

Edmonds Community Solar Cooperative

Frequently Asked Questions

Updated 3-28-12

1. What are some benefits of buying a SunSlice™ from the Cooperative?

- Circulate local money into local jobs and local assets.
- Produce clean energy within city limits at no cost to public budgets.
- Provide a model for organizing and financing other greening projects in the local area.
- Offer educational opportunities for students and community members.
- Inspire further group and individual energy actions.

2. What do I own when I join the Cooperative?

By participating in the Edmonds Community Solar Cooperative, you will become a member-owner of the Edmonds Community Solar Cooperative, a locally owned company dedicated to making more local clean energy.

3. What is a SunSlice™?

When you buy a SunSlice™ you will also own rights to a share of the economic benefits that flow to the Cooperative based on clean energy sales, public incentives for clean energy, and potential future sources of income like greenhouse gas credits and renewable energy certificates.

4. Do I have to be a Snohomish PUD customer to participate?

No! In order to receive the Washington State Community Solar Incentive, each SunSlice™ buyer in the Edmonds Community Solar Cooperative must be a current Washington State resident.

5. Do I own the solar panels?

You will be a part owner in the Cooperative, and the Cooperative will own the Panels. You cannot take your panels home with you, but you CAN take satisfaction in generating local solar energy with you friends and neighbors.

6. Where does the energy from the Cooperative go?

The Cooperative provides energy to public buildings and utility buildings within Snohomish PUD territory.

7. Where does the money the Cooperative receives go?

The Cooperative receives payments & incentives for the green energy it produces from local, state, and federal sources. It pays expenses for operating the solar array and the cooperative itself, then pays out the remainder to the members in the form of cash.

8. Who are the Cooperative's founding partners?

Sustainable Edmonds & Tangerine Power.

9. Who is Sustainable Edmonds?

Our mission is to help Edmonds to become ecologically, economically, and socially sustainable. As a citizens' organization we seek to bring together people in Edmonds who are concerned with understanding and acting on the challenges arising from climate change, energy sources and use,

building and land use, food and water supply, and related issues. We recognize that we are a community with diverse viewpoints on such issues and we will try to achieve workable outcomes that will help us to achieve a sustainable future.

10. Who is Tangerine Power?

Tangerine Power is a “for-benefit” social enterprise that develops community energy projects in partnership with local champions like Sustainable Edmonds. Our unique financing mechanism enables communities to participate in local energy projects through the purchase of SunSlices™ – cooperative memberships in large-scale solar energy cooperatives. Tangerine Power’s current customers include Corvallis (OR) High School as well as community groups that want to solarize buildings in Seattle, Olympia, Portland, and Corvallis.

11. Can I participate in the State of Washington Solar Energy Production Incentive?

Yes, the State of Washington Production Incentive is crucial to the success of the overall project. The Project seeks eligibility for the community solar incentive payable annually each summer through 2020. In your subscription agreement you will assign a portion of your benefits under the production incentive to the Cooperative so it can pay the costs of ongoing maintenance and administration of the solar array. Each year, once operating costs are deducted, the Cooperative will distribute your annual rewards in proportion to your purchases from the program.

12. Do I have to assign the Production Incentive to the Co-Op? Why can’t I just do it myself?

The state requires one point of contact for each Community Solar project. The Cooperative requires you to assign your portion of the production incentive to it, so the Cooperative can pay bills on your half to keep the whole project running, then distribute remaining benefits after costs to the members.

13. What are some of the costs of running the cooperative?

- Process WA Investment Cost Recovery payments from the PUD.
- Property Taxes
- Insurance
- System Maintenance
- Retain Reserves for Uninsured Losses
- Accounting & Bookkeeping
- Annual Tax preparation
- Annual Reporting to members
- Member rewards

14. Are my Cooperative rewards taxable?

We recommend you check with your tax advisor. It is safest to assume the benefits provided by cooperative under your solar subscription agreement are taxable and must be reported on your annual taxes. The cooperative will provide you an annual report of benefits to help you with this process.

