

Distributed Generation with Illinois Shines

on-site solar serving the energy needs of your home or business



What Is Illinois Shines?

Illinois Shines is a state-administered incentive program to support the development of new solar projects. Through the program, Illinois electric utilities provide payments to Approved Vendors in exchange for 15 or 20 years of Renewable Energy Credits (RECs) generated by new solar projects. Approved Vendors are solar companies that are vetted and approved to participate in Illinois Shines. Approved Vendors may use Designees, who are also registered with the program, to help with sales, marketing, and installation work.

What Is Distributed Generation?

A distributed generation solar project generates electricity that is used on-site. It can be installed on a roof or built on the ground at a home or business.

What Are RECs?

RECs represent the environmental attributes of the electricity generated from solar panels, but not the electricity itself. Whoever owns the RECs has the right to say they used that solar power. By participating in Illinois Shines, the RECs from your solar project will be transferred to an Illinois electric utility. The sale of your RECs will not affect your solar project's production or your ability to use the electricity generated by your solar project. Utilities purchase RECs to meet their obligation to supply a certain amount of power from renewable energy.

For more information on RECs, see a video at vimeo.com/113250210

Will I Be Paid Directly For the RECs My Solar Project Generates?

Your Approved Vendor will receive an incentive payment from the electric utility for the RECs your project will generate over time. Your Approved Vendor may pass along a portion of the incentive payment to you, or they may use the payment to reduce the amount you pay for your solar project (such as a lower purchase price or lower lease rate). **If your Approved Vendor passes along part of the incentive payment to you, this may happen several months after your project is installed.** Illinois Shines is not a rebate program, and the State of Illinois **does not** make direct payments to customers.



You can view an ADA accessible version of this document at www.illinoisshines.com/accessible.



What Are the Ownership and Financing Options When Installing Solar?

The most common options are 1) **PURCHASE**: buy the project outright or finance with a loan 2) **LEASE**: make regular payments to the project owner, or 3) **POWER PURCHASE AGREEMENT (PPA)**: pay the project owner for the electricity generated by the project at an agreed upon per kilowatt-hour rate. If you lease or sign a PPA, you don't own the solar project, but you get to use the electricity generated by the solar project.

When deciding on the best option for you, consider:

- If you're buying the project, how much will it cost? Will you take out a loan to pay for it? How do the loan payments compare to projected reductions in your monthly electric bill?
- If you're leasing the project, how much is your monthly lease payment? How does that compare to projected reductions in your monthly electric bill? Do you have to put money down at the start?
- If you're signing a PPA for the project, how much is the per kilowatt-hour price for the energy produced? How does that compare to your current electricity rate? Do you have to put money down at the start?
- Does your lease or PPA include an escalation clause that increases the amount of payments over time? If so, by how much do payments increase?

Going solar is a significant financial commitment, so exercise the same caution you would when making other major consumer decisions. It is good practice to get quotes from at least three companies and to check references.

You should take the time you need to compare offers and to fully understand the contract before signing.

How Do I Know If I Will Save Money By Going Solar?

You are not guaranteed to save money unless your contract includes an explicit guarantee. The questions below will affect whether you save money. You can answer some questions yourself, while others can be answered by your installer or sales agent.

What per kilowatt-hour rate am I currently paying for electricity?

The higher the electricity rate before you go solar, the more money you can potentially save.

Is my roof good for solar?

The direction your roof faces and how much shade it gets will affect how much electricity a roof-mounted solar project will generate. The roof's condition should also be considered.

How much electricity will the solar project generate?

If your solar project produces more electricity than you use over an annual period, you may not receive value for all the electricity generated.

Will I receive any money for the RECs?

The Approved Vendor will be paid by a utility for your solar project's RECs. The Approved Vendor may pass along a portion of this payment or may use the payment to reduce your cost of going solar.

Can I use the federal Investment Tax Credit?

If you buy your project, you may qualify for a substantial federal income tax credit. Consult your tax adviser.

How long do I expect to stay in my home or business location?

If you lease or sign a PPA, you may be required to buy out the contract if you move. Read your contract closely to understand what happens if you move.

What Is Net Metering and How Do I Enroll?

Net metering measures extra electricity your solar project produces and sends to the electric grid, and credits you for it on your electric bill. To participate in net metering, an application must be submitted to your electric utility.

