

Illinois Shines PV System Purchase Disclosure Form

This form gives consumers who are considering contracting for a solar photovoltaic ("PV") system clear information about the system and their transaction. Execution of this form is required for the system to be eligible for Illinois Shines, a state-administered incentive program.

Illinois Shines (also known as the Adjustable Block Program) provides payments for the sale of Renewable Energy Credits ("RECs") produced by new PV systems. RECs are created when solar panels generate electricity; 1,000 kilowatt-hours of solar production equals one REC. RECs represent the environmental value of solar power. RECs are separate from the electricity and can be bought and sold separately; whoever owns the RECs has the legal right to say they used that solar power. Because the environmental attributes of generation are part of the sale of RECs, customers participating in the sale of RECs relinquish their right to claim they are receiving solar energy.

Through participation in Illinois Shines, for 15 years, all RECs from your system will be sold to Illinois utilities and used to meet a compliance obligation. Payments for these RECs may be used to offset the purchase price or financing cost for your PV system.

There are different ways for customers to contract for a PV system. Customers may (1) buy a system (system purchase), (2) lease a system (lease), or (3) contract to buy electricity generated by a system at an agreed price (power purchase agreement, or "PPA"). Under a system purchase, the customer pays for and owns the system. Under a lease, a customer enters into a service contract to pay scheduled, pre-determined payments to a solar leasing company, which owns the system on the customer's property. Under a PPA, a customer agrees to host a system and to buy electricity generated from it at a per-kilowatt-hour rate from a company that owns the system. The type of contract will impact the economics of your solar decision.

By participating in Illinois Shines, an installer or other vendor is required to provide you with this disclosure form so that you have accurate information about the PV system, including its size, cost, operations, warranties, and financial benefits. At the point when you decide to enter into a solar contract, you will be asked to sign this form indicating that the information in it has been provided to you. The form will be submitted to the Illinois Shines Program Administrator as part your system's application. The Program Administrator may contact you to verify that you received this form.

The installer or other vendor is also required to provide you with an Informational Brochure about Illinois Shines. Do not sign this disclosure form unless you have received and read that brochure because it provides you with important consumer protection information. The Brochure can be found at <http://illinoisabp.com/wp-content/uploads/2018/12/Brochure.pdf>

PV System Power Purchase Agreement Disclosure Form

The purpose of this form is to provide you with clear and accurate information about your PV system, but this form is not a substitute for your contract. Do not rely exclusively on this form for your purchase; You should read your contract closely before you sign it.

Purchasing a PV system may have tax implications for you. You may want to consult a tax professional to understand any tax issues related to your system.

At the end of this form, the installer or other vendor will have an opportunity to provide additional details or explanations related to the information contained in the form.

You may rescind your PV system purchase contract and receive a refund of any deposit you paid within three calendar days of signing the contract, by contacting the seller of the PV system.

Approval from your local municipality will likely be needed for the PV installation.

If you have complaints related to the system or this sale process, first try to resolve the problem with your installer or Approved Vendor. If you can't agree with the company about how to solve the problem, you may contact the Illinois Shines Program Administrator by emailing admin@illinoisshines.com or by calling (877) 783-1820. If 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	Springfield	Carbondale
800-386-5438	800-243-0618	800-243-0607
TTY: 800-964-3013	TTY: 877-844-5461	TTY: 877-675-9339

Spanish Language: 1-866-310-8398

Program website for more information: www.illinoisshines.com

Customer's Contact Information

Customer
Name:
Address:
Phone Number:
Email Address:
Customer's Electric Utility

Other Parties' Contact Information

System Seller
Legal Name:
Name Used for Marketing (if different):
Business Address:
Phone Number:
Email Address:
Approved Vendor
Legal Name:
Name Used for Marketing (if different):
Business Address:
Phone Number:
Email Address:

System Installer
Name:
Name Used for Marketing (if different):
Business Address:
Phone Number:
Email Address:

If the system installer is not known at this time, one of the following three installers will be used:

System Installer 1
Name:
Name Used for Marketing (if different):
Business Address:
Phone Number:
Email Address:
System Installer 2
Name:
Name Used for Marketing (if different):
Business Address:
Phone Number:
Email Address:
System Installer 3
Name:
Name Used for Marketing (if different):
Business Address:
Phone Number:
Email Address:

System Warranty and/or Maintenance Provider (if different from system installer)
Name:
Name Used for Marketing (if different):
Business Address:
Phone Number:
Email Address:

