



Community Solar - Frequently Asked Questions

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Community Solar II at Mason PUD 1



1. What is community solar?

Community solar is a low-hassle option that generally offers a lower entry-price than rooftop solar and allows you to support a sustainable future through an investment in a renewable source of energy. You and others in your community come together to share in the cost of the construction of solar electric system. Relative to an investment in rooftop solar, you can purchase units in smaller increments resulting in a more affordable investment. You also don't have to worry about siting, permitting, securing a contractor to install the solar panels or ongoing maintenance of the panels and equipment.

2. How does "community" solar compare with "rooftop" solar?

- Rooftop solar is typically owned or leased from a third-party vendor by a homeowner or business owner and located on homes or businesses rooftops. Solar panel installations can also be located on the ground if the property owner has the space.
- Community solar is paid for entirely by interested participants in the community. It can be sited at various locations throughout the community and is typically ground-mounted due to the large number of panels. For PUD 1 though, we are restricted on the size of project we are allowed to build so ours will be mounted on the roof of our new warehouse that is being constructed.
- The entry price point for community solar units can be much less than rooftop solar, since the units are sized much smaller and the costs are spread out over multiple participants.
- Not all customer properties are conducive to solar generation because they are not optimally situated relative to the sun or objects that may block the sun. Community solar projects are sited to avoid these issues.
- Any electric customer of the utility who has an account in good standing can participate in community solar, even those who rent.
- Unlike rooftop solar, the community solar investment is not directly associated with a customer's home or business property. Therefore, some of the issues that could arise on the sale of the home or business are avoided.



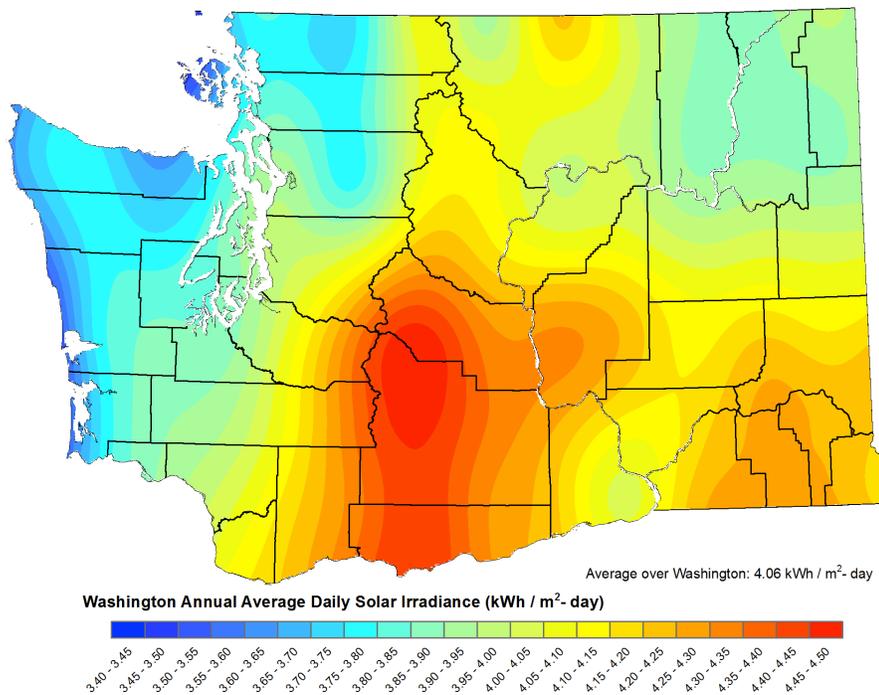
3. Why is Mason PUD 1 offering community solar?

Mason PUD 1 has been asked by customers and commissioners to investigate the feasibility of this project as a service to our community. Currently, Mason PUD 1’s resource portfolio is 88% hydroelectric power and over 98% carbon-free.

Mason PUD 1 wants to be the trusted energy partner to our customers and provide assistance and solutions for those who wish to invest in solar, whether it is a rooftop solar system or a community solar project.

4. Does solar work in our area?

Yes, although not as well as in other parts of the state. The best solar potential in Washington State is in the south-central and south-eastern parts of the state, with the highest concentrations in the south-central area. The map below shows the solar potential in Washington State.



Source: Stanford Report, February 26, 2014

5. How will this Community Solar project work?

The project is funded by taking the entire cost of the project, breaking it out into units and selling those units to registered customers.



6. Where will Mason PUD 1's Community Solar project be located?

On the roof of the new vehicle storage warehouse that is being constructed at the PUD's campus in Potlatch.

7. How big is the project? How much electricity will it produce?

This project will be 55 kW in size, or about the size of five home solar systems.

Why should I participate?

8. As a customer, why should I be interested in community solar?

Investing in solar is a personal decision that is impacted by a number of factors.

