



**COMMUNITY
SOLAR**

**APPALACHIAN ELECTRIC COOPERATIVE
COMMUNITY SOLAR AGREEMENT**

This Community Solar Agreement (“Agreement”) is made and entered into as of _____, 20____ (the “Commencement Date”) by and between **Appalachian Electric Cooperative (“AEC”)**, whose mailing address is Post Office Box 400, New Market, Tennessee 37820, its successors and assigns, and the member identified as follows (“Member”), their heirs, successors, and assigns (hereinafter Appalachian Electric Cooperative and Member collectively referred to as “the Parties”):

Member Name: _____
Service Address: _____
City, State, and Zip Code: _____
Telephone: _____
Account #: _____

1. License.

- 1.1. Subject to the terms and conditions set forth in this Agreement, AEC hereby grants to Member a license to the kWh output from _____ solar panels at a one-time fee of \$125.00 per solar panel (“Subscription Price”) for a total subscription of \$_____. The annual average output of each panel is estimated to produce approximately 200 kWh of electricity per year. Actual annual results may differ due to variations in weather and sunlight patterns and potential diminished production as the solar facility ages.
- 1.2. Each solar panel will be placed in service at the Appalachian Electric Community Solar Facility (hereinafter referred to as “Solar Facility”) located at 1445 Old Andrew Johnson Highway, New Market, Tennessee. Member acknowledges and agrees that AEC or its assigns will retain sole ownership, possession and control of the Solar Facility, and will have the exclusive right to maintain and operate the Solar Facility.
- 1.3. During the Term of this Agreement, Member will receive a Solar Panel kWh Output Credit (“Solar Credit”) each month that there is kWh output from the Solar Facility. Credit will be applied on the Member’s statement billing for electricity provided by AEC at the listed address (the “Service Address”), which must be located within AEC service territory.

- 1.4. AEC has the sole right and discretion to construct, abandon construction, or otherwise not construct the solar panels and/or the Solar Facility described herein. In the event, said solar panels and/ or the Solar Facility are not constructed, this agreement shall terminate and neither AEC nor Member will incur any obligations hereunder. Further, a “Force Majeure” as defined in §8.4 of this Agreement, which affects the construction of the AEC Community Solar Facility, is not a breach of this Agreement.
2. **Consideration.** As consideration for the License granted to Member pursuant to this Agreement:
 - 2.1. The Community Solar Program is open to all AEC members who are members in good standing as pursuant to AEC’s Rules and Regulations.
 - 2.2. The Member will pay AEC the subscription price, due upon execution of this Agreement (the “License Fee”), for the right to receive Solar Credits from the Solar Facility. Such License Fee will be made payable to AEC.
3. **Term.** This Agreement shall be effective on the Commencement Date of interconnection and will continue for twenty (20) years from the in-service date of the facility (the “Term”), subject, however, to early termination at the sole discretion of AEC as provided in this Agreement.
4. **AEC Obligations.** AEC agrees to:
 - 4.1. Refund the subscription amount paid by the Member if the Solar Facility is not completed by December 31, 2016.
 - 4.2. Provide, at its cost, all necessary maintenance for the Solar Facility. AEC shall be responsible for ensuring that the Solar Facility and each of its components meet all applicable codes, standards, and regulatory requirements at the time of installation and throughout the Term of this Agreement. In the event of equipment failure, AEC will bring the equipment back to working order as quickly as is reasonably possible.
 - 4.3. Acquire and maintain, at its sole cost, insurance for the Solar Facility. AEC or its assigns will be listed as the sole loss payee for such insurance.
5. **Solar Credits.** The Solar Credit(s), based on the amount of electrical energy output will be calculated as follows:
 - 5.1. AEC will calculate the Solar Credit(s) by dividing the Total Power Output of the Solar Facility by the number of solar panels in the facility, and be rounded down to the nearest kWh.

- 5.2. The actual electric production for the entire Solar Facility will be recorded on a calendar-month basis. The appropriate credit(s) will be applied to the Member's bill the following month after that production. Solar Credit(s) will be based upon the attached Attachment B.
- 5.3. In the event the applicable service account associated with this Agreement is removed and/or not in active service, and the Member has not directed AEC to transfer the Solar Credits to a different account within 30 days, the solar credits of these panels will be retained and utilized by the entire membership of AEC during the remaining term of this agreement. The credits associated with this production will be applied in a way deemed acceptable by AEC.
- 5.4. In the event the Member with an active account does not have electric usage for a month, the Solar Credit(s) will accumulate and be applied in future months when there is electric usage. If there are twelve (12) consecutive months of no electric usage, the Solar Credit(s) will be forfeited, in accordance with provision 5.3.
- 5.5. Solar Credit(s) will be applied monthly to reduce member's electric bill. Member's bill for electric usage needs to exceed the amount of Solar Credit(s) annually to participate in the Community Solar Facility Program. Accumulated, unused Solar Credit(s) will not be refunded, transferred or donated.

