

**Illinois Adjustable Block Program
PV System Power Purchase Agreement Disclosure Form**

Draft for Stakeholder Comments

Released October 3, 2018

Comments Due October 26, 2018

This form gives consumers who are considering contracting for a solar photovoltaic (“PV”) system clear information about the system and their transaction. Execution of this form is required for the system to be eligible for the Adjustable Block Program, a state-administered incentive program.

The Adjustable Block Program provides payments for the sale of Renewable Energy Credits (“RECs”) produced by new PV systems. RECs are created when solar panels generate electricity; one megawatt-hour of solar production equals one REC. RECs represent the environmental value of solar power, and whoever owns the RECs has the legal right to say they used that solar power. Because the environmental attributes of generation are sold as part of that transaction, customers participating in the sale of RECs relinquish their right to claim they are receiving solar energy.

Through program participation, all RECs from your system will be sold to Illinois utilities and retired to meet a compliance obligation. Payments for these RECs may be used to offset the purchase price or financing cost for the PV system you contract for. The actual level of these payments will vary depending on the size and location of the PV system.

There are different ways for customers to contract for a PV system. Customers may buy a system (system purchase), lease a system (lease), or contract to buy electricity generated by a system (power purchase agreement). Under a system purchase, the customer pays for and owns the system. Under a lease arrangement, a customer enters into a service contract to pay scheduled, pre-determined payments to a solar leasing company, which owns the system on the customer’s property. Under a power purchase agreement, a customer agrees to host a system and to buy electricity generated from it at a per-kilowatt-hour rate from a company that owns the system. The type of contract you enter into will impact the economics of your solar decision.

By participating in the Adjustable Block Program, an installer or other vendor is required to provide you with this disclosure form so that you have accurate information about the PV system, including its size, cost, operations, warranties, and financial benefits. At the point when you decide to enter into a solar contract, you will be asked to sign this form indicating that the information in it has been provided to you. The form will be submitted to the Adjustable Block Program Administrator.

Power Purchase Agreement Disclosure Form

You are entering into an Power Purchase Agreement (PPA) to buy electricity generated by a PV system installed on your property. Another party will own the system installed on your property.

The purpose of this form is to provide you with clear and accurate information about terms of your PPA, but this form is not a substitute for your contract, which is a legally binding agreement. Do not rely exclusively on this form for your PPA; You should read your lease agreement closely before you sign it.

This form is required for your PPA PV system to be eligible for the Adjustable Block Program, a state-administered incentive program for PV systems, and an executed copy of this form will be provided to the Program Administrator. The Program Administrator may contact you to verify that you received this form.

Because you will not own the PV system, you are not eligible to take the federal income tax credit for PV system owners; however, entering into a PPA may have tax implications for you. You should consult a tax professional to understand any tax consequences that may result.

You may rescind your PPA contract within ~~10 calendar~~ 3 business days of signing it by contacting the owner of the PV system.

If you have questions or complaints related to the system or this PPA process, first contact your PPA provider. You may contact the Adjustable Block Program Administrator by emailing admin@illinoisabp.com or by calling (877) 783-1820. If you have been subject to fraudulent or deceptive sales practices, the Consumer Protection Division of the Illinois Attorney General’s office may be able to help. Customers may contact the Illinois Attorney General’s office by calling one of the following hotlines:

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: 1-866-310-8398

Customer’s Contact Information

Customer
Name:
Address:
Phone Number:
Email Address:
Customer’s Electric Utility

Other Parties’ Contact Information

<u>System Owner</u> <u>PPA Provider</u>	Approved Vendor (per Illinois Adjustable Block Program rules)
Legal Name:	Legal Name:

Name Used for Marketing (if different):	Name Used for Marketing (if different):
Business Address:	Business Address:
Phone Number:	Phone Number:
Email Address:	Email Address:

System Installer		System Warranty and/or Maintenance Provider (if different from system installer)
Name:	Name Used for Marketing (if different):	Name:
Qualified Person License Number:		Name Used for Marketing (if different):
Business Address:		Business Address:
Phone Number:		Phone Number:
Email Address:		Email Address:

**The parties listed above are independent and are not representing, endorsed by, or acting on behalf of, a utility, a consumer group, or a governmental body except in those cases where they are a governmental body or consumer group.*

**Your PPA may be assigned, sold, or transferred by the PPA provider to a third party who will be bound by the terms of your contract. If such a transfer occurs, you will be notified if this will change the address or phone number to use for questions, payments, maintenance, or repair requests.*

System Information



- Initial PPA price per-kilowatt hour \$ _____ and _____
- ~~The first PPA payment is due _____ (for example, 30 days after system interconnection).~~
- ~~The final PPA price per kilowatt hour is \$ _____.~~
- You have a fixed monthly payment PPA. Your monthly payment during the first year of the PPA is \$ _____. Your monthly payment during the last year of the PPA is \$ _____.
- Your electricity rate is subject to other factors. [Insert description of PPA pricing]
 - ~~The time the final PPA payment is due _____ (for example, 20 years after the first PPA payment).~~
- Total of all your estimated payments over the course of the PPA contract, including any down payment, all PPA payments, interest or escalators, service fees, and other fees: \$ ____
 - Deposit, down payment, or initial amount owed at PPA signing \$ ____
 - The term of the PPA is ____ years and ____ months
 - Frequency of PPA payments (for example, monthly) _____
 - ~~Initial PPA price per kilowatt hour \$ _____~~
 - ~~The first PPA payment is due _____ (for example, 30 days after system interconnection).~~
 - ~~The final PPA price per kilowatt hour is \$ _____~~

Commented [AY1]: PPA Providers may offer payment options other than \$/kWh.

~~• The time the final PPA payment is due _____ (for example, 20 years after the first PPA payment).~~

- Total number of PPA payments over the term of the contract ____
- Annual escalation rate ____
- The first PPA payment is due _____ (for example, 30 days after system interconnection).
- The time the final PPA payment is due _____ (for example, 20 years after the first PPA payment).
- ~~This assumes that your system will produce _____ kWh of electricity per year.~~

Commented [AY2]: The section "System Design" contains information on yearly production.

*Many PPA contracts increase the per-kilowatt hour PPA price on an annual basis to account for inflation and projected annual increases in electricity rates. These escalation rates are compounding. They apply not only to the initial PPA payment price, but also to the increases added annually due to the escalation.

- A full schedule of the price per kilowatt-hour for all PPA payments

*Your PPA payments may not constitute your total monthly amount for electric service from your utility.

- You will receive ELECTRONIC OR PAPER invoices
- Is PV system installation contingent upon selection for the Adjustable Block Program incentive?
Yes OR No
- The expected value of the REC incentive payment(s) that will be received by the Approved Vendor for the PV system is \$ ____
 - ~~Will the Approved Vendor pay a rebate to you or discount your contract payments for some or all of the value of the REC payment(s) received for the system?~~ Yes OR No
 - ~~_____~~
 - ~~If so, you will receive \$ ____ OR ____% of the value of the REC payment(s) received for the system.~~
 - ~~Is PV system installation contingent upon selection for the Adjustable Block Program incentive?~~ Yes ~~OR~~ No

*As the counterparty to a REC delivery contract with an Illinois electric utility, the Approved Vendor will receive payment(s) for your system's RECs. Even if the Approved Vendor will not pay a rebate to you for some or all of the value of the REC payment(s) received for your system, those REC payments may be reflected in your overall PPA payments.

- ~~List all other state and/or federal tax incentives or rebates relied upon in determining the total payments due under the PPA and the value of each one:~~

Name of Incentive/Rebate	Estimated Value	Party Directly Realizing the Benefit of the Incentive
	\$	
	\$	

	\$	
	\$	

~~*You may not be eligible for all state and/or federal incentives related to your solar PPA. In many cases, a solar PPA customer will not be able to directly take advantage of incentives related to the PV system. Instead, the system owner or Approved Vendor will realize the incentive benefit. The benefit of these incentives may be passed on to you in the form of reduced costs.~~

