



## Community Solar - Frequently Asked Questions

**\*DISCLAIMER: This is preliminary information only as of March 23, 2016. New information from March 1st's edition is highlighted in yellow. We will update this document and post newer versions on [www.mason-pud1.org](http://www.mason-pud1.org) as we have more current & complete information.**

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## Community Solar at Mason PUD 1

### 1. What is community solar?

Community solar is a low-hassle option that generally offers a lower entry-price than rooftop solar and allows you to support a sustainable future through an investment in a renewable source of energy. You and others in your community come together to share in the cost of the construction of solar electric system. Relative to an investment in rooftop solar, you can purchase units in smaller increments resulting in a more affordable investment. You also don't have to worry about siting, permitting, securing a contractor to install the solar panels or ongoing maintenance of the panels and equipment.

### 2. How does "community" solar compare with "rooftop" solar?

- Rooftop solar is typically owned or leased from a third-party vendor by a homeowner or business owner and located on homes or businesses rooftops. Solar panel installations can also be located on the ground if the property owner has the space.  
Community solar is paid for entirely by interested participants in the community. It can be sited at various locations throughout the community and is typically ground-mounted due to the large number of panels. For PUD 1 though, we are restricted on the size of project we are allowed to build so ours will be mounted on the roof of our warehouse building.
- The entry price point for community solar units can be much less than rooftop solar, since the units are sized much smaller and the costs are spread out over multiple participants.
- Not all customer properties are conducive to solar generation because they are not optimally situated relative to the sun or objects that may block the sun. Community solar projects are sited to avoid these issues.
- Any electric customer of the utility who has an account in good standing can participate in community solar, even those who rent.
- Unlike rooftop solar, the community solar investment is not directly associated with a customer's home or business property. Therefore, some of the issues that could arise on the sale of the home or business are avoided.
- Currently, the Washington State renewable incentive payment is higher for community solar than it is for rooftop solar.

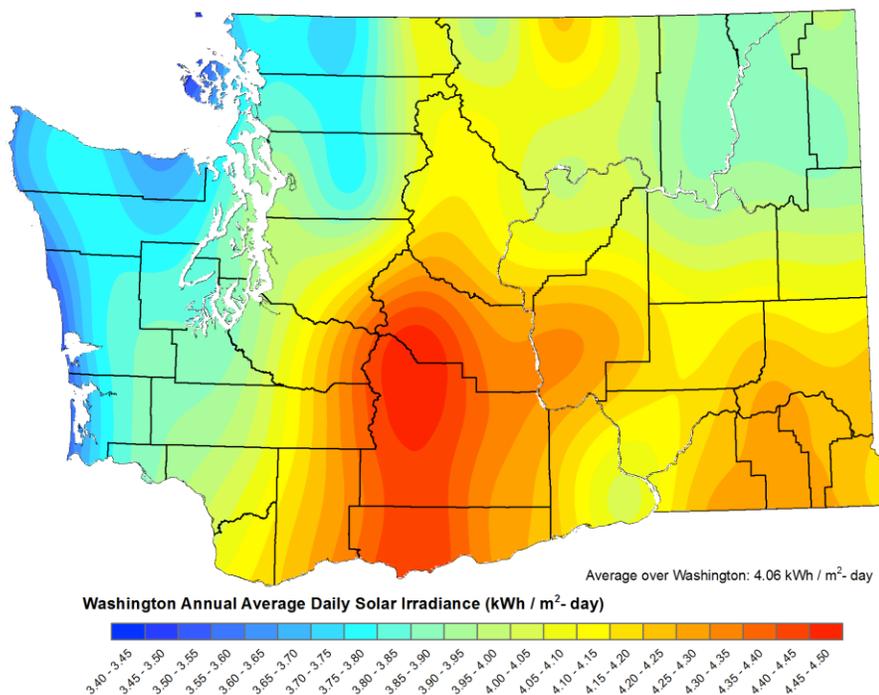
**3. Why is Mason PUD 1 offering community solar?**

Mason PUD 1 has been asked by customers and commissioners to investigate the feasibility of this project as a service to our community. Currently, Mason PUD 1’s resource portfolio is 88% hydroelectric power and over 90% carbon-free.

