment.
Early termination fee	Are you charged these fees?	Is this fee included in your regular payment? <b>No</b>	<b>See Description Below</b>	If the Seller imposes an early termination fee or penalty, the amount of the fee/penalty will be calculated in the following way described below. This fee is not included in your PPA payment.

#### Early Termination Fee/Penalty Calculation Description:

Your PPA payments will not constitute your total monthly payment amount for electric service from your utility. In addition to the PPA payments, you will still receive an electricity bill from your current electricity provider. Even with two bills, you can still see significant savings. Below is an estimate of savings over 25 years.

## Your Estimated Savings Over the Term of Your Contract

The following estimates provide an indication of projected savings over the full term of your contract. The variation in savings is based on different assumptions of how much energy costs will increase over this time. There are three savings amounts presented here, using a low annual energy cost increase assumption, as well as an average and a high increase.

	<b>per kWh</b>	Your Approved Vendor can use the statewide average residential rate of \$.1248 per kWh or they can take your average electricity rate from 12 consecutive months of electricity bills.
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	Energy Escalation Rate	Total Estimated Savings
Low Estimate	0.5%	\$
Average Estimate	1.7%	\$
High Estimate	2.5%	\$

## Installation

The PV system being installed is owned by \_\_\_\_\_.  
The installation of the PV system typically begins \_\_\_\_\_ days after your contract is signed and typically takes \_\_\_\_\_ days to complete.

The PV system being installed will be \_\_\_\_\_.

## System Assumptions and System Components

- Size of system in kilowatts (kW): \_\_\_\_\_ kW DC and \_\_\_\_\_ kW AC.
- Estimated gross annual electricity production in kilowatt-hours from your system in the first year: \_\_\_\_\_ kWh
- Estimated annual system production decrease (degradation): \_\_\_\_\_ %
- Expected life of the system: \_\_\_\_\_ years

The manufacturer of the PV modules is \_\_\_\_\_  
OR your modules will be provided by one of the following three manufacturers:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

An inverter is another important component of the PV system because it turns DC electricity into AC electricity that you can use in your home. The manufacturer of the inverter for this system is \_\_\_\_\_. The model of the inverter is \_\_\_\_\_  
OR the PV system will use one of the following three inverter makes and models:

1. Make: \_\_\_\_\_ Model: \_\_\_\_\_
2. Make: \_\_\_\_\_ Model: \_\_\_\_\_
3. Make: \_\_\_\_\_ Model: \_\_\_\_\_

The PPA Provider is providing you with a:

\_\_\_\_\_ : System performance or electricity production guarantee

\_\_\_\_\_ : Other type of system guarantee (please specify)

\_\_\_\_\_ : No system guarantee

Unauthorized modification of the PV system, including the relocation of it, is prohibited.

## System Operations, Maintenance, and Warranties

To ensure your system produces optimally, it will require routine maintenance, much like other parts of your home. Routine maintenance must be included as part of your agreement **at no extra cost**. The system maintenance will be provided by \_\_\_\_\_ for \_\_\_\_\_ years.

*Are repairs to your system that go beyond routine maintenance covered by your PPA contract?*

\_\_\_\_\_

If yes, \_\_\_\_\_ is responsible for making repairs to your PV system for \_\_\_\_ years.

*Does the system include a **warranty for improper installation**?* \_\_\_\_\_

If yes, the warranty lasts for \_\_\_\_\_ years.

*Does this agreement include a manufacturer's **warranty for the PV modules**?* \_\_\_\_\_

If yes, the warranty lasts for \_\_\_\_\_ years.

*Does this agreement include a manufacturer's **warranty for the inverters**?* \_\_\_\_\_

If yes, the warranty lasts for \_\_\_\_\_ years.

*Does the system include a **warranty against roof leaks caused by installation**?* \_\_\_\_\_

If yes, the warranty lasts for \_\_\_\_\_ years and is provided by \_\_\_\_\_.

*Will the PPA Provider **insure for loss or damage to the system**?* \_\_\_\_\_

If yes, except under the following circumstances:

It is important to understand that you may be responsible for obtaining insurance coverage for any loss or damage to the system that is not covered by the warranties listed above. Consult an insurance professional to understand how to protect yourself against the risk of loss or damage to the PV system. Unauthorized modification of your PV system, including the relocation of it, is prohibited under Illinois Solar for All.

## End of Contract Term, Renewal, and System Removal

At the end of the contract term, the PPA Provider must provide you with the following options:

**1. Removal of the system at no cost to you.**

*Will the PPA Provider return any portions of the system's site to its original condition upon the removal of the system (ordinary wear and tear excepted)?* \_\_\_\_\_

**2. Buy-out of the system. What are the terms of the transfer of ownership?**

**3. Renewal of the PPA. What are the terms of the PPA renewal?**

## If You Move

If you move, the PPA Provider must allow you the option to transfer the system or buy the system outright. *The transfer will be subject to the following conditions:*

\_\_\_\_\_ : Credit check of the home purchaser(s)

\_\_\_\_\_ : Minimum FICO score requirement: \_\_\_\_\_ (dependent upon customer's credit criteria at the time of system transfer)

