

Subscription Agreement Overview

This document outlines the major terms of subscribing to a Cooperative Energy Futures (CEF) solar garden. Detailed terms and conditions can be found in the full Subscription Agreement, which governs the legal relationship between, you, the *subscriber*, and CEF.

Cooperative Energy Futures (CEF) is a Minnesota member-owned energy services cooperative. CEF's mission is to build community wealth and benefit through energy efficiency and clean energy solutions that are accessible to everyone. CEF's unique mission and cooperative model allow it to develop affordable community solar gardens that are based in the communities they serve and create jobs in the local community. Solar garden subscriptions are accessible to anyone who pays an Xcel Energy electric bill.

Subscriber's role in CEF: Under most circumstances, CEF requires solar garden subscribers to become members because we believe that subscribers should control the business that operates their solar gardens. The terms of the relationship between subscribers and CEF

are defined in the CEF Membership Agreement <http://cooperativeenergyfutures.com/membership/>, not the Subscription Agreement. Under specific circumstances, we will allow large users to subscribe without becoming members when we believe accepting their subscription will benefit CEF members.

By subscribing to a CEF solar garden, you are: Purchasing the rights to a portion of the electricity produced from a local solar array. These portions are sold in increments of 200W. You can subscribe for up to 120% of the electricity you have used historically in your home or business. CEF can help analyze your utility bills to verify the subscription size you qualify for. [See Agreement Articles 1.1, 2.1(c), and 2.2-2.4]

Subscribers to CEF solar gardens become members of CEF by buying a one-time \$25 membership share. As a member, you get monthly updates on CEF's activities, a share of co-op profits based on the size of your subscription, and a vote on major co-op decisions. You will also be able to elect or run for the Board that governs the cooperative.

HELPFUL FACT:

The average MN household can use 3,000-5,000W (3-5kW) of solar to cover their full electricity use. A home that could use 4kW of solar could buy 4.8kW (120% of usage), or 24, 200W units.

What You Receive as a Subscriber:

- You will get a credit on your utility bill each month for the electricity produced by your portion of the solar garden. The kWh generated will vary based on the amount of sunlight in a given month.
- If you subscribe for enough solar to cover your full home usage, your credit will, on average, cover most or all of your electric bill.
- The rate you will get paid for your subscription is more than what you pay for electricity. These rates will vary year to year with changes in electricity costs, so you will be protected from future increases in electricity rates. [See 2016 Rate Table above and Agreement Articles 1.3, 1.4, Exhibit B]

Rates (per kwh produced)	Residential Credit	Small Business Credit	Industry/ Large Business Credit
Solar gardens above 250 kW	\$0.14596	\$0.14229	\$0.11740
Solar gardens under 250 kW	\$0.15596	\$0.15229	\$0.12740

Who Can Subscribe: Any household, organization, or business in Minnesota that receives electricity from Xcel Energy at an address in the county or a neighboring county of where the solar garden which you are subscribing is located. The credit is attached to the billing account, not the property, so renters are eligible and you can take the subscription with you if you move to another place in the same or neighboring county and continue to receive electricity from Xcel Energy. [See Agreement Articles 2.1, 2.2, and 7.2(a)]

Length of Subscription: The solar garden and subscriptions last for 25 years unless terminated early. CEF has made it easy to transfer subscriptions if you move to an ineligible address [See Agreement Articles 1.2 and 7]

Costs and Subscription Options [See Agreement Article 3] (Note: Your solar garden may not offer both options described below. If you are interested in a different subscription option, inquire with CEF about what is available.)

SUBSCRIPTION OPTION 1 | Pay-As-You-Go

Pay monthly for the actual kWhs generated by subscription: The monthly payment is designed to be lower than the credits you will receive. This rate will increase slowly on an annual basis for the first few years and then remain flat, meaning you will generate more savings over time as electricity prices rise. Monthly payments will be processed through an electronic funds transfer system when possible. [See Agreement Article 3.1(a) for rates]

SUBSCRIPTION OPTION 2 | Pay Upfront

Pay a set amount for your size of subscription: To cover the current electricity use of a home for 25 years, the upfront cost will usually be \$6,000-\$12,000, depending on your electricity usage. If you subscribe upfront, you will pay for your subscription in 3 installments:

- **25%** as a deposit upon signing. This amount will be refundable if you cancel your subscription before the project is approved by Xcel or within 10 days of Xcel notifying CEF of project approval.
- **50%** upon notice to begin construction.
- **25%** when the solar garden becomes operational.

Upfront subscribers will also pay a small annual fee (usually \$6/yr for every 200W portion of a subscription). No other funds will be required over the 25-year term.

CEF's Roles: CEF will manage all design, construction, panel selection, the Xcel application process, subscriber management and verification, property and liability insurance for the solar array, maintenance, energy metering, and reporting to Xcel in accordance with industry best practices and relevant laws. CEF will provide estimates of electricity production and estimated benefits, product warranties, certificates of insurance, and maintenance plans to the subscriber. [See Agreement Articles 4, 5 & Exhibits C, D]

Disclaimers: CEF cannot guarantee the production of the system as estimated, nor that future changes in utility bill credits will deliver the projected economic benefits for subscribers. CEF is not marketing subscriptions as a security, and cannot guarantee how it will be treated for tax purposes. [See Article 6]

Transfers and Early Termination: CEF has designed its subscription to promote long-term ownership and benefit for subscribers while creating flexibility when our subscribers face life conditions that make it hard to continue as subscribers. [See Article 7 for a full list of the transfers and early termination provisions and conditions.]:

- 1) If you move to a new address at which you are still eligible to be a subscriber, you can transfer that subscription to the new address at no charge. The 120% limit will be recalculated based on your new address, which could require that you reduce (or allow you to increase) your subscription size.
- 2) If you move to a new address at which you are not eligible to be a subscriber, you must either:
 - a) Transfer your subscription to another eligible subscriber for a \$75 processing fee. If you purchased your subscription upfront, you can sell it to an eligible subscriber, OR
 - b) Transfer your subscription back to CEF. If you subscribed pay-as-you-go, this transfer will cost 3 months of projected payments for your subscription. If you subscribed upfront, you will be refunded the pro-rated value of your subscription by CEF when CEF re-sells your subscription.

Data Privacy: CEF will not disclose personal subscriber data except as necessary to partners developing this solar garden project. We will share Xcel Energy's privacy policy. Certain CEF documents and information may be designated by CEF as confidential. [See Article 8]

Disputes: If as a subscriber, you have a dispute about how Xcel has applied your bill credit to your bill, you should take that issue up with Xcel. All disputes related to this agreement, the production of the system, or other issues relating to operation of the system should be addressed to CEF. [See Article 9]

Default and Termination: If the subscriber terminates the agreement because CEF defaults on this agreement, they shall be allowed to transfer their subscription back to CEF without penalty and if they subscribed upfront, shall be paid the full remaining value of their subscription. If CEF terminates the agreement because the subscriber defaults, CEF shall receive the subscription without obligations to repay the subscriber. [See Agreement Articles 10.1-10.2 for terms of default]