At the same time, customer interest in solar is growing. Due to current Washington State solar subsidies, community solar offers individuals interested in solar a unique opportunity to recover their upfront investment in a short time frame. Mason PUD 1 wants to be the trusted energy partner to our customers and provide assistance and solutions for those who wish to invest in solar, whether it is a rooftop solar system or a community solar project.

**4. Does solar work in our area?**

Yes, although not as well as in other parts of the state. The best solar potential in Washington State is in the south-central and south-eastern parts of the state, with the highest concentrations in the south-central area. The map below shows the solar potential in Washington State.



Source: Stanford Report, February 26, 2014

**5. How will this Community Solar project work?**

The project is funded by taking the entire cost of the project, breaking it out into units and selling those units to registered customers.



**6. Where will Mason PUD 1's Community Solar project be located?**

The project will be constructed on top of the warehouse building at the PUD property in Potlatch. This reduces overhead cost to the project by not having to construct a ground-mounted solar array, fencing, ground work, extra permitting, etc.

**7. How big is the project? How much electricity will it produce?**

While other large PUDs are allowed to build up to 75 kilowatt projects, we are restricted to 21 kW, or about the size of 2 home solar systems. This is due to a formula based on our annual electric sales as set by the state legislature (RCW 82.16.110-30). The actual project will be 19.25 kW based on roof size.

## Why should I participate?

**8. As a customer, why should I be interested in community solar?**

Investing in solar is a personal decision that is impacted by a number of factors. Currently, customers have the opportunity to take advantage of the significant financial incentives offered by the State of Washington. Some customers have strong environmental beliefs and want to support the growth of solar for the environmental attributes.

**9. What are the financial incentives?**

The financial benefits include Washington State solar production incentives. In addition, you receive a credit on your bill based on the production of the project. There may be potential for customers to recoup 30% of their investment through federal tax deductions. Mason PUD 1 does not have specifics on this federal tax option. Please consult a tax advisor for more information.

**10. How do I receive the incentives?**

There are two ways – **production credits** that will be shown once a year as a credit on your statement and an annual **Washington state production incentive** check that is mailed to you after June 30th of each year until 2020, or perhaps longer if the state legislature extends the incentive program for existing projects. (Credits will appear on the December statements and incentive payment checks will be processed around August of each year.)

**Note: The monthly credit is subject to changes in our retail rate.**

**Washington State production incentive:** Under current Washington state law, a \$1.08 per kilowatt hour production incentive is available to customers who



participate in Mason PUD 1's community solar project. The state's current annual incentive is capped at \$5,000 per entity and is set to expire June 30, 2020. Mason PUD 1 acts as the administrator for state incentive payments. Once you are selected as a community solar project participant, have signed the participation agreement and paid your fees, you are automatically enrolled in the incentive payment program.

***Note: The state production incentive is subject to changes in state law.***

**11. When can I expect to see my first production credit on my bill?**

Production credits will be applied once per year on a monthly billing statement (in December of each year). The plan is to also develop a tool on the PUD website that allows you to follow the production progress each day.

**12. How is the Washington state production incentive determined?**

The state incentive is determined by multiplying the \$1.08 per kilowatt hour rate by the participant's portion of the actual production by the project, which is currently set to expire in June 2020. We have just launched a calculator on the PUD 1 Community Solar Website to help you visualize incentives and payback: <http://solar.mason-pud1.org/>.

**13. How do I receive the Washington state incentive?**

Community solar project participants will receive a check annually from Mason PUD 1 for state incentive payment. These payments are generated after June 30th of each year and checks to all project participants will be processed by August 31st.

**14. Do I have to file with the state for production incentives?**

No. Mason PUD 1 will complete all necessary paperwork in order for you to receive the state incentive.