\_\_\_\_\_ : Transfer fee of \$\_\_\_\_\_

\_\_\_\_\_ : Assumption of the PPA agreement by the home purchaser(s)

\_\_\_\_\_ : Other \_\_\_\_\_

\_\_\_\_\_ : No requirement to transfer

*The buy-out will be subject to the following conditions:*



## How Much Will A PV System/Electricity Cost?

The amount you will pay will vary based on 1) the system size, 2) whether you purchase or lease the PV system or simply buy the electricity, and 3) the terms of your contract. Please read this Disclosure Form carefully to better understand all potential costs and values before you sign the contract. All savings are estimated based on your proposed contract terms, the system design, program requirements, and other important details outlines in this Disclosure Form. Although many of the details described here are estimates, they provide a fair representation of what you can expect to pay and save. All participants in Illinois Solar for All are ensured a minimum amount of financial savings in all contracts, as well as important consumer protections.

## Important Solar Power Concepts

### RENEWABLE ENERGY CREDITS

Renewable Energy Credits (RECs) are created when PV systems generate electricity, but they are not the electrical energy itself. Instead, they represent the environmental value of the electricity generated from a PV system. RECs are important because they can be bought and sold separately from the energy.

System owners can sell RECs to help pay for a solar installation. Illinois Solar for All makes solar affordable by allowing system owners to sell RECs and requires that those incentive dollars are used to pass savings on to participants.

The following table outlines the details on the sale of the first 15 years of RECs of your proposed PV system.

RECs Generated	Value per REC	Total REC Value
	\$	\$
The estimated total number of RECs generated over 15 years.	The fixed price paid for each REC sold.	The estimated value of all RECs generated over 15 years.

### NET METERING

Net metering is an agreement between you and your electricity supplier. A net metering agreement allows you to sell back any excess energy to your supplier each month with each kilowatt-hour (kWh) you sell appearing as a credit on your electricity bill. With net metering, you are charged only for the net amount of energy you use during each billing period (i.e., the amount of energy delivered to you minus the excess amount you send back to your supplier). If you send more energy to your supplier than is delivered, you can receive credits on your bill.

## INTERCONNECTION

Interconnection is the process for getting approval to connect your PV system to the power grid. With Illinois Solar for All, your Approved Vendor, or their agent, will apply for interconnection on your behalf. A completed interconnection agreement must be in place before the PV system can be energized. The interconnection rules may vary based on location and utility service territory. If your system is in the service territory of an Illinois municipal electric utility or rural electric cooperative, you should contact them for their interconnection requirements.

- *This is who will submit the interconnection application on your behalf:*

\_\_\_\_\_

- *This is who will submit the net metering application on your behalf:*

\_\_\_\_\_

## Is Your Property Ready for Solar?

Before solar can be installed, it's important to determine whether your property is suitable for solar. Illinois Solar for All requires that your Approved Vendor or Installer inspects your property to ensure various conditions are met before installation can begin, including:

- The property roof is in good condition and has at least 15 years of life left.
- Your property has the structural capacity to hold the weight of a PV system.
- Your electrical systems are safe, meet local code requirements, and the requirements of the proposed PV system.
- The areas where installation crews will work are free and clear of obstructions and hazardous materials.
- Your property has minimal obstructions that cause shading, like trees and taller buildings.
- For ground-mounted systems, the site has minimal obstructions, flooding, or contamination.

The Seller or Installer will inspect your property before presenting a contract and will submit a Site Suitability Report to you and the Program Administrator. If issues are found that need to be corrected, this report will detail a corrective plan. If repairs are needed, the Illinois Solar for All Approved Vendor must identify the plan for the repairs and how they will be paid for, ensuring that such costs do not place an unsustainable financial burden on the participant.

## Complaints

If you have complaints related to the system or this PPA process, first try to resolve the problem with your Installer or Approved Vender. If you can't agree with the company about how to solve the problem, you may contact the Illinois Solar for All Program Administrator by emailing [info@IllinoisSFA.com](mailto:info@IllinoisSFA.com) or by calling 1-888-970-ISFA (4732). If you believe you have been subject to fraudulent or deceptive sales practices, the Consumer Protection Division of the Illinois Attorney General's office may be able to help. Customers may contact the Illinois Attorney General's office by calling one of the following hotlines:

Chicago  
800-386-5438  
TTY: 800-964-3013

Springfield  
800-243-0618  
TTY: 877-844-5461

Carbondale  
800-243-0607  
TTY: 877-675-9339

Spanish language support and information is available at 1-866-310-8398.

Visit the Illinois Solar for All website at [www.IllinoisSFA.com](http://www.IllinoisSFA.com) for more information or call the toll-free number at **1-888-970-ISFA (4732)**.

## Customer Signature

### Please Initial

\_\_\_\_\_The person or company presenting this Disclosure Form as provided me with a copy, either electronic or printed, of the Illinois Solar for All Distributed Generation Brochure, and I have had the opportunity to ask questions about it.

### Signature

*\*By signing this form, you certify that you received and read this form.*

PRINTED NAME: \_\_\_\_\_

SIGN: \_\_\_\_\_

DATE: \_\_\_\_\_

**Please print and save this document for your records.**