



Voluntary Community Solar Program FAQs

What is Osage Municipal Utilities (“OMU”) Voluntary Community Solar Program (“Program”)?

OMU’s Voluntary Community Solar Program is a community solar project. OMU has entered into a contract for the construction of an approximate 792 kilowatt solar photovoltaic array (“Solar Array”), which will be located at 412 Joseph Lessard Court in Osage, Iowa. With customer support, OMU will own, operate and maintain the Solar Array. The Solar Array will consist of an estimated 2,772 solar panels, which will produce output of about 1,214,200 kilowatt hours (kWh) annually to be delivered to OMU customers.

Under the Program, eligible customers may participate by choosing to purchase units of Solar Array capacity in return for the right to receive a production-related credit on their monthly utility bill.

Why is Osage Municipal Utilities (“OMU”) creating a Community Solar Array?

OMU has a rich history of being a progressive municipality and this community solar project builds on that rich tradition by providing customers a viable and affordable option to participate in the production of solar energy.

Who is eligible to participate?

OMU’s Voluntary Community Solar Program is open to all OMU electric customers with accounts in good standing, as defined by OMU’s policies. Customers will be enrolled in the program on a first come, first served basis. Customers electing to participate in the Program will be required to complete an OMU Voluntary Community Solar Program Customer Agreement.

What is the cost to participate?

Each unit of Solar Array capacity costs \$250. This one-time Solar Capacity Fee will be due upon the execution of the OMU Voluntary Community Solar Program Customer Agreement.

In return for the Solar Capacity Fee, participating customers will receive a production-related credit on their monthly utility bill for their share of the energy generated by the Solar Array. The production-related credit will be paid for a period of 20 years.

How will the monthly credit on my utility bill be calculated?

The Solar Array is expected to have a capacity of approximately 792 kilowatts. To allocate this capacity, the Solar Array output will be divided into approximately 5,544 units. Each unit represents the output of about one-half of a solar panel, or 143 watts.

The actual electrical output from the Solar Array will be metered in kilowatt hours (kWh). On a monthly basis, the kWh produced by the Solar Array will be allocated equally to each unit.

The kWh value is the output per unit (“OPU”) and will be calculated by OMU each month.

The production-related credit (“PRC”) for each billing period will be calculated as follows:

$PRC \text{ (in dollars)} = \text{Number of Customer's Units} \times OPU \text{ (kWh)} \times \text{Solar Rate Credit } (\$/kWh)$

The initial Solar Rate Credit is \$0.076 per kWh, subject to review and adjustment as part of a regular OMU electric rate case.

What exactly am I purchasing? Do I own part of the solar panel?

Participating customers are not purchasing physical equipment, but rather the right to receive a production-related credit associated with their share of the output produced by the Solar Array. Each participating customer's share of the output will be determined based on the number of units purchased by the customer in relationship to the total units available for purchase under the Program.

Why should I participate in the Program and not simply purchase my own panels for my residence?

Purchasing units in OMU's Voluntary Community Solar Program offers multiple advantages:

- Customers choose their level of investment. By purchasing a Program unit, there is no large up-front cost of adding solar panels to personal property.
- Customers have no ongoing maintenance costs. OMU will own, operate and maintain the solar panels and other equipment associated with the Solar Array.
- When a customer chooses to participate in OMU's Voluntary Community Solar Program, they are actively supporting a renewable energy source, helping to preserve the environment for future generations.
- The Solar Array provides one point of connection, for solar energy produced, to OMU's electric distribution system. This helps keep the overall cost to OMU of maintaining the electric distribution system down, ultimately having a positive impact on future electric rates charged to customers.

Can I purchase a unit of solar capacity and donate to an organization?

Anyone can purchase a unit of solar capacity on behalf of any OMU eligible electric customer. OMU recommends individuals contact the OMU customer they wish to make the purchase on behalf of and work with that customer on the details of the donation. OMU is not making any representation about the taxable consequences, if any, of this type of arrangement.

How much energy is the Solar Array expected to produce?

The Solar Array is expected to produce deliverable output of approximately 1,214,200 kWh annually. This energy will power an estimated 154 Osage homes.

What if a storm damages the Solar Array?

OMU will maintain the Solar Array to maximize the amount of solar energy each customer is allocated for their participation in the Program. If damage or equipment failure occurs, OMU will bring the Solar Array back to working order as quickly as possible, at no additional cost to participating customers.

What is the timeline for construction of the Solar Array?

Construction of the Solar Array is expected to be completed by November 1, 2016.