6. Repurchase Provision, by AEC.

- 6.1. AEC Repurchase - In AEC's sole discretion, AEC may, at any time it deems necessary for the good of the Cooperative membership, elect to repurchase all or any portion of Member's solar panel output subscription and the associated rights to receive Solar Credit(s), and Member is obligated to sell such solar panel output subscription and associated rights to AEC pursuant to the terms of this Section 6. Such repurchase will occur as follows:
 - 6.1.1. AEC will notify Member (by certified mail) of AEC's election to exercise its repurchase right and the number of panels of Member's allocated subscription and associated rights to receive Solar Credit(s) being repurchased (the "Repurchase Notice").
 - 6.1.2. The subscription price paid by Member will be multiplied by the percentage for the year repurchase is made, as shown on Attachment A, "Solar Panel Repurchase/Resale Schedule". Therefore, after this Agreement has been in effect for 20 years from the in-service date, the repurchase price will be \$0.
 - 6.1.3. AEC will repurchase the subscription agreement within 30 days after sending such Repurchase Notice by sending payment to Member in an amount equal to the sum of: (a) the repurchase price as calculated in Attachment A, plus (b) any earned Solar Credit(s) that have not yet been

credited to the invoice for the Service Address. Upon receipt by Member of the buyback payment, this Agreement will terminate, and AEC will have no further obligations to Member with regard to this Agreement.

7. Transfer/Assignment.

7.1. Subject to the provisions of this Section and with the approval and consent of AEC, Member may elect to: (a) change the Service Address for which the Solar Credit(s) for all subscribed panels will apply, provided such Service Address is provided electricity by AEC and located within AEC's service territory, or (b) assign this Agreement and/or the License granted hereby to another individual or non-profit organization, provided such assignee's Service Address is provided electricity by AEC and located within AEC's service territory and individual or organization is a Member of AEC. Member will notify AEC of such change or assignment in writing at least 30 days prior to the effective date of such change, which notice will include:

1. Member's name and mailing address and additional contact information;
2. The current Service Address;
3. The new Service Address (if applicable);
4. The name of the individual or organization to whom Member is assigning this Agreement (if applicable);
5. Member's surrender of the applicable License; and
6. The effective date of such change or assignment.

7.2. Member or organization the Solar Credit(s) are being transferred to must sign a new License Agreement.

7.3. Upon assignment of any License, the Member will surrender all rights and interest in and to such License. Member further acknowledges and agrees that such assignment does not extend the Term of the original License.

7.4. No assignment approved by AEC shall affect or reduce any of the obligations of Member, hereunder. If Member's assignee defaults in any way, Member shall remain responsible under the terms of this Agreement.

8. Additional Acknowledgements. The Parties further acknowledge and agree that:

8.1. Member will not have access to the Solar Facility for any purpose, unless otherwise agreed to in advance by AEC, in its sole discretion.

8.2. Except as expressly provided in Section 7 of this Agreement, Member may not assign, gift, bequeath, or otherwise transfer any License for the output of a Solar Panel to any other individual or entity.

8.3. Nothing in this Agreement shall be deemed to alter or modify any rate, charge, term, or condition of the electric service provided by AEC to Member or to modify

in any way Member's rights and obligations as a member of AEC. All of AEC's rates, charges, terms, and conditions of electric service shall remain subject to change in accordance with applicable law, as well as AEC's policies and bylaws at any time.

- 8.4. **Force Majeure.** Because the Member is subscribing Solar Credit(s) based on actual electric energy production from the Solar Facility, interruptions due to a Force Majeure that affect the actual electric energy production of the Solar Facility is not a breach of AEC's duty under this Agreement. Further, "Force Majeure" shall mean any act, event, or circumstance that is not reasonably within the control of AEC that prevents or delays in whole or in part AEC's performance of any one or more of its obligations under this Agreement, including, but not limited to any fire, flood, storm, hurricane, tornado, earthquake or other natural disaster or weather event; acts of war (declared or undeclared), sabotage, terrorism or threat thereof, civil disturbances, or strike. In the event of Force Majeure, AEC is under no obligation to continue paying the Member Solar Credit(s) and/or secure an alternative source of solar electric generation to offset the lost production from the Solar Facility, until such time as the detrimental effects upon the Solar Facility caused by the Force Majeure event can be repaired or remedied by AEC.
9. **Renewable Energy Certificates ("RECs").** RECs represent 1 MWh (1,000 kWh) of renewable energy generation. The Solar Facility is designated as a renewable energy resource, and by virtue of its purchase power agreement with TVA, AEC has exercised the rights to the RECs arising by reason of the generation of this Solar Facility. As part of this Agreement, AEC shall track and retire the RECs on behalf of the participating Members.
10. **Notices.** All notices, requests, consents, and other communications required by this Agreement will be in writing and delivered in person or by first class mail, postage prepaid, to the address stated above for the party to which it is intended and will be deemed delivered upon the earlier of (a) the date of actual receipt, or (b) three business days after being deposited in the mail, postage prepaid.
11. **No Partnership, Etc.** Nothing in this Agreement shall be construed as creating any partnership, joint venture, or other business relationship between the Parties. The Member shall not, for any purpose, be considered to be an agent of AEC.
12. **Entire Agreement.** This Agreement constitutes the entire agreement 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. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.
13. **Governing Law/Jurisdiction/Venue.** Any grievance related to this agreement shall be directed first to the management of AEC and then to its Board of Directors. If the parties cannot informally resolve said grievance, the parties agree to submit said