Make sure you understand if your solar provider will submit a net metering application on your behalf for the solar project. Failure to enroll may significantly decrease the financial value you receive from your solar project.

Consumer Protection

Your solar provider is required to provide you with this informational brochure and a standard Disclosure Form. Review your Disclosure Form carefully and use it to compare offers from other Illinois Shines Approved Vendors. You must receive and sign the Disclosure Form before you sign an installation contract. Other Illinois Shines consumer protections include:

- If you sign a contract for a solar project 25 kW or smaller, you can cancel without penalty within the period allowed by your contract or law, which cannot be less than three calendar days.
- Illinois Shines sets out requirements for what information and terms must be included in your installation contract.
- Only Approved Vendors may submit solar project applications to Illinois Shines; these companies are vetted by the Program Administrator.
- Dedicated Program Administrator staff answer questions and assist in resolving customer complaints.

Complaint Procedures

If you have a problem related to your solar project or the sales process, first try to resolve it with your installer or the Approved Vendor. If you can't agree about how to solve the problem, you may contact the **Illinois Shines Program Administrator** by emailing complaints@illinoisshines.com or by calling 877-783-1820.

If you have been subject to fraudulent or deceptive sales practices, the Illinois Attorney General's Consumer Protection Division may be able to help.

CHICAGO: 800-386-5438 | TTY: 800-964-3013

SPRINGFIELD: 800-243-0618 | TTY: 877-844-5461

CARBONDALE: 800-243-0607 | TTY: 877-675-9339

SPANISH LANGUAGE: 866-310-8398

For more information, go to www.illinoisshines.com

Illinois Solar for All, another incentive program, is available for income-eligible customers and includes savings guarantees. Learn more at www.IllinoisSFA.com.



Illinois Shines Solar Project Lease Disclosure Form

Solar Project Lease Disclosure Form - ID# 750478

Illinois Shines is a state solar incentive program. An installer or other vendor is required to provide you with this disclosure form so that you have accurate information about the solar project, including its size, cost, operations, warranties, and financial benefits. More information about Illinois Shines is available at www.IllinoisShines.com and a guide to understanding your disclosure form is available at <https://illinoisshines.com/consumer-protection/disclosure-form-resources>. Another state solar incentive program, Illinois Solar for All, is available for income-eligible customers and includes savings guarantees (visit www.IllinoisSFA.com for more information).

This form is not a substitute for your contract. Carefully read your contract before signing. You may want to compare offers from multiple installers or Approved Vendors. You should take whatever time you need to shop around and to fully understand the contract before signing.

You may rescind your lease and receive a refund of any deposit by contacting the project lessor within the period allowed by your contract or law, which cannot be less than three calendar days.

If you are unable to resolve a complaint with your installer or Approved Vendor, you may contact the Illinois Shines Program Administrator by emailing complaints@illinoisshines.com or by calling (877) 708-3456. If you have been subject to fraudulent or deceptive sales practices, the Consumer Protection Division of the Illinois Attorney General's office may also be able to help; call (800) 243-0618 or visit <https://illinoisattorneygeneral.gov/File-A-Complaint/>.

Contact Information

| Customer Information | |
|----------------------|---------------------------------------|
| Name | Cathy Customer |
| Address | 123 Customer Court, Chicago, IL 60603 |
| Phone | 312-123-1234 |
| Email | customer@email.com |
| Service utility | ComEd |
| Customer type | Residential/Small Commercial |

| Project Lessor | |
|----------------|-------------------------------------|
| Legal Name | Project Lessor, Inc. |
| Marketing Name | Solar4U |
| Address | 123 Lessor Lane, Rockford, IL 61020 |
| Phone | 815-123-1234 |
| Email | solar4U@email.com |

| Approved Vendor | |
|-----------------|-----------------------------------|
| Legal Name | Approved Vendor, LLC |
| Marketing Name | |
| Address | 123 Vendor Ave, Chicago, IL 60601 |
| Phone | 312-345-6789 |
| Email | approvedvendorllc@email.com |

| Project Installer | |
|-------------------|---|
| Legal Name | Project Installer, Inc. |
| Marketing Name | Solar Installerz |
| Address | 123 Installer Extension, Peoria, IL 61525 |
| Phone | 309-123-1234 |
| Email | installer@email.com |