**15. When will I receive the annual Washington state incentive?**

The state incentive payment will be disbursed by Mason PUD 1 via check to each participant based on portion of their respective project(s) every year through 2020.

**16. Am I eligible for a federal tax credit?**

Maybe. There has been discussion about a 30% credit available for qualifying participants. The PUD does not have any additional information about the federal tax credit at this time. Please consult your tax advisor to see if you are eligible to claim a renewable energy tax credit on your federal income taxes.



**17. How long will it take to recover my initial costs?**

Depending on final project costs, the payback period should be about four years. If you are able to receive any federal tax credits, that would shorten the four year payback time even more. The production benefits continue for the life of the project, which is estimated at 20 years (2036).

*(Please note that all financial projections of the payback to the participant are Mason PUD 1's best estimate, under current law. Many things could cause the financial results to differ from, and be less than, those described above including but not limited to a change in either federal or state law, a failure of the technology, Mason PUD 1's decision, in its discretion, to terminate the project prior to the end of its anticipated life, or other factors. MASON PUD 1 IS PROVIDING THIS INFORMATION SO CUSTOMERS MAY MAKE A MORE INFORMED DECISION WITH RESPECT TO PARTICIPATION IN THE PROJECT, BUT MASON PUD 1 DOES NOT GUARANTEE THE FINANCIAL RESULTS OF PARTICIPATION.)*

**18. Can I monitor the production of the community solar project?**

Eventually. The plan is to have it available online at the PUD 1 website.

## How to Participate

**19. How can I participate? How can I get involved?**

Customers must register online at [www.solar.mason-pud1.org](http://www.solar.mason-pud1.org) with a valid email address to be eligible to participate. Customers will then be randomly selected to purchase a unit(s) of the solar project. A customer could submit an offer to purchase between one and 10 units.

**20. Can anyone participate? Do I have to own my house or property to participate?**

Any Mason PUD 1 customer with a metered electric service and account in good standing may participate in the community solar project. Customers must be able to register online and have a valid email address to receive information about their units. Current Mason PUD 1 employees and Mason PUD 1 Commissioners may not participate in this initial project due to the anticipated customer demand. There is no requirement of home or property ownership, so participants can live in an apartment, condo, home, townhouse, etc. and still be eligible to participate.

**21. Can both my spouse/domestic partner and I sign up to participate?**

No, one entry per household or business, regardless of the number of accounts/meters assigned to that customer.



**22. How much does it cost to participate? How many units may I purchase? How many units are available?**

The total project cost has been established and the cost per unit is \$100. Customers can choose to purchase between one (1) unit and 10 units. There will be 860 units available.

**23. Are there additional costs?**

No. All insurance, warranty and maintenance costs are included in the one-time upfront unit cost. If something were to happen to the system outside of the workmanship warranty and normal maintenance that would prevent it from generating, the PUD may suspend generation credits to pay to get the system running again. This situation has not occurred in any of the other Washington State PUDs' programs.

**24. How do I sign up?**

Mason PUD 1 will notify customers by direct mail, email, and social media of the opportunity to register beginning March 1st for the random drawing. Registration will be open until 12:00 p.m. (noon) on March 31st. Because there are limited amount of units available, a randomized drawing will be held to provide customers an equal opportunity to participate. To participate in the drawing, customers must enroll online at [www.solar.mason-pud1.org](http://www.solar.mason-pud1.org). **Due to manpower limitations at our small utility, all registration and correspondence following registration will be conducted electronically. All eligible customers must have a valid email address to participate.**

Customers are able to register to purchase up to 10 units. Only one request per customer is allowed for the drawing, regardless of the number of accounts the customer has with Mason PUD 1.

**25. What if I was selected to purchase a unit(s) during the random drawing?**

Customers who were selected to purchase unit(s) will be notified by email after the random drawing takes place and will be provided with a participation agreement to be signed for the purchase of the units. The agreement will include the terms and conditions and total cost to purchase the unit(s). **The signed agreement and payment in full must be made to PUD 1 by 5:00 p.m. on April 15th.** If a customer misses this deadline, their spot will be made available to the next customer drawn. We will continue down the randomized list until all units are sold.

