

# Redwood Electric Cooperative

## Worry-Free Community Solar

### Participation Option A: Purchase per Panel

#### \$1,175 per panel

**Member pays a one-time fee of \$1,175 per panel.** Member signs a license agreement, member does not actually own panels. The license agreement is a 20 year contract to receive kWh credits on their monthly bills. If the member moves off Redwood Electric lines, the contract can be transferred to another Redwood Electric member. At the end of the 20 year contract kWh credits stop and all energy is part of the cooperative power mix.

**Value of the kWh credits.** The portion of kWh's the member receives from the solar array is subtracted from their monthly bill. **Example:** Member used 1,000kWh's on their meter. Member purchased 2 panels with each panel producing 45kWh's, total of 90kWh's from community solar. Member would only pay for 910kWh's on that month's bill (1,000 – 90 = 910). The monetary value of the solar kWh's is equivalent to the current monthly billed kWh rate. This would include the wholesale and delivery charge but would not affect the monthly facility charge.

**Prepay for Electricity:** The purchase per panel option is similar to prepaying for electricity. The member pays one-time up front and receives the kWh credit for 20 years. There are no additional charges. Each panel is estimated to produce about 500kWh's per year over 20 years that's about 10,000kWh's. This puts the prepaid price at approximately \$.12/kWh.

**What is the breakeven or return?** Any financial benefit will depend on future costs of electricity. The value you get per kWh will be based on the Redwood Electric monthly kWh price now and in the future. As the cost of electricity increases the value of your community solar kWh credits increases. This is not an income producing investment.

**Renewable Energy Credits (REC's):** This project is registered with the Midwest Renewable Energy Tracking System (M-RETS). Basin Electric Power Cooperative, a Redwood Electric power supplier, is the owner of all REC's. The REC's are being used to help Redwood Electric meet its Minnesota renewable energy goals. Participating members do not receive renewable energy credits.

**Participation is limited to 10 panels per member.** Participation starts with as little as one panel with a limit of 10 panels per member. Depending on member participation the limit may be increased in the future. Members do not own the panels.

*Renewable energy production, such as solar, is very dependent on the weather. All production estimates are just that estimates. There is no guarantee of outcome. Redwood Electric will maintain the solar array in a manner to maximize production through regular maintenance and replacement of parts. Redwood Electric will not remove snow from the array.*

**See our “How participation affects your monthly bill” page for more information on both plans.**

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### Participation Option B: Purchase per kWh \$0.14 per kWh

**Member pays \$.14 per kWh each month.** This option allows member to participate with no money down and no contract. The member agrees to pay \$.14/kWh for their portion of production from the solar array. Members decide how many panel(s) worth of production they want. Members do not own panels. Each member is limited to 10 panels.

**Lock-in your cost per kWh.** This option allows members to lock in a price of \$.14/kWh until December 31, 2037. While today's prices are below \$.14, future prices may exceed that. Members who participate in this program lock in the \$.14/kWh for their portion of the solar array production until December 31, 2037.

**Participation cost is low.** The \$.14 per kWh is not an additional fee on top of your monthly energy rate.

**Example:** Member used 1,000kWh's on their meter. Member participates with 2 panels with each panel producing 45kWh's, total of 90kWh's from community solar. Member would pay for 910kWh's on that month's rate (example; \$.105) and 90kWh's at the solar rate of \$.14. Total for kWh's purchases that month would be \$108.15. Without the solar rate the member would have paid \$105.00 (1,000 x \$.105). Member only paid \$3.15 for community solar participation. The \$.14 includes wholesale and delivery kWh charges. It does not affect the monthly facility charge.

**Rate available until December 31, 2037.** The rate cannot be transferred to another member. If a member with this option moves to another Redwood Electric location they may take the rate with them. If the member no longer has an account with Redwood Electric the rate ends. The member can decide to end participation at any time. If they wish to return at a future date, they can return if panels area available. If there is a waiting list, they will be put on the waiting list.

**What is the breakeven or return?** Any financial benefit will depend on future costs of electricity. The value you get per kWh will be based on the Redwood Electric monthly kWh price now and in the future. As the cost of electricity increases the value of your community solar kWh purchases increases. This is not an income producing investment.

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