

# COMMUNITY SOLAR SUBSCRIPTION ENROLLMENT

Palmetto Electric Cooperative, Inc. (“Cooperative”) is implementing a community solar subscription program (“Solar Program”) to provide qualifying members the opportunity to subscribe to a portion of the output from a community solar farm commissioned by Cooperative. The terms and conditions below (“Terms and Conditions”) set forth the participation requirements and details related to the credit Subscribers may receive by participating. By signing, member agrees to comply with and be bound by the Terms and Conditions.

## TERMS AND CONDITIONS

**Section 1. Definitions.** Unless defined elsewhere in these Terms and Conditions, the capitalized terms below have the following definitions:

- (a) “Solar Farm” means the facilities located at Palmetto Electric Cooperative for producing and converting solar energy into electrical energy.
- (b) “Eligible Account” means a Cooperative member’s metered residential, commercial or industrial account in good standing having a service address within the Cooperative’s service territory. Non-metered, Advance Pay, lighting or Net Metering accounts are not eligible. For the purposes of this Subscription Enrollment, an account in “good standing” is currently paid up and has no significant history of delinquency, as determined in Cooperative’s sole and absolute discretion.
- (c) “Share” represents one of the total number of units of the Solar Farm output. For example, if the Solar Farm’s estimated output is 240 kW, a share equals 1/240<sup>th</sup> which has the potential output of 1 kW.
- (d) “Share Allowance” is the maximum number of Shares that a member may purchase with a Subscription.
- (e) “Metered Output” is the actual output of the Solar Farm expressed in kilowatt-hours (kWh) as determined by Cooperative for any month during the Term.
- (f) “Proportionate Share” is the portion of the Solar Farm output that a member has purchased with a Subscription.
- (g) “Subscription” means the Subscriber’s purchase of the Share(s) pursuant to this Subscription Enrollment.
- (h) “Subscriber” is a Palmetto Electric Cooperative member with Eligible Account that has purchased a Subscription.
- (i) “Enrollment Fee” is a one-time, non-refundable, \$75 fee for each Subscription.
- (j) “Subscription Fee” is a reoccurring monthly charge of \$13 for each Share.
- (k) “Production Credit” is the monthly dollar amount credited to Subscriber’s account for their Subscription based on Solar Farm output and the subscriber’s Proportionate Share.
- (l) “Exit Fee” of \$25 will be charged to the Subscriber if Subscriber chooses to cancel the Subscription or stops paying the Subscription Fee prior to the end of the two year term.

## **Section 2. Subscription.**

- (a) Upon Cooperative’s approval of the Subscription Enrollment (which includes verifying member holds an Eligible Account and has paid Enrollment Fee), and subject to the Terms and Conditions, and availability of Shares in the Solar Farm, the Cooperative will assign a Subscription to the member. Cooperative will send the Subscriber written notice that Enrollment has been approved. The Subscription entitles member to receive a Production Credit as calculated per Section 6.
- (b) In the event Subscription Enrollment is not approved for any reason, the Enrollment Fee will be refunded.
- (c) FOR AVOIDANCE OF DOUBT, SUBSCRIBER ACKNOWLEDGES THAT ITS SUBSCRIPTION PROVIDES NO OWNERSHIP OR POSSESSORY INTEREST IN THE SOLAR FARM OR THE LAND UPON WHICH THE SOLAR FARM IS SITUATED, AND FURTHER THAT THE TERMS AND CONDITIONS DO NOT GRANT ANY RIGHT OF ACCESS TO THE SOLAR FARM, THE SITE UPON WHICH THE SOLAR FARM IS LOCATED, OR TO ANY SOLAR PANEL, FOR ANY PURPOSE. THESE SHARES MAY NOT BE SHOWN OR USED AS AN ASSET OR COLATERAL ON ANY FINANCIAL DISCLOSURE OR TRANSACTION. A SUBSCRIPTION DOESN’T CREATE ANY TYPE OF LEAN ON PALMETTO ELECTRIC CO-OP.
- (d) A Production Credit may only be applied to an Eligible Account.
- (e) The Share Allowance for residential Subscribers is three; commercial and industrial Share Allowance will be at the Cooperative’s sole discretion.
- (f) Member may execute a separate Subscription Enrollment for each Eligible Account.

**Section 3. Subscription Fee.** In consideration for its Subscription and in addition to a one-time, non-refundable Enrollment Fee of \$75.00, Subscriber shall pay to Cooperative the Subscription Fees described below.

The Enrollment Fee for participating in the Solar Program shall be payable upon the member’s execution of this Subscription Enrollment. A monthly Subscription Fee of \$13 per Share shall be added to the member’s account each month.

**Section 4. Term.** The Subscription shall remain in force until; Subscriber ceases to pay the Subscription Fee, request in writing to cancel the Subscription or until the termination of the Solar Program, whichever occurs first. An Exit Fee of \$25 will apply if member cancels Subscription or account becomes ineligible before two years are complete. The Subscription will automatically renew for Concurrent one year terms. An amount of \$0.10 per kWh will be credited for Metered Output for a minimum of two (2) years if you are enrolled in the Program prior to January 1, 2020.

**Section 5. Cooperative Obligations.** Cooperative shall account for the Metered Output and account for and provide the Production Credit as set forth in the Terms and Conditions.

**Section 6. Calculation of Production Credit.**

- (a) The monthly Production Credit is calculated by multiplying the Solar Farm's Metered Output by the subscriber's Proportionate Share and by \$0.10 per kWh. This credit is then applied to the subscriber's account on the monthly statement.

$$\text{Solar Farm's Metered Output} \times \text{Proportionate Share} \times \$0.10 = \text{Production Credit}$$

- (b) A "Proportionate Share" is calculated by dividing the number of Shares purchased by Subscriber by total number of Shares in Solar Farm.

$$\frac{\text{Number of Shares purchased by Subscriber}}{\text{Total Shares in Solar Farm}}$$

Thus, if a Subscriber purchases three Shares, and there are 240 Shares in the Solar Farm, Proportionate Share is (3/240, or 0.0125).

