What We Do:

- Developer of Quality Solar Projects Nationwide
- Focus on Creating More ‘Local’ Economic Value From Renewable Energy Assets
- Commercial Scale and Community Solar
Community Solar and the Virtual Net Metering Model

<table>
<thead>
<tr>
<th>State</th>
<th>VNM Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Multi-tenant properties, local governments</td>
</tr>
<tr>
<td>Colorado</td>
<td>IOU customers; solar gardens</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Municipal customers only</td>
</tr>
<tr>
<td>Illinois</td>
<td>Utility choice to offer</td>
</tr>
<tr>
<td>Maine</td>
<td>All customers</td>
</tr>
<tr>
<td>Maryland</td>
<td>Allowed for agricultural customers, non-profit organizations, and municipal governments or their affiliates</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>All customers</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>Local and state governments</td>
</tr>
<tr>
<td>Vermont</td>
<td>All customers</td>
</tr>
</tbody>
</table>
16 STATES WITH VIRTUAL NET METERING POLICIES
(OCTOBER 2015)

- Available
- Limited by tech or customer type
- Utility option to offer

ILSR
INSTITUTE FOR
Local Self-Reliance
3rd Party PPA Net Metering Model

- Host Entity uses energy
- Community Green Energy owns/operates
- Purchases energy (PPA)
The Laketown (MI) Community Solar Garden Experiment
What We Planned To Do:

- 100kW Array – Net Metered at Felt Mansion (the PPA off-taker)
- Sell Panel Production Rights to Local Residents for an Upfront Payment (alternative financing for smaller projects @ $2.60/watt)
- Revenue From PPA (and SREC sales) Paid Directly to Subscriber Electric Bill – an on-bill credit.
DEVELOPING AND FINANCING RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS NATIONWIDE.

The Outreach Campaign for Subscribers:

- Project Kick-Off Event and a ‘Power Up’ Event at the Mansion.
- Township Newsletter, Local Ads, Web Site Sharing.

- 33 Proposals Sent Out – Would Be Oversubscribed
Results and What We Learned:

- 3 out of 33 Subscribed (~10%)

**TAKEAWAYS:**

- Upfront Payment Model Shrinks Participant Field
- Payback Period *is a BIG factor!*
- Consider Minimum Subscription Size
- Subscription Financing Might Help
Still Opportunity for a ‘Hybrid’ Community Solar Model?

- Higher Electricity Rates
- Other Strong Incentives (SREC values)
- Good Net Metering Climate
- Allow 3rd Party Ownership
Still Opportunity for a ‘Hybrid’ Community Solar Model?

Will still be geographic...

- **NJ** – Payback in 8-9 Years *(attractive)*
- **MI** – Payback in 15-17 Years *(‘Iffy’)*
- **IL** – Payback in 19-23 Years *(hard sell)*
Community Solar Success Factors

- Virtual Net Metering – provides ‘pay-as-you-go’
- Wider Subscriber Potential – no upfront cost
- High VOST – economically viable for subscriber and investor
- Financing Interest – multiple payers vs. single payer (risk and management)
Helping Communities Go Green... **BETTER!**

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