

Community Solar System Parameters Evaluation (Annual Subscriber Evaluation)

Approved Vendor Reporting Requirements

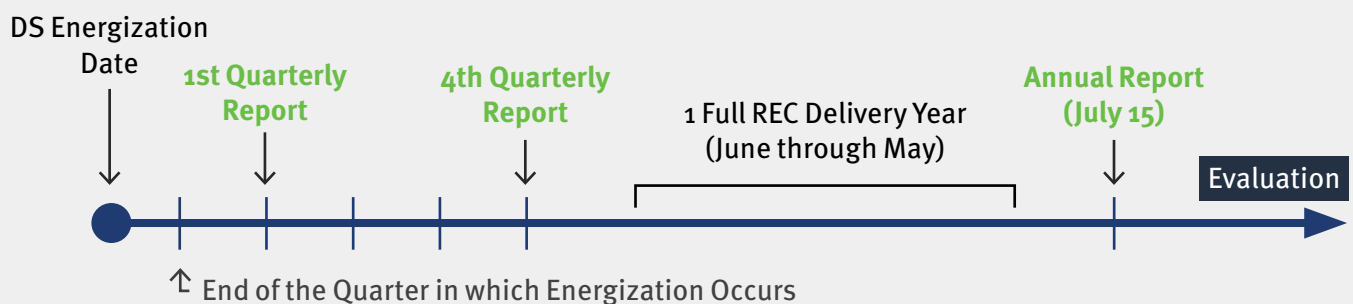
Approved Vendors (AVs) with Community Solar projects under the 2019 REC Delivery Contract will be required to report subscriber information for each Community Solar project including subscription amounts, small subscriber status, and subscription start/end dates after each delivery year. This updated subscriber data will be due by June 10¹ following the close of the delivery year. This ensures the AV is following the REC contract requirements and incentivizes consistent subscriber and small subscriber levels due to the potential for collateral Drawdown. **This process is in addition to any Quarterly Reports or semiannual subscriber verifications required under the REC Delivery Contract.** AVs should ensure that the Program Administrator receives updated subscriber records by June 10 and work with them to resolve any questions related to these records, as needed. The Program Administrator will calculate the Community Solar Annual Report for each AV based on the subscriber data reported by the AV. As this report is a contractual obligation, all AVs must report subscriber information on time to support creation of the report to ensure efficiency of the subscriber verification process.

During the Annual Report submission window (July 1 – July 15), the AV should review the data in the Community Solar Annual Report for accuracy and report any discrepancies to the Program Administrator. Any discrepancies can be cured during the Annual Report cure period, July 16 through October 13. The final cured Annual Report data will be used to determine Drawdowns (if applicable).

When Drawdown Calculations Begin

Once a system has completed all four Quarterly Reports and one full delivery year has passed, the Community Solar Annual Report will be used to determine if Drawdowns are necessary, and if so, calculate the Drawdown amount.

Example Timeline of Designated System Required to Undergo its First Community Solar Program



¹ If a deadline falls on a weekend or holiday, the due date will be the next business day.

There are two data points of particular importance in the Community Solar Annual Report, which will determine if any Drawdown calculations are necessary.

- 1. The subscriber percentage “Actual Nameplate Capacity that has been subscribed” calculated as a daily average, then averaged across the delivery year for each project.** Designated Systems with subscription levels (as determined by the daily average) above 90% of Actual Nameplate Capacity on a kW capacity basis for a delivery year will not be subject to a draw on Seller’s Performance Assurance for that delivery year on the basis of subscription percentage.
- 2. The small subscriber percentage “Solar Subscription Mix” calculated as a daily average, then averaged across the delivery year for each project.** For the purposes of Community Solar Subscription Mix (percentage of small subscribers), the Designated System must maintain the percentage mix required under the ABP for the REC price adder obtained in the Contract Price that resulted from the Community Solar Subscription Mix indicated in the last (fourth) Community Solar Quarterly Report. For example, if a project achieved above a 75% Community Solar Subscription Mix in its fourth Quarterly Report, it must maintain a 75% Community Solar Subscription Mix as a daily average, averaged across the delivery year to avoid a Drawdown.

If one or neither percentage is met, then the project will be subject to a collateral Drawdown.

| Criteria | Example Designated System ID 5 | Example Designated System ID 6 |
|---|---|---|
| a) Did the Community Energy Generation Project maintain the Community Solar Subscription Mix required as indicated in the last Community Solar Quarterly Report? | Small Subscriber % 4th Q Report: 80% Annual Report: 77% YES! Did not drop below 75% | Small Subscriber % 4th Q Report: 77% Annual Report: 73% No! Dropped below 75% |
| b) Did the Community Energy Generation Project maintain [or exceed] Actual Nameplate Capacity that has been subscribed as provided in the last Community Solar Quarterly Report, or exceed 90%? | Subscriber % 4th Q Report: 98% Annual Report: 92% YES! Stayed above 90% | Subscriber % 4th Q Report: 97% Annual Report: 89% No! Subscriber % was not maintained, and did not stay above 90% |
| Did the Community Solar project pass the Drawdown test? | Yes! | No! |

The Program Administrator will calculate the collateral Drawdown payment using both the Annual Report REC evaluation and any updated subscription data provided from the Approved Vendor during the cure period. Once the cure period has concluded on October 13², no further subscriber updates may be provided.

² When October 13 falls on a weekend, the period concludes the next business day.

Drawdown Calculations

The Program Administrator will compare the Schedule B associated with the last (fourth) Quarterly Report and make an adjustment based on the annual evaluation. The collateral Drawdown will be calculated as the difference between the payment received by the AV and the payment that would have been received using the updated values. If the project has a lower small subscriber percentage, then the REC price adder associated with the Annual Report will be used for the collateral Drawdown calculation.

AVs with Community Solar projects under the 2021, 2022 and 2024 20-Year REC Contracts will not be subject to this annual subscriber evaluation since subscriber levels will be reviewed bi-annually (June and December) for each delivery year over the contract lifetime.

| | Schedule B associated with Q4 Report | Adjustment based on Annual Report | Notes |
|---|--------------------------------------|-----------------------------------|--|
| Contract Capacity (kW) | 2000 | 2000 | |
| Capacity Factor | 0.2381418200 | 0.2381418200 | |
| Contract Price | \$85.79 | \$70.22 | Drop from 77% to below 75% in the Small Subscriber% means a drop in the REC Price due to reduced adder. |
| Group (A or B) | A | A | |
| Adder | \$33.51 | \$22.34 | |
| 4th Q Sub% | 97% | 89% | |
| Delivery Year Expected RECs (from Delivery Schedule) | 4168 | 3858 | Drop from 96.9150% to 89% in the Subscriber % means a drop in the Delivery Year Expected RECs |
| Contracted Payment for Delivery Year (Contract Price * Delivery Year Expected RECs) | \$357,572.72 | \$270,908.76 | |
| | Drawdown Payment | (\$86,663.96) | Difference in payment received by AV, and the payment they would have received using current Annual Report values. |