**Section 7. Subscriber Relocation.** In the event that the Subscriber relocates to another service address within Cooperative's service territory, subscriber's account shall remain an Eligible Account and the Production Credit will be applied to the new service address so long as subscriber provides written notice of such change of service address at least thirty (30) days in advance of such change. If Subscriber fails to provide timely notice under this section, payment of the Production Credits to Subscriber may be suspended and not resumed until notice is provided to Cooperative. Cooperative will not refund Subscriber for any missed Production Credits due to lack of notice. Cooperative shall have the right to re-subscribe the Shares to another Eligible Account if no notice is received within ninety (90) days.

**Section 9. Disclaimer of Warranties; Limitation of Liability.** To the fullest extent allowed by law, Cooperative's total liability, regardless of the number of claims, is limited to the amount of the Production Credit due and payable to Subscriber pursuant to the Terms and Conditions, and Cooperative and its directors, trustees, officers, employees, contractors and agents shall not be liable to Subscriber or any other party for any other obligations. NOTWITHSTANDING ANYTHING IN THIS SUBSCRIPTION ENROLLMENT TO THE CONTRARY, COOPERATIVE AND ITS DIRECTORS, TRUSTEES, OFFICERS, EMPLOYEES, CONTRACTORS AND AGENTS SHALL NOT BE LIABLE HEREUNDER FOR ANY TYPE OF DAMAGES, WHETHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, RELIANCE, PUNITIVE OR SPECIAL DAMAGES, INCLUDING DAMAGES FOR LOSS OF USE REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, INDEMNITY OR WARRANTY, INCLUDING NEGLIGENCE OF ANY KIND.

**Section 10. Additional Subscriber Acknowledgements.** Subscriber acknowledges and agrees that:

- (a) The Production Credit may vary significantly from month to month based on weather, climatological and other conditions, and further that the Solar Farm may, from time to time, become subject to physical damage, equipment failure and other events that may degrade the Solar Farm's efficiency. Cooperative shall be under no obligation to issue any refund or credit to Subscriber based on the efficiency or output of the Solar Farm. In no event shall a refund or credit be issued if Solar Farm performance is degraded as a result of a force majeure event.
- (b) Production Credits shall not offset the monthly electric facilities charge, Subscription Fee, and/or other non-energy charges, (CHAMP, Surge Guard, etc.).
- (c) For any billing month during which Production Credits exceeds the member's energy usage in total, the respective energy usage charge for the month shall be zero.
- (d) Excess Production Credits not used in the current billing month shall be accumulated and used to reduce energy usage charges in future months; however, any accumulated excess Production Credits not used to reduce billed energy usage charges shall be reset to zero each June 1. Excess Production Credits delivered prior to June 1 will only be used to reduce future energy usage charges prior to June 1.
- (e) Receipt of the Production Credit pursuant to the Terms and Conditions may result in taxable income to Subscriber, and that Subscriber is solely responsible for payment and reporting with respect to Subscriber's taxes.
- (f) COOPERATIVE HAS MARKETED THE SUBSCRIPTIONS ONLY AS A MEANS TO PARTICIPATE IN A RENEWABLE ENERGY PROGRAM AND HAS MADE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, THAT SUBSCRIBER MAY OR WILL DERIVE AN ECONOMIC BENEFIT FROM ITS SUBSCRIPTION. SUBSCRIBER FURTHER ACKNOWLEDGES THAT COOPERATIVE MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, REGARDING THE EFFICIENCY OF THE SOLAR FARM, OR THE AMOUNT OF PRODUCTION CREDIT, IF ANY, THAT SUBSCRIBER WILL RECEIVE DURING ANY BILLING PERIOD DURING THE TERM.

**Section 12. Terms and Conditions Inclusive.** These Terms and Conditions, including any and all attachments hereto, constitute the entire understanding between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties.

**Section 13. Governing Law.** The Terms and Conditions and Subscription Application shall be construed and governed in accordance with the laws of the State of South Carolina.

**Section 14. No Change in Rate.** Nothing in the Terms and Conditions shall be deemed to alter or modify any rate, charge, term or condition of the electric service provided by Cooperative to member or to modify in any way Subscriber's rights and obligations as a member of Cooperative. All Cooperative rates, charges, and terms and conditions of electric service shall remain subject to change in accordance with applicable laws at any time.

**Section 15. Renewable Energy Credits and Environmental Attributes.** Subscriber acknowledges and agrees it has no rights in or claims to Renewable Energy Credits ("RECs"), or any credits, benefits, emissions reductions, offsets and allowances, howsoever entitled, resulting from the avoidance of the emission of any substance to the air soil or water at or by Cooperative generating facilities through reduced generation of energy or other savings or offsets on account of the Solar Program. Subscriber will not claim rights to or ownership of any Environmental Attributes or RECs.

**Section 16. Subscription Program Changes.** Cooperative reserves the right to alter, amend, supplement or cancel the Solar Program at any time with or without prior notice. Subscribers shall be bound by the Terms and Conditions to which they have agreed without regard to the terms and conditions of any prior or future Subscription Enrollment or similar document related to the Solar Program. Should the Cooperative cancel the Solar Program prior to January 1, 2020, any Subscriber who has not fulfilled the initial two (2) year term shall be reimbursed the Enrollment Fee at a Prorated Rate. In addition, any Subscriber to the Solar Program prior to January 1, 2020 will be guaranteed the current Production Credit through January 1, 2025.