**The parties listed above are independent and are not representing, endorsed by, or acting on behalf of, a utility, a consumer group, or a governmental body except in those cases where they are a governmental body or consumer group.*

**Your contract may be assigned, sold, or transferred by the system seller to a third party who will be bound by the terms of your contract. If such a transfer occurs, you will be notified if this will change the address or phone number to use for questions, payments, maintenance, or repair requests.*

System Purchase Information

- System purchase price: \$ ____
 - Deposit or amount owed to the seller at contract signing \$ ____
 - The amount owed to seller at the start of system installation \$ ____
 - The amount of the final payment due to seller \$ ____ and the time it is due _____ (for example, 30 days after system interconnection).
 - The amount of any other intermediary payments for the system \$ ____ and the time they are due _____.

- The expected value of the REC incentive payment(s) that will be received by the Approved Vendor for this solar energy system \$ ____
 - Is PV system sale contingent upon selection for the Illinois Shines incentive? Yes OR No
 - If installation is not contingent, will the pricing terms change if the project is not selected for the Illinois Shines incentive? Yes OR No

**Selection for Illinois Shines is not guaranteed, but if the system is selected, the Approved Vendor, as the counterparty to a REC delivery contract with an Illinois electric utility, will receive payment(s) for your system's RECs. The value of these REC payments may be reflected in your overall system purchase price.*

**You may be eligible for other federal and/or state incentives related to your PV system that are not included in your system purchase price. For example, the federal government provides an income tax credit to help with the cost of buying a residential solar system. (There is also a tax credit for businesses that purchase solar systems.) The residential income tax credit for PV systems is currently worth 30 percent of the total cost of the system. This tax credit does not have to be taken in the single tax year that your system is installed. If your income tax liability for that year is less than the value of the credit, you can reduce your income tax liability to \$0 for that year and carry the remainder of the credit forward to future tax years. The 30 percent tax credit is available for systems that are placed in service by the end*

of 2019. For projects placed in service in 2020, the tax credit will be 26 percent. In 2021, the tax credit will be 22 percent. Consult a tax professional to determine your eligibility.

- Non-connection to internet fee \$____

*If you do not maintain a high-speed internet connection to facilitate the transmittal of generation data from your system for the purpose of creating RECs, you may be charged a fee by the seller to cover the cost of such a connection.

- The total cost to be paid to seller, including any interest, installation fees, document preparation fees, service fees, or other fees: \$____
 - All fees associated with the PV system (for example, interconnection fees, maintenance fees, etc.) and the amount of each one and when it is due:

Fees	Amount	When It Is Due
	\$	
	\$	
	\$	
	\$	

- If a payment for your system made is more than ____ days after due date, you will be charged \$____
 OR
 Late payments accrue interest at ____% annually.
- Will the system be financed (for example, through a loan)? Yes OR No
 - If so, will the seller assist in financing the system? Yes OR No

*If your system is financed, carefully read any agreements and/or disclosure forms provided by your lender. This disclosure form does not contain the terms of your financing agreement.

System Installation Timing

- The estimated start date of system installation will be ____ days from the date your contract is signed or _____[date].
- The estimated completion date of system installation will be ____ days from the date your contract is signed or _____[date].
- Does seller plan to furnish a mechanic’s lien waiver to the customer upon final payment? Yes OR No
 - If so, the approximate date when the installer is expected to furnish a mechanic’s lien waiver to the customer will be _____[date].
- YOU OR SELLER OR INSTALLER are responsible for submitting a system interconnection application to your utility.

*The interconnection rules vary based on location and utility service territory. Links to interconnection information are provided below for three electric utilities:

- Ameren Illinois: <https://www.ameren.com/illinois/electric-choice/distributed-generation>
- Commonwealth Edison Company: <https://www.comed.com/MyAccount/MyService/Pages/DistributionLess10k.aspx>
- MidAmerican Energy Company: <https://www.midamericanenergy.com/customer-generation.aspx>

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.

System Design Specifications

- Size of system in kilowatts ___kW DC and ___kW AC.

*Any system size variations plus or minus more than 5% of the specifications listed above will require completion and submission of a new disclosure form.