Fees

- If a payment is more than ____ days late, you will be charged \$ ____
OR
Late payments accrue interest at ____% annually.
- Estimate system removal fee \$ ____
- System maintenance fee \$ ____
- Document preparation fees \$ ____
- Non-connection to internet fee \$ ____

~~*If you do not maintain a high-speed internet connection, you may be charged a fee by the system owner/PPA Provider to enable electronic payments.~~

- Returned checks fee \$ ____

~~*If any of your checks are returned or refused by your bank, you may be charged a fee.~~

- Automated clearinghouse fee \$ ____ per month OR
- Automated clearinghouse discount \$ ____ per month

~~*You may be required to enroll in a program in which your PPA payments are made through an electronic transfer of funds cleared through an automated clearinghouse and there may be a fee associated with enrolling an automated clearinghouse program.~~

- Does the system owner intend to file a Uniform Commercial Code-1 filing statement? YES OR NO
 - If so, the Uniform Commercial Code Notice Removal and Re-filing fee is \$ ____.

~~*Some PV system owners will file a Uniform Commercial Code-1 filing statement, often referred to as a "fixture filing" or a "UCC-1 filing," which informs third-parties that the consumer does not own the system. If you plan to sell your home or refinance your mortgage, contact your PPA Provider. allows them to legally take possession of the system in the event that you breach your PPA contract. A fixture filing can make it more complicated and more expensive for you to refinance your mortgage or convey the real estate equipped with the PV system.~~

Commented [AY3]: Internet connection is used to monitor system production, determine monthly payments, diagnose system shutdowns, etc.

Commented [AY4]: A company may offer a discount for using ACH

- The PV system owner WILL OR WILL NOT impose a fee or penalty for early termination of the PPA by the customer prior to the conclusion of the contract term.
 - If the system owner will impose an early termination fee or penalty, the amount of the fee/penalty will be \$___ OR will be calculated as follows: _____.
- Any other fees (description, amount and when it is due)

Fees	Amount	When It Is Due
	\$	
	\$	
	\$	
	\$	

System Installation Timing

- The approximate start date of system installation will be ___ days from the date your PPA is signed or _____[date].
- The approximate completion date of system installation will be ___ days from the date your PPA is signed or _____[date].
- YOU OR THE SYSTEM OWNER OR THE SYSTEM INSTALLER are responsible for submitting a system interconnection application to your utility.

*The interconnection rules may vary based on location and utility service territory. Links to interconnection information are provided below for three electric utilities:

- Ameren Illinois: <https://www.ameren.com/illinois/electric-choice/distributed-generation>
- Commonwealth Edison Company: <https://www.comed.com/MyAccount/MyService/Pages/DistributionLess10k.aspx>
- MidAmerican Energy Company: <https://www.midamericanenergy.com/customer-generation.aspx>

Commented [AY5]: Better addressed in the brochure

System Design Specifications

- Size of system in kilowatts ___kW DC and ___kW AC
- Estimated gross annual electricity production in kilowatt-hours from your system in the first year ___kWh
- Estimated annual system production decrease: ___%
- ~~Expected life of the system ___ years~~
- Expected overall percentage degradation over the life of the system ___%
- System will be ROOF-MOUNTED OR GROUND-MOUNTED

- System WILL OR WILL NOT track with the location of the sun in the sky.
 - If a tracking system is installed it is a SINGLE OR DUAL-AXIS TRACKER.

~~• The manufacturer of the PV panels is ____.~~

~~• The make of the inverter is ____; The model of the inverter is ____.~~

** Because your system may be participating in the Illinois Adjustable Block Program, your system will be connected to the grid. Your electric utility remains responsible for the delivery of electric power and energy to your premises and will continue to respond to any service calls and emergencies. A grid-connected PV system will not function in the case of an electricity outage unless you have an accompanying electricity storage system and the ability to "island" (disconnect from the grid).*

