

Steele-Waseca Cooperative Electric SolarWise Community Solar Agreement

1. Definitions

Member's Allocated Capacity means the number of Production Units subscribed to by the Member multiplied by 410 watts.

Net Energy Consumed means the actual energy consumed at the Member's service address less the Solar Energy Credit.

Production Unit means the 410 watts of capacity. (410 watts is equal to the capacity of one panel and is estimated to annually produce an average of 510 kWh per year over the life of the Solar Farm.)

Resale Notice means notification to SWCE of Member's election to exercise its resale right and the kW amount of Member's Allocated Capacity and associated rights to receive Solar Energy Credits being resold.

Service Address means the 911 address of the SWCE account that is receiving the Solar Energy Credits.

Solar Energy Credit means a credit applied to the member's monthly invoice determined by calculating the Member's Allocated Capacity divided by the total nameplate of the Solar Farm, then multiplied by the total kWh of electrical energy delivered by the Solar Farm in the prior calendar month.

Solar Farm means the solar system located at the SWCE headquarters facility.

Solar Farm Monthly Production means the recorded total kWh of electric energy delivered by the Solar Farm in the prior calendar month.

The Sunna Project means the SWCE program that allows a Member to subscribe to a single Production Unit at a significant discount if the Member also has an electric water heater under SWCE's 16 Hour Water Heater Control Program at the Service Address.

2. Community Solar Participation.

- a) Eligible Participants. The program is open to all SWCE members.
- b) Member agrees to purchase a subscription to the partial solar output from the Solar Farm at the amount listed in Exhibit A. The subscription will be the total amount of Production Units purchased.

- c) SWCE agrees to provide a monthly Solar Energy Credit for the subscription of the Member's Allocated Capacity.
 - d) Member is not allowed to subscribe to more than twenty (20) Production Units or the equivalent of the Service Address's three year annual average usage, whichever is smaller. (The average annual output of each Production Unit is expected to produce 510 kWh per year.)
3. **Consideration.** As consideration for the Member's rights to receive Solar Energy Credit pursuant to this Agreement, the Member has paid SWCE the amount listed at the beginning of this Agreement. In the event the Solar Farm is not completed, Member will be refunded the full amount.
 4. **Term.** This Agreement shall be effective on the in - service date for the Solar Farm, and will continue for a period of 20 years, subjected to early termination as provided in the Agreement.
 5. **Solar Energy Credit.** During the Term, Member will receive a Solar Energy Credit for the Member's Allocated Capacity as a credit on the monthly invoice for electric service provided by SWCE to the Service Address. The Solar Energy Credit for the Member's Allocated Capacity applied to each monthly invoice will be determined by the following calculation:

$$\frac{\text{Member's Allocated Capacity} * \text{Solar Farm Monthly Production}}{\text{Name Plate Capacity of the Solar Farm}}$$

Net Energy Consumed will be billed by SWCE at the prevailing retail rate.

Solar Energy Credits will only be applied to a Member's bill in a month where there is kilowatt hour usage. In the event the Member does not have kilowatt hour usage for a month, the Solar Energy Credits will accumulate and be applied in future months when there is a kilowatt hour usage. If there are twelve consecutive months of no kilowatt hour usage, the credits will be forfeited. Upon the Member selling, transferring or forfeiting their Allocated Capacity the current accrued credits shall be applied to the Member's current kilowatt hour usage. Any excess unused credits will be forfeited to SWCE.

Member agrees that SWCE's sole obligation with respect to payments to Member shall be to apply Solar Energy Credits as a credit on Member's invoice for electric service provided by SWCE to the Service Address, according to the conditions of this Agreement. In no event shall SWCE have an obligation to pay cash or other consideration for accumulated, unused Solar Energy Credits.

6. **Cooperative Obligation.** SWCE shall operate and maintain the Solar Farm or contract with a qualified third party to operate and maintain the Solar Farm in accordance with best practices of the solar panel manufacturer.

7. **Member Obligation.** Participant in the Community Solar Program must be and remain a SWCE member. Members who surrender their Cooperative member status cannot remain in SWCE's Community Solar Program.

8. **The Sunna Project Program.** Member who is in good standing with SWCE may opt to subscribe to one (1) Production Unit at the discounted amount of shown in Exhibit C in conjunction with an electric water heater at the Service Address being place in SWCE's 16 Hour Water Heating Program. Members who choose this option shall forfeit the monthly storage water heating credit for a period of 10 years or the length of the Agreement, whichever is less.

a) **Nontransferable.** The Member shall not transfer or assign the Production Unit subscribed at the discounted amount under The Sunna Project Program to another Member.

b) **Forfeit of Production Unit.** The Member shall forfeit the Production Unit subscribed at the discounted amount under The Sunna Project Program back to SWCE should the Member no longer reside at the Service Address and does not meet the exemption in Section 11(g). SWCE repurchase cost of this subscription for the one panel will be \$0.00.

