



Co-op Community Solar

Frequently Asked Questions

What is Co-op Community Solar?

Community solar is a solar facility that produces more power than a single home or even a few homes can use. Participants in a community solar program can sign up to receive bill credit for the power that the solar array produces.

VEC's Co-op Community Solar follows this model. Members can participate by making an upfront payment to sponsor the array, which helps pay for the cost of putting more solar power onto the electric grid. Participants will then receive a monthly credit on their electric bills for either 10 or 20 years, depending on which sponsorship term they choose. Members can participate from just a small amount or can sponsor enough to cover their annual electric charges.

How is community solar different from the rooftop solar I see around Vermont?

Community solar offers an option for people who don't own their home or don't have a suitable site because of shade or the direction of their roof. It is also available at smaller sizes for participants who want to support solar but don't necessarily want to pay the full cost of an array on their property.

In addition to greater flexibility in size and startup cost, it also offers greater flexibility if the participant decides to "opt out" of the program. Participants can sell their sponsorship back to VEC at any time and for any reason. Members who opt out will receive a portion of their initial payment based on how long they have participated in the program. This flexibility provides participants with reassurance that if they move out of the VEC territory or simply change their mind, they can receive a partial refund (See buyback tables for details).

Where are the projects located? What is the capacity?

VEC's three community solar projects are located in Alburgh, Grand Isle, and Hinesburg. Together they total about seven megawatts and will produce over nine million kilowatt-hours annually, the equivalent of about 1,400 homes' annual usage

How many panels should I sponsor?

The minimum number of panels a participant can sponsor is one. The maximum number depends on the type of account you have.

Residential, small commercial, and public participants may sponsor sufficient panels to provide solar energy credits equal to the participant’s annual bill charges; larger commercial and industrial participants may sponsor up to 67 panels for the 10-year program and up to 60 panels for the 20-year program, OR sufficient panels to provide solar energy credits equal to the participant’s annual bill charges, whichever is smaller.

For example, if your average monthly bill is \$100 and you want to offset all electric charges in the first year, you could sponsor 37 panels for 10 years, which would be an upfront cost of \$8,685.75. The total credit you would receive over the 10-year contract would be \$12,076.80 for a total savings of \$3,391.05.

Am I better off doing a 10 year or 20 year sponsorship?

The difference is that for the same upfront payment, a 10-year sponsorship offers a larger monthly credit for a shorter period of time and the 20-year option offers a smaller monthly credit but for a longer period of time. For example, see the chart below for the monthly, annual, and lifetime credit amounts for an upfront payment of approximately \$6,500. You can also see the differences in the number of panels and the associated annual kWh generation.

| Panels | Payment | Monthly Credit | Annual Credit | Total Program Credit | Total savings |
|------------------------|-------------------|----------------|---------------|----------------------|---------------|
| 28 (10 year option) | \$6,573.00 | \$76.16 | \$913.92 | \$9,139.20 | \$2,566.20 |
| 16 (20 year option) | \$6,600.64 | \$49.92 | \$599.04 | \$11,980.80 | \$5,380.16 |

Will the solar credit change month to month?

No, the credit is fixed and guaranteed to participants. The credit amount is based on a guaranteed generation per panel and VEC’s value of solar. VEC guarantees that participants will receive this credit for as long as they are sponsoring panels.

Is financing available?

To participate in the program, you must make an upfront payment. You can finance this independently or use the financing option VEC has developed with NeighborWorks.

The NeighborWorks loan has a 10-year term at an interest rate of 4.99%. VEC is offering an “on-bill payment” option for the NeighborWorks loan so that members can pay their loan as part of their monthly VEC bill.

What if I change my mind or move? Will I get my money back?

Yes, participants can opt out of the program at any time. Those who opt out will receive a portion of their initial investment back, depending on how long they participated. (See buyback tables for the percentage by year).

A participant can also transfer their sponsorship to another VEC member's account as long as that member has enough usage to take advantage of the monthly credit amount.

What if I want to support the project but don't want to sponsor a panel?

VEC is offering a "Friends" sponsorship for members who would like to show their support for VEC's Co-op Community Solar but do not want to sponsor an entire panel. Members can donate in increments of \$100 and receive a credit of \$0.76 per month for 20 years as a thank you for their support. VEC is not offering a buy-back option for the Friends sponsorship.

Is VEC selling the Renewable Energy Certificates (RECs)?

Renewable energy projects such as solar and wind farms have something called Renewable Energy Certificates (RECs) associated with them. RECs are the claim to the renewability of the power, and, for any renewable generation, they can be retired or sold. If they are sold, the energy is no longer considered renewable because its RECs have been sold to another entity so that that entity can claim the renewable attributes.

VEC is not selling the RECs for the portion of the project sponsored by VEC members. These RECs will be retired and will help VEC meet the goals and requirements of Vermont's Renewable Energy Standard, which was established in 2015 by Act 56.

Will I be eligible for federal tax credits for the cost of the sponsorship?

No, the federal tax credit is already being claimed and is built into the price of the sponsorship.

Will I be required to pay taxes on the monthly credit I receive or include it in my tax filing?

No, the monthly credit is not considered income.

How do I enroll?

To get started, fill out the short survey on the VEC Co-op Community Solar webpage, email communitysolar@vermontelectric.coop, or call 1-800-832-2667. A representative will follow up with you.