Commented [AY6]: Better addressed in the brochure

Net Metering

**Net metering allows you to get credit from your energy supplier for electricity generated by the PV system you host. Your electricity bill will reflect the amount of electricity supplied to you, minus the excess electricity generated by the system and delivered to the grid. You are eligible to participate in net metering if you own or operate an eligible PV system less than or equal to 2,000kW (AC-rated) for your own use. To participate in net metering, an application for net metering must be submitted to your energy supplier. Energy suppliers doing business in the State of Illinois are required to provide net metering for eligible solar customers. Net metering is subject to change or termination by executive, legislative, or regulatory action, which may impact the rate and terms under which you are credited.*

Commented [AY7]: Better addressed in the brochure

System Operations, Maintenance, Warranties, and Guarantees

- System maintenance (operational upkeep) IS OR IS NOT included as part of the PPA.
 - If system maintenance is included, for ____ years by ____ (for example, system owner, installer, or approved vendor)
- System repairs (actions required to fix a malfunctioning system) ARE OR ARE NOT included as part of the PPA.
 - If system repairs are included, for ____ years by ____ (for example, system owner, installer, or approved vendor)
- Is the PV system warranted against issues related to improper installation? YES OR NO
 - If so, this warranty is for ____ years by ____ (for example, seller or installer)

~~• Do the PV panels come with a manufacturer's warranty? YES OR NO~~
~~• If so, this warranty is for ____ years.~~

~~• Does the system inverter come with a manufacturer's warranty? YES OR NO~~
~~• If so, this warranty is for ____ years.~~

- Your roof IS OR IS NOT warranted against leaks from the system installation.

- If your roof is warranted against leaks from system installation, for ___ years after installation by ___ (for example system owner, installer, or approved vendor)
- The system owner WILL OR WILL NOT remove the PV system at the conclusion of the term of the PPA.
 - The system owner WILL OR WILL NOT return any portions of your roof to its original condition upon the removal of the system (ordinary wear and tear excepted).
 - The system owner WILL OR WILL NOT offer the customer an option to own and retain the PV system after the term of the PPA.
- The system owner WILL OR WILL NOT insure for loss or damage to the system.
 - If the system owner will insure the system for any loss or damage, except under the following circumstances

**You are responsible for any loss of or damage to the PV system not covered under the system owner's obligations above. Consult an insurance professional to understand how to protect against the risk of loss or damage to the system.*

- The system owner is providing you with a:
 ___ System performance or electricity production guarantee
 ___ Other type of system guarantee (specify) _____
 ___ No system guarantee

**Unauthorized modification of your PV system, including the relocation of it, is prohibited under the Adjustable Block Program.*

Property Transfers

- If you sell your home, you MAY OR MAY NOT to transfer the PPA obligations to the purchaser(s) of the home.
 - If transfer of the PPA is permitted, it will be subject to the following conditions:
 - Credit check of the home purchaser(s)
 - Minimum FICO score requirement: _____
 - Transfer fee \$_____
 - Assumptions of the PPA contract by the home purchaser(s)
 - Other _____
- If you sell your home, you ARE OR ARE NOT required to purchase the system prior to the sale.
 - In such event, the purchase price will be calculated as follows: _____

Net Cash Flow Estimate

- Estimated total PPA savings calculation:

[Here, three savings estimates will be presented to the customer—with low, middle, and high future electricity rate forecasts. The savings calculations will rely on the current default electricity supply price as the starting point with different escalator rates representing different potential future electricity rates and inflation forecasts. The savings estimates will be automated based on form inputs.]

**These savings estimates are not guarantees. Actual savings may vary.*

**This savings calculation uses your prior electricity usage to estimate future usage. Actual future usage may not be the same as prior usage.*

**This savings calculation was based on a standard forecast for retail electricity prices, using the following assumptions:*

-
-
-

Actual retail electricity rates may vary from this projection. For further information regarding your electricity rates, contact your electric utility or the Illinois Commerce Commission.

**Tax and other state and federal incentives are subject to change or termination by executive, legislative, or regulatory action, which may impact savings estimates. Savings may change if your electric utility's net metering tariffs or distributed generation rebates change prior to the commissioning of the system.*

Additional Terms and Disclosures

**Nothing listed below shall alter, amend, repeal, or supersede the disclosure requirements contained in this form.*