9. **Resale.**

Section 9 only applies to resale of Production Units not subscribed to under The Sunna Project Program.

a) **Resale.** In Member's sole discretion, Member may at any time and from time to time, elect to resell all of Member's Allocated Capacity and the associated rights to receive Solar Energy Credits to SWCE, and SWCE is obligated to purchase such Allocated Capacity and associated rights from Member pursuant to the terms of this Section. Such resale will occur as follows:

i. Member will notify SWCE of Member's election to exercise its resale right and the kW amount of Member's Allocated Capacity and associated rights to receive Solar Energy Credits being resold (the "Resale Notice").

ii. The resale price for the Member's Allocated Capacity associated with each Production Unit will be equal to the amount set forth on Exhibit B hereto.

iii. SWCE will repurchase the Member's Allocated Capacity associated with the Production Unit(s) identified in the Repurchase Notice within 30 days after sending payment to the Member in an amount equal to the Production Units at the repurchase price as calculated in Section 9(a)(ii), plus any earned Solar Energy Credits with respect to the amount of Production Units being repurchased not yet credited to the invoice for the Service Address. Upon receipt by Member of the payment provided in this Section 9(a)(iii) Member's right to receive Solar Energy Credits with respect to the Production Units so

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repurchased will terminate, and SWCE will have no further obligation to Member with regards to such Solar Energy Credits.

This Agreement will terminate effective upon repurchase by SWCE of all of Member's Allocated Capacity and associated rights to receive Solar Energy Credits.

10. **Transfer/Assignment.** Member may request that SWCE: (a) permit Member to change Service Address for which the Solar Energy Credits will apply to another Service Address with SWCE's service territory for which Member is obligated to pay SWCE for electric service, or (b) permit Member to assign this Agreement to another individual or entity provided such assignee's Service Address is located within SWCE's service territory. Member must notify SWCE of such proposed change or assignment in writing at least 30 days prior to the proposed effective date of such change or assignment, which notice must include:

1. Member's name and mailing address;
2. The current Service Address;
3. The new Service Address (if applicable);
4. The name of the individual or entity to whom Member is requesting to assign this Agreement (if applicable) and the consideration (if any) proposed to be provided to Member for such assignment; and
5. The proposed effective date of such proposed change or assignment.

The value of any consideration to be provided to Member for assignment of this Agreement may not exceed the purchase price that would apply if SWCE were repurchasing Member's Allocated Capacity and related rights to receive Solar Energy Credits as determined under Section 9(a).

SWCE's determination as to whether to repurchase all or any portion of Member's Allocated Capacity and associated rights to receive Solar Energy Credits or consent to any proposed changes of Service Address or assignment of this Agreement shall be made in accordance with the then current Steele-Waseca Cooperative Electric SolarWise Program policies and practices as established by SWCE from time to time.

Upon any assignments of this Agreement pursuant to this Section 9, the Member will surrender all right, title and interest in and to this Agreement. No assignment will extend the Term of this Agreement.

Except as provided above in this Section 10 and in Section 11(g), Member may not assign, gift, bequeath or otherwise transfer any of its right or obligations under this Agreement to any other individual or entity for any purpose, including without limitation as security for any debt or obligation. Any attempted assignment in violation of this Section 10 shall be null and void.

11. Miscellaneous Provisions.

- a) **Environmental Attributes.** Member acknowledges and agrees that SWCE will acquire from Solar Farm Owner under a power purchase agreement all electric energy generated by the Solar Farm and all Environmental Attributes associated with the Solar Farm. Member acknowledges that all Environmental Attributes associated with the Solar Farm shall remain the property of SWCE and Member agrees not to make any statement contrary to such ownership by SWCE.

“**Environmental Attributes**” means any and all rights, credits, benefits, emission reduction, offset, and allowances, howsoever entitled, resulting from the environmental or renewable characteristics or attributes of the Solar Farm or the avoidance of the emissions of any gas, chemical, or other substance to the air, soil or water, which are deemed of value by SWCE, in each case now or hereafter created or recognized by any governmental authority or independent certification association or entity generally recognized in the electric power generation industry and generated by or associated with the Solar Farm, including without limitation any renewable energy credits or similar rights arising under any federal or state renewable portfolio standard, the Center for Resource Solutions’ Green-e program and any credits, offsets or similar rights arising under any federal or state carbon legislation or regulation or any voluntary or government-mandated carbon trading program. Environmental Attributes also include but are not limited to: (i) any avoided emissions of pollutants to the air, soil, or water such as (subjected to the foregoing) sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and other pollutants; and (ii) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere.