grievance/dispute to non-binding mediation, the costs of which shall be equally split between AEC and the aggrieved member(s). Said mediation shall be conducted in Jefferson County, Tennessee unless the parties agree otherwise. The mediator shall be chosen by AEC. The parties to this agreement understand and agree that should any party institute legal proceedings against the other, jurisdiction and venue of such action(s) shall be the Circuit Court of Jefferson County, Tennessee, at Dandridge, Tennessee. The parties to this agreement voluntarily submit to the jurisdiction and venue of Circuit Court of Jefferson County, Tennessee, at Dandridge, Tennessee. If such legal proceedings cannot be brought in the Circuit Court for Jefferson County, Tennessee at Dandridge, Tennessee, for any reason, the parties to this agreement further understand and agree that should any party institute legal proceedings against the other, jurisdiction and venue of such action(s) shall be the Jefferson County Chancery Court, Dandridge, Tennessee, and in this event, the parties to this agreement voluntarily submit to the jurisdiction and venue of the Jefferson County Chancery Court, Dandridge, Tennessee. This Agreement shall be deemed to have been made in, and shall be construed under, the laws of the State of Tennessee, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this License Agreement as of the date first written above.

Member Name (please print) _____ Date _____

Member Signature

Notary Acknowledgement

State of _____

County of _____

On _____ (date), personally appeared before me, _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that such person executed the within instrument for the purposes therein contained.

Notary Public _____

My commission expires: _____

Appalachian Electric Cooperative

Name: _____

Signature: _____

Title: _____

Attachment A

Appalachian Electric Cooperative Community Solar Facility

LICENSE AGREEMENT

Solar Panel Repurchase/Resale Schedule

<u>Year</u>	<u>Percentage of Purchase Price</u>
1	95.0%
2	90.0%
3	85.0%
4	80.0%
5	75.0%
6	70.0%
7	65.0%
8	60.0%
9	55.0%
10	50.0%
11	45.0%
12	40.0%
13	35.0%
14	30.0%
15	25.0%
16	20.0%
17	15.0%
18	10.0%
19	05.0%
20	00.0%

Attachment B

Appalachian Electric Cooperative Community Solar Facility

LICENSE AGREEMENT

Payment Schedule per kWh of Generation

<u>\$/kWh</u>	<u>Year</u>
0.0629	1
0.0605	2
0.0582	3
0.0559	4
0.0538	5
0.0518	6
0.0498	7
0.0479	8
0.0461	9
0.0443	10
0.0426	11
0.0410	12
0.0394	13
0.0379	14
0.0365	15
0.0351	16
0.0338	17
0.0325	18
0.0313	19
0.0301	20

**Addendum to
Appalachian Electric Community Solar License Agreement**

In the event that my life expires before the end of the Term of this license agreement, I _____ (print name), do specify that I would like my Appalachian Electric Community Solar Subscription transferred to:

Name of person or organization: _____

Complete Address: _____

Signature of Member/Subscriber Date

Upon notification of the death of the Member/Subscriber referenced herein, Appalachian Electric Cooperative (“Appalachian Electric”) will transfer the Solar Credit(s) of the deceased Member/Subscriber to the person or organization specified herein, subject to the following qualifications: (1) that the person or organization is a member of Appalachian Electric; (2) that the person or organization has an active electric account that meets the usage qualifications specified in Appalachian Electric’s Community Solar License Agreement; and (3) that the person or organization agrees to and executes a Community Solar License Agreement for the remainder of the Term of the license agreement.

If the person or organization declines the Solar Credit(s) or does not meet the qualifications reference herein, the Solar Credit(s) will be retained and utilized by the entire membership of Appalachian Electric for the remainder of the Term of the license agreement, and applied in a way deemed acceptable by Appalachian Electric.