Customers have the opportunity to take advantage of the financial incentives offered by the State of Washington. Some customers have strong environmental beliefs and want to support the growth of solar for the environmental attributes.

9. What are the financial incentives?

The financial benefits include Washington State solar production incentives. In addition, you receive a credit on your bill based on the production of the project for the life of the project (as long as you have an active PUD 1 electric account for the life of the project).

10. How do I receive the incentives?

There are two ways – **production credits** that will be shown once a year as a credit on your statement and an annual **Washington state production incentive** check that is mailed to you after June 30th of each year until 2028. The timing of the checks depends on the timeliness of the verification process through WSU Energy Program.

Note: The monthly credit is subject to changes in our retail rate.

Washington State production incentive: Under current Washington state law, a \$0.14 per kilowatt hour production incentive is available to customers who participate in Mason PUD 1's community solar project. The state's current annual incentive is capped at \$5,000 per entity and is set to expire June 30, 2028. Mason PUD 1 acts as the administrator for state incentive payments. Once you are selected as a community solar project participant, have signed the participation agreement and paid your fees, you are automatically enrolled in the incentive payment program.

Note: The state production incentive is subject to changes in state law.



11. When can I expect to see my first production credit on my bill?

Production credits will be applied once per year on a monthly billing statement, usually on December's statement.

12. How is the Washington state production incentive determined?

The state incentive is determined by multiplying the \$0.14 per kilowatt hour rate by the participant's portion of the actual production by the project, which is currently set to expire in June 2020. We have just launched a calculator on the PUD 1 Community Solar Website to help you visualize incentives and payback: <http://solar.mason-pud1.org>.

13. How do I receive the Washington state incentive?

Community solar project participants will receive a check annually from Mason PUD 1 for the state incentive payment. These payments are generated after the June 30th read each year and after they are verified through WSU Energy Program.

14. Am I eligible for a federal tax credit?

Maybe. There is a credit available for qualifying participants. The PUD does not have any additional information about the federal tax credit. Please consult your tax advisor to see if you are eligible to claim a renewable energy tax credit on your federal income taxes.

15. Do I have to file with the state for production incentives?

No. Mason PUD 1 will complete all necessary paperwork in order for you to receive the state incentive.

16. When will I receive the annual Washington state incentive?

The state incentive payment will be disbursed by Mason PUD 1 via check to each participant based on portion of their respective project(s) every year through 2028.

17. How long will it take to recover my initial costs?

Depending on final project costs, the payback period should be about 18 years. The production benefits continue for the life of the project, which is estimated at 20 years (2040). Any applicable federal tax credits would shorten the payback period. Please consult with a tax advisor for more information.



(Please note that all financial projections of the payback to the participant are Mason PUD 1's best estimate, under current law. Many things could cause the financial results to differ from, and be less than, those described above including but not limited to a change in either federal or state law, a failure of the technology, Mason PUD 1's decision, in its discretion, to terminate the project prior to the end of its anticipated life, or other factors. MASON PUD 1 IS PROVIDING THIS INFORMATION SO CUSTOMERS MAY MAKE A MORE INFORMED DECISION WITH RESPECT TO PARTICIPATION IN THE PROJECT, BUT MASON PUD 1 DOES NOT GUARANTEE THE FINANCIAL RESULTS OF PARTICIPATION.)

18. Can I monitor the production of the community solar project?

Yes on the PUD 1 website at: solar.mason-pud1.org

How to Participate

19. How can I participate? How can I get involved?

Mason PUD 1 will mail out a bill stuffer inviting customers to register online and enter into a random drawing. Customers will then be randomly selected to purchase a unit(s) of the solar project. A customer could submit an offer to purchase between one and 100 units.

20. Can anyone participate? Do I have to own my house or property to participate?

Any Mason PUD 1 customer with a metered **electric** service and account in good standing may participate in the community solar project. Customers must be able to register online and have a valid email address to receive information about their units. Current Mason PUD 1 employees and Mason PUD 1 Commissioners may not participate in this initial project due to the anticipated customer demand. Employees and commissioners will be offered units only if the District is unable to sell the project out after the 3rd round. There is no requirement of home or property ownership, so participants can live in an apartment, condo, home, townhouse, etc. and still be eligible to participate.

21. Can both my spouse/domestic partner and I sign up to participate?

No, one entry per household or business.



22. How much does it cost to participate? How many units may I purchase? How many units are available?

The total project cost has been established and the cost per unit is \$100. Customers can choose to purchase between one (1) unit and 100 units. There will be 965 units available for the general program and 500 units available for the low income program.

23. Are there additional costs?

No. All insurance, warranty and maintenance costs are included in the one-time upfront unit cost. If something were to happen to the system outside of the workmanship warranty and normal maintenance that would prevent it from generating, the PUD may suspend generation credits to pay to get the system running again. This situation has not occurred in any of the other Washington State PUDs' programs.

