



Beltrami Electric Cooperative Community Solar Agreement Northern Solar – Project 1

This **Community Solar Agreement** (this “Agreement”) is made and entered into as of _____, 20____, by and between **Beltrami Electric Cooperative, Inc.** (“**BEC**”), whose mailing address is **PO Box 488, Bemidji, MN 56619**, and the Member identified as follows (“Member”):

Member Name: _____

Service Address: _____

City: _____ State: _____ Zip Code: _____

Account #: _____

Amount Subscribed (Section 1.1)

Number of full panels _____ Number of half panels _____

Consideration (Section 2)

- A one-time payment for the kWh output for each full panel.
(See Exhibit A for current production unit sale price)
- A one-time payment for the kWh output for one half panel.
(See Exhibit A for current production unit sale price)
- Easy-Pay Plan – Select a 12, 24 or 36 month payment plan, with no money down at 6% interest, payable on the electric bill. Subject to review of account standing. *(Monthly billing to begin once Northern Solar is energized) (Based on current production unit sale price as outlined in Exhibit A. See Exhibit B for monthly payment schedules)*

Select one: 12 months 24 months 36 months

Your signature below indicates acceptance of the attached terms and conditions of the Community Solar Agreement.

BELTRAMI ELECTRIC COOPERATIVE, INC.

MEMBER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

“This Institution is an equal opportunity provider and employer.”

TERMS AND CONDITIONS

1) Community Solar Participation.

1.1. **Eligible Participants.** The program is open to **BEC** members.

Amount Subscribed. Member hereby agrees to subscribe to partial output from the **Northern Solar, Project 1**, (the “Solar Garden”) located at **BEC** headquarters facility, and **BEC** hereby agrees to provide to Member on its monthly statements for the Service Address noted above (the “Service Address”), Production Credits allocated (as provided in Section 4 below) for the watts of the capacity above (“Member’s Allocated Capacity”) of the **Northern Solar - Project 1**. The Solar Facility is owned by **Beltrami Electric Cooperative’s** affiliate, **Beltrami Electric Solar, LLC** (“Solar Garden Owner”).

Member is allowed to subscribe up to the equivalent of their average annual usage. (The estimated annual average output of each panel is expected to produce 450 kilowatt hours per year).

1.2 Environmental Attributes. Member’s pro rata share of all Environmental Attributes acquired by **BEC** from Solar Garden Owner shall be transferred by **BEC** to Member. Member’s pro rata share will be determined by dividing Member’s Allocated Capacity by the total kW capacity of the Solar Garden. **Member may not sell or otherwise transfer any Environmental Attributes transferred to Member under this Agreement.**

“**Environmental Attributes**” means any and all rights, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the environmental or renewable characteristics or attributes of the Solar Garden or the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water, which are deemed of value by **BEC** in each case now or hereafter created or recognized by any governmental authority or independent certification association or entity generally recognized in the electric power generation industry and generated by or associated with the Solar Garden, including without limitation any renewable energy credits or similar rights arising under **Minnesota’s Renewable Energy Objectives 216B.1691**, any federal or state renewable portfolio standard, the Center for Resource Solutions’ Green-e program and any credits, offsets or similar rights arising under any federal or state carbon legislation or regulation or any voluntary or government-mandated carbon trading program. Environmental Attributes do not include Production Tax Credits (PTC), Investment Tax Credits (ITC) or any other local, state, or federal depreciation deductions or other tax credits, allowances, reductions or incentives existing now or in the future associated with the construction, ownership or operation of, or energy productions from, any portion of the Solar Garden.

2. Consideration. Member’s Payment based on the number of full or half panels pursuant to this Agreement shall serve as adequate consideration for Member’s right to receive Production Credits pursuant to this Agreement. In the event the facility is not completed, Member will be refunded the full amount paid under the terms of this Agreement.

Purchase prices shall be based on the **BEC** Production Unit Sale Price associated with the contractual year of the project as shown in Exhibit A, and based on a projected contractual life of 20 years.

3) Term. This Agreement shall be effective **on the in-service date of the Solar Garden**, and will continue for a period of **20** years (the “Term”), subject to early termination as provided in this Agreement. In no event, shall the term of this Agreement last longer than 20 years from the in-service

date, regardless of late enrollment into this Agreement, as well as any subsequent approved transfers/assignments as further described in Section 8.

