

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

<https://illinoisabp.com/wp-content/uploads/2018/12/Brochure.pdf>

PV System Purchase 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
800-386-5438

TTY: 800-964-3013

Spanish Language: 1-866-310-8398

Springfield
800-243-0618

TTY: 877-844-5461

Carbondale

800-243-0607

TTY: 877-675-9339

Program website for more information: www.illinoisshines.com

Customer Contact Information

Name:

Address:

Phone Number:

Email Address:

Electric Utility:

System Seller Contact Information

Name:

Address:

Phone Number:

Email Address:

PV System Purchase Disclosure Form

Form:

Approved Vendor

Legal Name:

Name Used for Marketing (if different):

Address:

Phone Number:

Email Address:

System Installer

Name:

Name Used for Marketing (if different):

Address:

Phone Number:

Email Address:

System Warranty and/or Maintenance Provider

Name:

Name Used for Marketing (if different):

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.*

Form:

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:
The time the final payment is due: Construction complete
 - The amount of any other intermediary payments for the system:
The time the other intermediary payments are due:

- The expected value of the REC incentive payment(s) that will be received by the Approved Vendor for this PV system is:
 - Is PV system installation contingent upon selection for the Illinois Shines incentive?
 Yes OR NO
 - 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 commence construction by the end of 2019. For projects that commence construction in 2020, the tax credit will be 26 percent. For projects that commence construction in 2021, the tax credit will be 26 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:

Form:

Fees

None

Amount

When It Is Due

- If a payment for your system is made 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 90 days from the date your contract is signed.
- The estimated completion date of system installation will be 120 days from the date your contract is signed.
- 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

Form:

*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:
- Estimated annual system production decrease:
- Expected life of the system:
- 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 _____
- The manufacturer of your inverter is _____
- The model of your inverter is _____

*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.

Form:

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 _____
- 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 25 years by System Seller
- Is the system warranted against issues related to improper installation? YES OR NO as part of your system purchase contract.
 - If so, this warranty is for 25 years by System Seller
- Do your solar panels come with a manufacturer's warranty? YES OR NO as part of your system purchase contract.
 - If so, this warranty is for 12 years.
- Does your system inverter come with a manufacturer's warranty? YES OR NO as part of your system purchase contract.
 - If so, this warranty is for 25 years.
- If your PV system is roof mounted, your roof IS OR IS NOT warranted against leaks from the system installation.
 - If your roof is warranted against leaks from system installation, for 5 years by System Seller

**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
 - X Other type of system guarantee (specify):
Panel Performance Warranty
 - ___ 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):

Form:

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):

NPV of 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.

NOTICE - TIMING OF INCENTIVE PAYMENTS BASED ON PROJECT SIZE

The timing of incentive payments under the Illinois Shines program differs depending on the size of the solar project. Approved Vendors for projects 10 kilowatts AC or smaller are paid 100% of the incentive value once the project is completed and verified by the Program Administrator, while for larger systems Approved Vendors are paid 20% of the incentive once the project is completed and verified, and 5% of the incentive amount quarterly for the subsequent four years. Please note that this is the schedule of payments disbursed from the contracting utility to your Approved Vendor and payments are made on a quarterly cycle. You may have an agreement with your Approved Vendor containing payment terms that vary from the timing above. In some cases, the Approved Vendor may use the REC incentive payments to reduce your lease payment or installation cost and may not pass the REC incentive directly on to you. For the timing of payments for your specific solar project, please read and review any agreement between you and your Approved Vendor and reach out to your Approved Vendor with any questions. You can find the size of your system in kilowatts AC in this document under the section titled "System Design Specifications", and the name and contact information of your Approved Vendor in this document under the section titled "Approved Vendor".

It is important to understand the timing of your incentive payments, as this can affect other financial agreements related to installing solar, such as taking on a loan to finance your project.

Form:

IMPORTANT NOTE: New project applications are being waitlisted. Available program capacity for project applications has been filled and new project applications are currently being added to a waitlist. Due to funding unavailability, it is not presently possible to determine if or when a new project application may be selected from the waitlist and considered for an incentive. Please keep this in mind as you contemplate moving forward with the transaction described in this Disclosure Form.

*PLEASE NOTE: In some cases, solar installers need to reissue Disclosure Forms for applications that have already secured funding through the Program. If you are receiving this Disclosure Form for that reason, have been told that your project already has secured a spot in the Program, and would like to confirm this, please contact the Program Administrator at (877) 783-1820 or admin@illinoisabp.com.

*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: _____