- b) **Access.** Member will not have access to the Solar Farm for any purpose. Member will have no ownership, possession right or control of the Solar Farm, and will have no rights or obligations with respect to the maintenance or operation of the Solar Farm. This Agreement does not convey to Member any right, title or interest in or to any portion of any property (tangible or intangible, real or personal) underlying or comprising any portion of the Solar Farm.
- c) **Notices.** All notices, requests, consents, and other communications to a party required under this Agreement must be in writing, delivered to the mailing address for such party stated above, and will be deemed delivered upon the earlier of (a) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid, or (b) the following business day after being delivered to a reputable overnight courier service.

- d) **No Reliance.** Member is not relying on any representation, warranty or promise with respect to the SWCE SolarWise Program or the Solar Farm made by or on behalf of SWCE, except to the extent specifically stated in this Agreement. MEMBER ACKNOWLEDGES AND AGREES THAT THE SOLAR FARM IS BEING USED IN THE STEELE-WASECA COOPERATIVE ELECTRIC SOLARWISE PROGRAM AS IS, WHERE IS, AND WITHOUT WARRANTY. ANY WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

- e) **Entire Agreement.** This Agreement constitutes the entire agreement between parties with respect to the subject matter hereof and supersedes all previous proposals, whether oral or written, negotiations, representations, commitments, writings and all other communications between parties.

- f) **Governing Law/Jurisdiction/Venue.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Minnesota, without regards to the principles of conflicts of laws thereof. The parties acknowledge and agree that a court of competent jurisdiction located in Steele County, Minnesota shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.

- g) **Binding on Successors.** This Agreement shall be binding on the heirs, personal and legal representatives, successors and permitted assigns of the Member.

EXHIBIT A

SWCE Production Unit Sale Price

| Contractual Year | Price per Production Unit |
|------------------|---------------------------|
| Year 1 | \$1,225 |
| Year 2 | \$1,225 |
| Year 3 | \$1,225 |
| Year 4 | \$1,225 |
| Year 5 | \$1,225 |
| Year 6 | \$1,143 |
| Year 7 | \$1,062 |
| Year 8 | \$ 980 |
| Year 9 | \$ 898 |
| Year 10 | \$ 817 |
| Year 11 | \$ 735 |
| Year 12 | \$ 654 |
| Year 13 | \$ 572 |
| Year 14 | \$ 490 |
| Year 15 | \$ 409 |
| Year 16 | \$ 327 |
| Year 17 | \$ 245 |
| Year 18 | \$ 164 |
| Year 19 | \$ 82 |
| Year 20 | \$ 0 |

EXHIBIT B

Member Resale Price

| Contractual Year | Price per Production Unit |
|------------------|---------------------------|
| Year 1 | \$ 459.50 |
| Year 2 | \$ 459.50 |
| Year 3 | \$ 459.50 |
| Year 4 | \$ 459.50 |
| Year 5 | \$ 459.50 |
| Year 6 | \$ 428.75 |
| Year 7 | \$ 398.25 |
| Year 8 | \$ 367.50 |
| Year 9 | \$ 337.00 |
| Year 10 | \$ 306.25 |
| Year 11 | \$ 275.75 |
| Year 12 | \$ 245.00 |
| Year 13 | \$ 214.50 |
| Year 14 | \$ 183.75 |
| Year 15 | \$ 153.25 |
| Year 16 | \$ 122.50 |
| Year 17 | \$ 92.00 |
| Year 18 | \$ 61.25 |
| Year 19 | \$ 30.75 |
| Year 20 | \$ 0 |

EXHIBIT C

The Sunna Project Production Unit Sale Price

| Contractual Year | Price per Production Unit |
|------------------|---------------------------|
| Year 1 | \$ 170 |
| Year 2 | \$ 170 |
| Year 3 | \$ 170 |
| Year 4 | \$ 170 |
| Year 5 | \$ 170 |
| Year 6 | \$ 170 |
| Year 7 | \$ 170 |
| Year 8 | \$ 170 |
| Year 9 | \$ 170 |
| Year 10 | \$ 170 |
| Year 11 | N/A |
| Year 12 | N/A |
| Year 13 | N/A |
| Year 14 | N/A |
| Year 15 | N/A |
| Year 16 | N/A |
| Year 17 | N/A |
| Year 18 | N/A |
| Year 19 | N/A |
| Year 20 | N/A |