4) Solar Energy Credit. During the Term, Member will receive a Production Credit (calculated as provided below) for Member's Allocated Capacity as a credit on the monthly statements for electric service provided by **BEC** to the Service Address.

The Production Credit for Member's Allocated Capacity applied to each monthly statement will be determined calculating the product of the Members Allocated Capacity divided by the total nameplate capacity of the Solar Garden, then multiplied by the total kWh of electric energy delivered by the Solar Garden in the prior calendar month.

Net Energy Consumed (Actual energy consumed less the Production Credit as calculated above) will be billed by **BEC** at the prevailing retail rate.

Production Credits will only be applied to a Member's monthly statement in months where there is kilowatt hour usage. In the event the Member does not have kilowatt hour usage to apply the Production Credit against, limited Production Credits will accumulate and be applied in future months when there is kilowatt-hour usage. The oldest accumulated credits will be applied first. If a Production Credit is not used within twelve months, the credits will be forfeited.

Member agrees that **BEC**'s sole obligation with respect to payment to Member shall be to apply Production Credits as a credit on Member's monthly statement for electric service provided by **BEC** to the Service Address, according to the conditions of this Agreement. In no event shall **BEC** have an obligation to pay cash or other consideration for accumulated, unused Production Credits.

5) Early Termination. This agreement and Member's participation in the Program will terminate immediately in the event: (i) Member ceases to be a **BEC** member in good standing, (ii) The Account is terminated or assigned without permission of **BEC**, (iii) Member ceases to own or reside at the Service Address or be eligible to hold an account for the Service Address, (iv) Member defaults in the performance of this Agreement (and such default is not cured within 15 days after written notice from **BEC** to Member), (v) the Account is up for collections for non-payment, or (vi) Member is in default of any payment plan obligations for participation in the Program. Termination under Sections (i) through (iii) will occur only in the event this Agreement is not assigned by Member as permitted in Section 8. Upon termination of this Agreement for any reason, Member's rights end without further action and **BEC** may reallocate the Member's Allocated Capacity at its discretion.

6) Repurchase. In **BEC**'s sole discretion, **BEC** may, at any time and from time to time, elect to repurchase all or any portion of Member's Allocated Capacity and the associated rights to receive Production Credits, and Member is obligated to sell such Allocated Capacity and associated rights to **BEC** pursuant to the terms of this Section 6. Such repurchase will occur as follows:

- A. **BEC** will notify Member of **BEC**'s election to exercise its repurchase right and the kW amount of Member's Allocated Capacity and associated rights to receive Production Credits being repurchased (the "Repurchase Notice").
- B. The purchase price for each kW of Member's Allocated Capacity will be equal to the Allocated Capacity fee minus an amount equal to the product of the number of years this Agreement has

been in effect multiplied by five percent (5%). Therefore, after this Agreement has been in effect for 20 years, the repurchase price will be \$0.

- C. **BEC** will repurchase the kW amount of Member's Allocated Capacity identified in the Repurchase Notice 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 clause (B), plus (b) any earned Production Credits with respect to the amount of kW of Member's Allocated Capacity being repurchased not yet credited to the monthly statement for the Service Address. On receipt by Member of the payment provided in this Section 6 C., (i) Member's right to receive Production Credits with respect to the amount of kW of Member's Allocated Capacity so repurchased will terminate, and (ii) **BEC** will have no further obligation to Member with regard to such Production Credits.

This Agreement will terminate effective upon repurchase by **BEC** of all of Member's Allocated Capacity and associated rights to receive Production Credits.

Member does not have the right to require **BEC** to repurchase all or any portion of the rights to receive Production Credits associated with Member's Allocated Capacity. Any request by Member that **BEC** repurchase Production Credits associated with Member's Allocated Capacity shall be governed by Section 8.

7) Additional Agreements. The parties further acknowledge and agree that:

- 7.1. Member will not have access to the Solar Garden for any purpose. Member will have no ownership, possession right or control of the Solar Garden, and will have no rights or obligations with respect to the maintenance or operation of the Solar Garden. This Agreement does not convey to Member any right, title or interest in or to any portion of any property (tangible or intangible, real or personal) underlying or comprising any portion of the Solar Garden.
- 7.2. Member is not relying on any representation, warranty or promise with respect to the Beltrami Electric's Community Solar Program or the Solar Garden made by or on behalf of the **BEC**, except to the extent specifically stated in this Agreement. **MEMBER ACKNOWLEDGES AND AGREES THAT THE SOLAR GARDEN IS BEING USED IN THE BELTRAMI ELECTRIC COMMUNITY SOLAR PROGRAM AS IS, WHERE IS, AND WITHOUT WARRANTY. ANY WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.**
- 7.3. Nothing in this Agreement shall be deemed to alter or modify any rate, charge, term or condition of the electric service provided by **BEC** to Member or to modify in any way Member's rights and obligations as a member of **BEC**. All of **BEC's** rates, charges, terms and conditions of electric service shall remain subject to change in accordance with applicable law at any time.