- Estimated gross annual electricity production in kilowatt-hours from your system in the first year ___kWh
- Estimated annual system production decrease ___%
- Expected life of the system ___ years
- Expected overall percentage degradation over the life of the system ___%
- System will be ROOF-MOUNTED OR GROUND-MOUNTED
- The manufacturer of your PV panels is _____. If it is not known at this time which manufacturer will provide the PV panels for your system, your panels will be provided by one of the following three manufacturers:
 - 1) _____
 - 2) _____
 - 3) _____
- The make of your inverter is _____; The model of your inverter is _____. If it is not known at this time what the make and model of the inverter for your PV system is, one of the following three inverter makes and models will be used:
 - 1) Make____; Model____
 - 2) Make____; Model____
 - 3) Make____; Model____

*To participate in Illinois Shines, your system must be connected to the distribution grid. Your electric utility remains responsible for the delivery of electric power to your premises and will continue to respond to any service calls and emergencies. A grid-connected solar energy system will not function in

the case of an electricity outage unless you have an accompanying electricity storage system and the ability to "island" (disconnect from the grid).

Net Metering

*Net metering allows you to receive credit from your energy supplier for electricity generated by your PV system. Your electricity bill will reflect the amount of electricity supplied to you, minus the excess electricity generated by your PV system and delivered to the grid.

To participate in net metering, an application for net metering must be submitted to your electric supplier, which is either your local utility or an Alternative Retail Electric Supplier.

System Operations, Maintenance, Warranties, and Guarantees

- System maintenance (operational upkeep) IS OR IS NOT included as part of your system purchase contract.
 - If system maintenance is included, for ___ years by ___ (for example, seller, installer, or approved vendor)
- System repairs (actions required to fix a malfunctioning system) ARE OR ARE NOT included as part of your system purchase contract.
 - If system repairs are included, for ___ years by ___ (for example, seller, installer, or approved vendor)
- Is the system warrantied against issues related to improper installation? YES OR NO
 - If so, this warranty is for ___ years by ___ (for example, seller or installer)
- Do your solar panels come with a manufacturer's warranty? YES OR NO
 - If so, this warranty is for ___ years.
- Does your system inverter come with a manufacturer's warranty? YES OR NO
 - If so, this warranty is for ___ years.
- If your PV system is roof mounted, your roof IS OR IS NOT warrantied against leaks from the system installation.
 - If your roof is warrantied against leaks from system installation, for ___ years by ___ (for example, seller, installer, or approved vendor)

*You are responsible for obtaining insurance coverage for any loss or damage to the system not covered by the warranties listed above. Consult an insurance professional to understand how to protect against the risk of loss or damage to the system.

- Seller is providing you with a:
 - ___ System performance or electricity production guarantee
 - ___ Other type of system guarantee (specify) _____
 - ___ No guarantee

**Unauthorized modification of your PV system, including the relocation of it, is prohibited under Illinois Shines*

Property Transfers

- If you sell your home or business where the PV system is located, transfer of the system to the new owner requires (i.e., conditions required for the transfer of your PV system as part of a real estate transaction):

Net Cash Flow Estimate

- Estimated total PV system savings calculations:

Your Purchase Price:

NPV of Electricity Savings Over 15 Years (Low Estimate): \$

NPV of Electricity Savings Over 15 Years (Med Estimate): \$

Electricity Savings Over 15 Years (High Estimate): \$

**Consult a tax professional to determine your eligibility for the federal income tax credit for PV systems. If you are not eligible for the federal income tax credit, your savings will vary considerably from the estimates above*

*The formula used for determining savings computes a net present value of all payments made to purchase and maintain your system and compares that value to a net present value of the electricity your system would produce using a starting price of \$124.80/MWh and an escalation rate of .5%, 1.7%, and 2.5% based on U.S. Energy Information Administration average retail price costs for Illinois. A discount rate of 5.5% is used in all cases and the calculation is made over the 15 year term of the Illinois Shines contract. The production figures are based on the first year production with a .5% annual degradation factor.

The assumptions used in these calculations are based on past values so there is no guarantee that they will be indicative of future results and they may not match the assumptions you or your solar installer might use. However, the same assumptions are used in every disclosure form for Illinois Shines, allowing you to make an apples to apples comparison of competing offers.

**Nothing listed below shall alter, amend, repeal, or supersede the disclosure requirements contained in this form.*

Please Initial

_____The person or company presenting this Disclosure form also has provided me with a copy, either electronic or printed, of the Illinois Shines Distributed Generation Brochure, and I have had the opportunity to ask questions about it.

Signature

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

Printed Name: _____

Signed: _____

Date: _____

Sample PV System Purchase Disclosure Form