

BAYFIELD ELECTRIC COOPERATIVE COMMUNITY SOLAR FARM FAQ

What is a community solar farm?

A community solar farm is a centralized solar electric installation where community members can participate by purchasing a virtual share of that installation and get credit on their electric bill for the energy generated from that share.

Why is Bayfield Electric Cooperative (BEC) starting a community solar farm?

Electricity made from solar energy is local, clean, and affordable. It gives its members a choice of where their power comes from, especially those members who couldn't otherwise install a solar electric system on their own house or business.

What other advantages are there in participating in community solar?

- **Lower cost.** Because of economy of scale, BEC can install a system at roughly half the cost of a small roof top installation. This savings is passed on to the subscribing member.
- **Available to all members.** Community solar makes solar available even if you are a renter, your roof top is shaded, too small, or is facing the wrong direction.
- **Federal tax credit.** A new ruling by the IRS allows a 30% federal tax credit for members subscribing to community solar. Some federal restrictions may apply so confirm with your accountant if you can take advantage of this incentive.
- **Great investment.** The financial credit received on a subscriber's electric bill is equivalent to a tax free investment. The tax free rate of return over the 25 year project is estimated at 7% for those not able to use the federal tax credit and 11% for those who can use the federal tax credit.
- **Transferable.** If a subscriber moves, the shares purchased can be transferred to a new qualified BEC member, or taken with you if you move within the BEC's service area.
- **No maintenance costs.** The subscribing members are not responsible for maintenance, insurance, or any other ongoing costs associated with the project.

How do I sign up?

If you haven't done so already, start by filling out the BEC's survey and detailing how many shares you are interested in. Each share costs \$500 and will buy you about 200 watts of solar production. The surveys can be found on BEC's web site, on page 17 of the March issue of the WI Energy News, and as a stuffer in your March electric bill. The BEC will start collecting these funds soon.

How soon will my share pay for itself?

If you can use the Federal tax credit your investment should pay for itself in about 9.5 years, and if you cannot use the Federal credit it would take about 13.5 years.

What will 200 watts or \$500 of solar production give me?

In round numbers about 270 KWh's of electricity per year will be credited for each 200 watt share (\$500) and at today's prices will yield a subscriber about \$33 in annual credit. As electric rates rise, so will your credit, protecting you against inflation.

How many shares should I buy?

A member of the BEC can buy enough shares to offset up to 90% of their annual electric production. BEC can help you determine how many shares that is, or you can do it yourself by adding up your annual usage in KWh's, multiplying that number by .9 (90%) and dividing that number by 270 (the number of watts generated from each share). You might also just ask yourself how much you can afford to invest.

How does the BEC determine the credit amount on my electric bill?

The entire solar farm is metered in kilowatt-hours (KWh). 2% of the total production is withheld by the BEC and credited to an escrow account to cover expenses such as insurance and other operation costs. Your monthly credit will be calculated by multiplying your share of the remaining 98% of the total production by the current electric rate.

What if the shares I purchased produce more electricity than I used that month?

If your shares produce more electricity than you consume in a given month, the surplus is "banked" and the credit moves forward to the next month. Most banked credit is used up in the dark, short days of winter. BEC does not cut checks for annual surplus, and this is why they limit each subscriber to 90% of their annual usage. If you chronically overproduce, you might consider an electric car!

How long will the Community Solar Farm be in operation?

The warranted life of the community solar project is 25 years, and that is also the time frame of the Solar Subscription Agreement which each subscriber will sign. After that time, in 2041, the BEC Board will determine if the solar facility is still cost effective, and if it is how it can best benefit the members of the BEC.

What happens if I move before the 25 year project ends?

If you move within the BEC service area you can transfer your subscription to your new address. If you move outside the BEC area you can transfer your subscription with the sale of your home. As a sound investment your subscription should increase the value of you home. Another option is to sell your subscription back to the BEC in accordance with the Solar Subscription Agreement which states depreciation terms.

Contact Larry Roecker at 715-372-7514 or 1-800-278-0166 if you have additional questions