8) Transfer/Assignment. Member may request that **BEC**: (a) permit Member to change the Service Address for which the Production Credits will apply to another Service Address within **BEC's** service territory for which Member is obligated to pay **BEC** for electric service, or (b) permit Member to assign this Agreement to another individual or entity provided such assignee's Service Address is located within **BEC's** service territory. Member must notify **BEC** of such proposed change or assignment in writing at least 30 days prior to the proposed effective date of such change or assignment, which notice must include:

1. Member's name and mailing address;
2. The current Service Address;
3. The new Service Address (if applicable);
4. The name of the individual or entity to whom Member is requesting to assign this Agreement (if applicable) and the consideration (if any) proposed to be provided to Member for such assignment; and
5. The proposed effective date of such proposed change or assignment.

BEC may, in connection with its consideration of such a request, elect, in its sole discretion, to repurchase all or any portion of Member's Allocated Capacity and associated rights to receive Production Credits as provided in Section 6.

The value of any consideration to be provided to Member for assignment of this Agreement may not exceed the purchase price that would apply if **BEC** were repurchasing Member's Allocated Capacity and related rights to receive Production Credits as determined under Section 6. B.

BEC's determination as to whether to repurchase all or any portion of Member's Allocated Capacity and associated rights to receive Solar Energy Production Credits or consent to any proposed change of Service Address or assignment of this Agreement shall be made in accordance with the then current **Beltrami Electric's Community Solar Program** policies as established by **BEC's** board of directors from time to time.

Upon any assignment of this Agreement pursuant to this Section 8, the Member will surrender all right, title and interest in and to this Agreement. No assignment will extend the Term of this Agreement.

Except as provided above in this Section 8, Member may not assign, gift, bequeath or otherwise transfer any of its rights or obligations under this Agreement to any other individual or entity for any purpose, including without limitation as security for any debt or obligation. Any attempted assignment in violation of this Section 8 shall be null and void.

9) Notices. All notices, requests, consents, and other communications to a party under this Agreement must be in writing, delivered to the mailing address for such party stated above, and will be deemed delivered upon the earlier of (a) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid, or (b) the following business day after being delivered to a reputable overnight courier service.

10) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, whether oral or 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.

11) Governing Law/Jurisdiction/Venue. This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of **Minnesota**, without regard to the principles of conflicts of laws thereof. The parties acknowledge and agree that a court of competent jurisdiction located in **Beltrami** County, **Minnesota** shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.

Exhibit A

BEC Production Unit Sale Price*

Contractual Year	Price Per Production Unit
2017	\$1,295.00
January 1, 2018	\$1,273.42
January 1, 2019	\$1,208.67
January 1, 2020	\$1,143.92
January 1, 2021	\$1,079.17
January 1, 2022	\$1014.42
January 1, 2023	\$949.67
January 1, 2024	\$884.92
January 1, 2025	\$820.17
January 1, 2026	\$755.42
January 1, 2027	\$690.67
January 1, 2028	\$625.92
January 1, 2029	\$561.17
January 1, 2030	\$496.42
January 1, 2031	\$431.67
January 1, 2032	\$336.92
January 1, 2033	\$302.17
January 1, 2034	\$237.42
January 1, 2035	\$172.67
January 1, 2036	\$107.92
January 1, 2037	\$43.17

* Based on commissioned date of September 2017.

Exhibit B

Easy-Pay Plan - Monthly Installment Schedule

Eligibility for Easy-Pay subject to review of account standing. Monthly installments payable on electric bills once array is energized. Member may elect to begin making monthly payments prior to array being energized by notifying Beltrami Electric Cooperative.

MONTHS	½ PANEL	(1) FULL PANEL
12	\$55.73	\$111.46
24	\$28.70	\$57.40
36	\$19.70	\$39.40