15. What sort of return is expected?

There are many variables which affect this. If the system is built to its maximum potential size, we will all benefit from economies of scale in equipment and installation costs. Our insurance, administration costs will also be proportionally less for a full size system. Our roof lease payment with the city of Edmonds is fixed and is the same for a big or a small system. The goal of the program is to get return

from energy sales and incentives as much as you put into the program by 2020 – PLUS you have the benefit of owning a clean energy system in your community.

16. What happens after 2020?

The Cooperative Board of Directors will evaluate options that benefit the members near the end of the term. Possible options include selling the solar array to the Community Center, negotiating a new agreement to provide energy services to the Community Center, donating the array to the Community Center, moving the array to another roof, or dismantling the array and selling it used to a 3rd party. The decision on what to do with the array will be made by the entire membership of the cooperative.

17. Is my payment considered a charitable deduction?

No, the Cooperative is a member-owned business and is not considered to be a charity, so your contribution will not qualify for a tax deduction. Charitable status also doesn't make sense since it is one of the goals of the Cooperative to return value equivalent your original purchase over the next 10 years.

18. What are the risks? Is my repayment guaranteed?

Your repayment is not guaranteed. Community based renewable energy projects are relatively new to the market, and the laws around them are changing constantly. We foresee several risks that could cause your initial purchase amount to decline in value. These risks include:

- 1) The Solar Array does not produce as much energy as expected, reducing sales and production incentives.
- 2) Incentive programs from the Federal, State, Local and Utility level may change or be cancelled.
- 3) The program may fail to attract enough participants, and would have to change scope, or return un-spent funds.
- 4) The Board of Directors will be made up of other interested community members, most of whom will have other day jobs competing for their time and attention.
- 5) We may face permitting delays from various agencies.
- 6) Energy market prices could change dramatically, and those changes could impact the programs economic success.
- 7) We may not meet all the requirements for all incentives available.
- 8) Solar panels, by nature, degrade in their production over time. Although the manufacturer warrants a 25 year production life, taking action on the warranty could cost the program more that it would be worth.
- 9) The utility serving our energy projects may delay interconnection, charges large fees for interconnection with the grid.
- 10) The Solar Array may suffer damage from calamities outside of insurance coverage parameters.

19. Can I get out of the program after a while if I don't want to participate anymore?

You can, however, you need to find another member in the program to buy out your position. You will need to determine a price together, and then pay the Coop a \$50 fee for making the administrative change to your slice.

20. Is there a limit on the number of SunSlices™ I can purchase?

A: The Board has set the initial number of SunSlices™ at 40 per person. Family members in the same household are not precluded from participating, so a couple could have 80 slices combined.

21. How will I know how much electricity my SunSlice™ will generate?

The solar energy production meter on the ground level outside the Frances Anderson Center keeps a precise running total of all solar energy the system has ever produced. Your board members regularly check this amount total to confirm we are on track with our energy production goals.

22. Where will my name as a participant be located once I purchase a SunSlice™?

We are planning a space to display your name at the Frances Anderson Center in the form of an interactive kiosk. We are seeking grant funding for this effort so it does not subtract funds from member rewards. Also, you will see your name posted on the www.tangerinepower.com/edmonds web portal showing you as a member. Finally, each member receives a commemorative certificate suitable for framing and display.

23. Can I go up and squeegee my SunSlice™ if it is getting dirty?

One of the services we provide to you is maintenance. Due to insurance and legal rules, you cannot have direct access to the Community Center roof. Solar panels do not need much maintenance, so you can be assured that maximum performance and output will be maintained.

24. How can I buy a SunSlice™?

There are two ways to purchase a SunSlice™ - mailing a check, or online via a credit card. Either way you choose, there is a Subscription Agreement that you must read first before joining the Cooperative, and purchasing SunSlices™. To begin your subscription, visit www.tangerinepower.com/edmonds and click the Buy Now button. You may also write to us and request an agreement be mailed to you. Our address is Edmonds Community Solar Cooperative, 19420 84th Ave. W. Edmonds, WA 98026.

We hope you decide to join us.

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