Project Lease Information and Costs

| Length of lease | 20 years and 0 months | First Payment | | Final Payment | |
|------------------------|-----------------------|---------------------|----------------------------|---------------------|----------------------------|
| | | Amount | \$100.00 | Amount | \$100.00 |
| Annual Escalation Rate | 0% | When payment is due | 30 days after energization | When payment is due | 30 days after end of lease |

| Payments | When Payment is Due | # of Payments | Amount |
|--|---------------------|---------------|-------------|
| Deposit or payment at contract signing | At contract signing | 1 | \$2,500.00 |
| Total lease payments | monthly | 240 | \$24,000.00 |

| Fees that will apply | Amount | When Due | # of Payments | Amount |
|----------------------|--------|-----------------------|---------------|----------|
| maintenance fee | \$50 | annually for 15 years | 15 | \$750.00 |

Total amount paid, including lease payments and above fees, for duration of lease

\$27,250.00

| Other Fees that May Apply | When Applicable | Amount |
|---------------------------|--------------------------------|--------|
| late payment fee | payment more than 14 days late | \$15 |

Illinois Shines Incentive Payment

Note: you will not be eligible for the federal solar tax credit because you will not own the project.

| | |
|---|--------------------|
| Expected value of incentive payment that will be received by the Approved Vendor for the solar project if accepted into Illinois Shines program (<i>acceptance not guaranteed</i>) | \$14,509.51 |
| Is the lease contingent upon selection for the Illinois Shines incentive? | No |
| Will pricing or other terms change if the project is not selected for Illinois Shines? | No |

Project Installation

| | |
|--|--|
| Estimated start date of project installation | 90 days from the date the contract is signed |
| Estimated completion date of project installation | 95 days from the date the contract is signed |
| Estimated date for project owner to furnish a mechanic's lien waiver | 45 days after final payment |
| Who is responsible for submitting a project interconnection application to your local service utility? | Installer |
| Will project lessor file a Uniform Commercial Code-1 "fixture" filing statement? | Yes - project lessor may be able to take possession of solar project if you breach your contract |

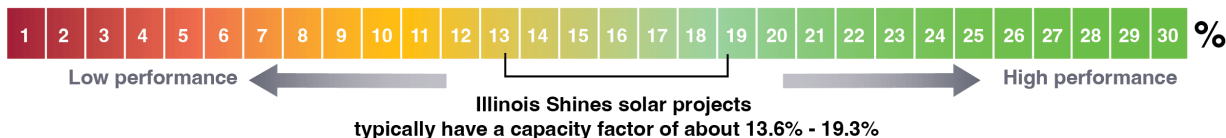
Project Design Specifications

| | | |
|--|---------------|-----------|
| Project Size (size of project as built may vary by the greater of 1kW or 5%) | 7.60kW AC | 6.80kW DC |
| Estimated total annual electricity production in first year | 12,000.00 kWh | |
| Estimated customer annual usage and % offset by solar project | 12,500.00 kWh | 96% |
| Expected life of the project | 20 years | |
| Mounting location | Roof mounted | |
| Will project include a battery for energy storage? If so, what size? | Yes | 6.20 kWh |

Project Performance

A solar project's performance can be affected by the type of the solar panel used and placement of the panels. For example, solar panels that do not face south, are at too steep or flat of an angle, or are shaded will not produce as much electricity. The capacity factor reflects a project's expected production and can be used to compare design and expected performance between project proposals.

Your project's estimated capacity factor for the first 15 years is: 17.4%



Explanation: partial shade in morning from neighbor's tree

Net Metering

You may be eligible for net metering, which credits your electric bill for excess generation from your solar project. Net metering credits can have a significant impact on the financial benefits of your solar project. **To participate in net metering, an application must be submitted to your electric utility.** For more information on net metering, including credit amounts, how credits roll-over, and whether credits expire, please see <https://illinoisshines.com/consumer-protection/disclosure-form-resources>.

Utility Rebates

ComEd and Ameren offer rebates for solar projects that have smart inverters (referred to as the Distributed Generation or Smart Inverter rebate) and for projects with energy storage (batteries). Projects may be eligible for either or both.