24. How do I sign up?

Mason PUD 1 will notify customers by direct mail, email, and social media of the opportunity to register in February for the random drawing. Because there are limited amounts of units available, a randomized drawing will be held to provide customers an equal opportunity to participate. To participate in the drawing, customers must enroll online at solar.mason-pud1.org. **Due to manpower limitations at our small utility, all registration and correspondence following registration will be conducted electronically. All eligible customers must have a valid email address to participate.**

Customers are able to register to purchase up to 100 units. Only one request per customer is allowed for the drawing, regardless of the number of accounts the customer has with Mason PUD 1. All entries will be due on a future date/time to be determined. This information will be listed on the direct mail invitation.

QUALIFYING LOW INCOME CUSTOMERS can make an appointment with the Community Solar Project Manager and be qualified to register as a low-income participant. These customers can participate in the program free of charge for four year periods. Julie Gray, Project Manager, will take appointments February 3rd - 7th to prequalify and register interested parties.

25. What if I was selected to purchase a unit(s) during the random drawing?

Customers who were selected to purchase unit(s) will be notified by email after the random drawing takes place and will be provided with a participation agreement to be



signed for the purchase of the units. The agreement will include the terms and conditions and total cost to purchase the unit(s). The signed agreement and payment in full must be made to PUD 1 by March 13, 2020. If a customer misses this deadline, their spot will be made available to the next customer drawn. We will continue down the randomized list until all units are sold.

26. What happens if I was not selected in the random drawing?

If a customer who was selected for participation decides to withdraw from the current project, the next customer on the list will be offered the opportunity to participate. Unfortunately, we anticipate that the demand for this project will be much higher than the units available and not everyone will be able to participate.

27. When is the Participation Agreement due?

Participation Agreements and payment in full are due no later than March 13, 2020.

28. Can I email my signed Participation Agreement back to Mason PUD 1?

Yes, but PUD 1 would prefer to receive all agreements and payments in person or via mail. If the customer cannot deliver payment in person or through the mail, we will accept signed and scanned copies of the participation agreement at: solar@mason-pud1.org.

It is the participant's responsibility to follow up with the Visa/MasterCard/Check/Cash payment following the electronic submittal of their participation agreement. If either payment or agreement are missing at the deadline, the participant will forfeit their spot and another participant will be randomly selected. If this occurs, any payment already made will be returned.

29. How do I pay for my unit(s)?

Payment at the Mason PUD 1 office: Mason PUD 1 will accept cash, check or credit card (Visa or MasterCard) at Mason PUD 1's office located at 21971 N. Hwy 101 in Potlatch.

Visa/MasterCard payment by phone: Mail the agreement to the address below or email your signed scanned copies of the participation agreement to the PUD (email to be provided later). Then call with your Visa or MasterCard payment. There is a limit of \$5,000 for credit card transactions.



Payment by mail: Please send a check (DO NOT SEND cash or credit card) for the total cost of your unit(s) along with your signed participation agreement to the address below:

Mason PUD 1 Community Solar II
21971 N. Hwy 101
Shelton, WA 98584

30. Can I pay for my unit(s) over time?

No. The total unit(s) costs must be paid in full.

31. Can I purchase more or less units than I indicated when I signed up for the random drawing?

You may purchase fewer units, but not more.

32. Can I still participate in our community solar project if I move?

If you move within Mason PUD 1's service territory, your solar units will automatically transfer with you. If you move outside of Mason PUD 1's service territory, you can no longer participate; however, if you notify Mason PUD 1 within 60 days of termination, you may transfer your unit(s) to another Mason PUD 1 customer. The new customer will need to sign a new agreement to receive the bill credits and state incentives (if still applicable). Units can only be transferred once.

Customers who participate in the low-income portion of the project are not able to transfer their units. They return to the low-income program and are redistributed.

33. Can I transfer my unit(s) to a charity or a nonprofit organization?

Yes, a unit(s) may be transferred to a charity or a nonprofit organization that is a Mason PUD 1 customer. A customer receiving a donation is required to sign a Participation Agreement and is subject to the 100 unit maximum (**Note: Multiple participants may transfer unit(s) to same charity or nonprofit organization, but total units transferred may not exceed 100 units**).

Customers who participate in the low-income portion of the project are not able to transfer their units. They return to the low-income program and are redistributed.

34.



35. How long will I receive benefits from the project?

The project is expected to operate through 2040, but is subject to the Terms and Conditions of the Participation Agreement, which will be available soon. State incentive payments are set to expire on June 30, 2028. Annual bill credits for production will continue as long as the project is operational.

Low-income program participants will receive the project benefits for four years. They are allowed to re-apply every four years to be entered into the randomized drawing.

36. When do you anticipate the project will be up and going?

Our goal is for the project to be installed, fully functional and generating kilowatts by April 30, 2020. If we can begin sooner, great!

Registration will be open through 5:00 p.m. on February 28, 2020.