**26. What happens if I was not selected in the random drawing?**

If a customer who was selected for participation decides to withdraw from the current project, the next customer on the list will be offered the opportunity to participate.



Unfortunately, we anticipate that the demand for this project will be much higher than the units available and not everyone will be able to participate.

**27. When is the Participation Agreement due?**

The agreement and payment in full are both due no later than 5:00 p.m. on Friday, April 15th. If you do not pay and turn in paperwork by that date, your spot will be forfeited to the next customer on the list.

**28. Can I email my signed Participation Agreement back to Mason PUD 1?**

Yes, but PUD 1 would prefer to receive all agreements and payments in person or via mail. If the customer cannot deliver payment in person or through the mail, we will accept signed and scanned copies of the participation agreement at a designated email address for the project: [solar@mason-pud1.org](mailto:solar@mason-pud1.org).

It is the participant's responsibility to follow up with the Visa/MasterCard payment following the electronic submittal of their participation agreement. If either payment or agreement are missing at the deadline, the participant will forfeit their spot and another participant will be randomly selected. If this occurs, any payment already made will be returned.

**29. How do I pay for my unit(s)?**

**Payment at the Mason PUD 1 office:** Mason PUD 1 will accept cash, check or credit card (Visa or MasterCard) at Mason PUD 1's office located at 21971 N. Hwy 101 in Potlatch.

**Visa/MasterCard payment by phone:** Mail the agreement to the address below or email your signed scanned copies of the participation agreement to the PUD at [solar@mason-pud1.org](mailto:solar@mason-pud1.org). Then call with your Visa or MasterCard payment.

**Payment by mail:** Please send a check (DO NOT SEND cash or credit card) for the total cost of your unit(s) along with your signed participation agreement to the address below:

Mason PUD 1 Community Solar  
21971 N. Hwy 101  
Shelton, WA 98584

**30. Can I pay for my unit(s) over time?**

No. The total unit(s) costs must be paid in full.



**31. Can I purchase more or less units than I indicated when I signed up for the random drawing?**

You may purchase fewer units, but not more.

**32. Can I still participate in our community solar project if I move?**

If you move within Mason PUD 1's service territory, your solar units will automatically transfer with you. If you move outside of Mason PUD 1's service territory, you can no longer participate; however, if you notify Mason PUD 1 within 60 days of termination, you may transfer your unit(s) to another Mason PUD 1 customer. The new customer will need to sign a new agreement to receive the bill credits and state incentives (if still applicable). Units can only be transferred once.

**33. Can I transfer my unit(s) to a charity or a nonprofit organization?**

Yes, a unit(s) may be transferred to a charity or a nonprofit organization that is a Mason PUD 1 customer. A customer receiving a donation is required to sign a Participation Agreement and is subject to the 10 unit maximum (**Note: Multiple participants may transfer unit(s) to same charity or nonprofit organization, but total units transferred may not exceed 10 units**).

**34. How long will I receive benefits from the project?**

The project is expected to operate through 2036, but is subject to the Terms and Conditions of the Participation Agreement, **which is available on the solar website now**. State incentive payments are set to expire on June 30, 2020. Annual bill credits for production will continue as long as the project is operational.

**35. When do you anticipate the project will be up and going?**

Our goal is for the project to be installed, fully functional and generating kilowatts by June 30, 2016. This deadline is reasonable, but it is contingent upon all parts of the bid, design, permitting and installation going according to schedule. If we can begin sooner, great! **The contractor is hoping to be generating by the end of May.**

**Installation will begin on March 28th and we will post pictures on our Facebook page. Registration closes at noon on March 31st and we plan to hold the randomized drawing afterward. ALL registrants will receive an email the following week notifying them that they were either selected or are on the waiting list.**