Residential and small commercial customers in ComEd territory who take the energy storage rebate must sign up for real-time pricing supply service from ComEd. Residential and small commercial customers in Ameren territory who take the energy storage rebate will be required to permanently take either supply service from Ameren under an hourly rate schedule, or participate in Ameren's demand response program.

| | | | |
|--|------------|--|------------|
| Will project take the Distributed Generation rebate for the solar project? | Yes | Will project take the energy storage rebate for the battery? | Yes |
| Amount of generation rebate | \$2,040.00 | Amount of storage rebate | \$1,860.00 |
| Who keeps the rebate payment? | Customer | Who keeps the rebate payment? | Customer |

Project Operations, Maintenance, Warranties, and Guarantees

| | |
|---|---|
| Project maintenance (operational upkeep) | Included - provided by Installer for 20 years |
| Project repairs (fixing malfunctioning project) | Included - provided by Lessor for 20 years |
| Warranties related to improper installation | Included - provided by Installer for 5 years |
| Manufacturer's warranty for solar panels? | Included for 20 years |
| Manufacturer's warranty for project inverter? | Included for 15 years |
| Warranty against roof leaks from installation | Included - provided by Installer for 5 years |
| Is the lessor providing a project guarantee? | Guaranteed production of 90% of estimated generation. If there is a shortfall, lessor will reimburse customer at current utility supply rate. |
| Insurance for loss or damage to the project | Not Included |

If You Move

| | |
|--|---|
| Upon sale of property where solar project is located, can you transfer the lease obligations to the new owner? | Yes |
| Requirements for transferring lease obligations | New homeowner must take over all obligations in the lease and associated REC contract |

Early Termination or Completion of Contract

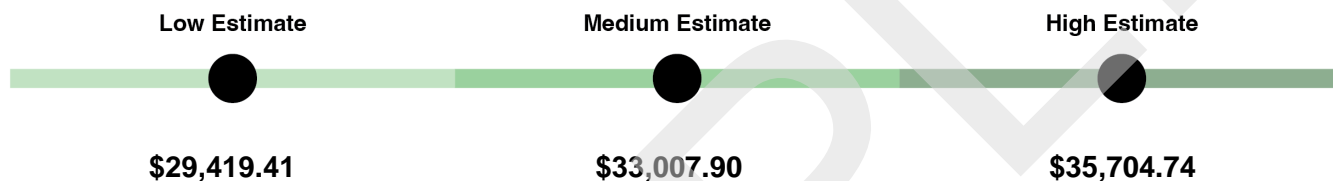
| | |
|---|--|
| Fee/penalty for early termination of lease | customer must pay remaining lease payments |
| At the end of the lease... | |
| Will lessor remove solar project? | Yes |
| Will lessor return site to original condition (excepting ordinary wear and tear)? | Yes |
| Will lessor offer an option for customer to own and retain the solar project? | Yes |
| Will lessor offer an option for contract renewal? | No |

Value of Electricity and Savings Estimates

Below are low, medium, and high estimates of the dollar value of the electricity your solar project will generate **over the duration of your lease** (how much less you will pay in electric bills), which do not factor in your expenses.

These estimates are based on current electricity rates and may not reflect electricity rates and net metering rates if you take supply from an Alternative Retail Electric Supplier or do not sign up for net metering. **These estimates are NOT a guarantee** and do not account for the time value of money; electricity rates are subject to change.

Estimated Range for Value of Electricity Generated by Your Project



Assuming that 75% of electricity is used directly onsite, which is valued at 14.604 cents/kWh, with electricity sent to the grid valued at 5.231 cents/kWh. Assuming electricity price escalation rates of 0.5%, 1.7%, and 2.5%, and production decrease of 0.5% per year. Solar companies may use different assumptions in documents they produce.

To estimate overall savings (if any), compare the expenses to the estimated benefits

| | |
|--|-------------|
| Benefits | |
| Medium estimate of value of electricity generated over duration of lease | \$33,007.90 |
| Utility Distributed Generation Rebate (if retained by customer) | \$2,040.00 |
| Utility Storage Rebate (if retained by customer) | \$1,860.00 |
| Expenses | |
| Total amount paid by customer (lease payments, fees, etc.) | \$27,250.00 |

Additional Information from Project Lessor / Approved Vendor

Signature

By signing this disclosure form, you certify that you received and read this form and had the opportunity to ask questions about it.

Printed Name _____

Signature _____

Date _____