

University Park Community Solar LLC
Annual Summary of Operations
For Year 2015
Presented March 19, 2016

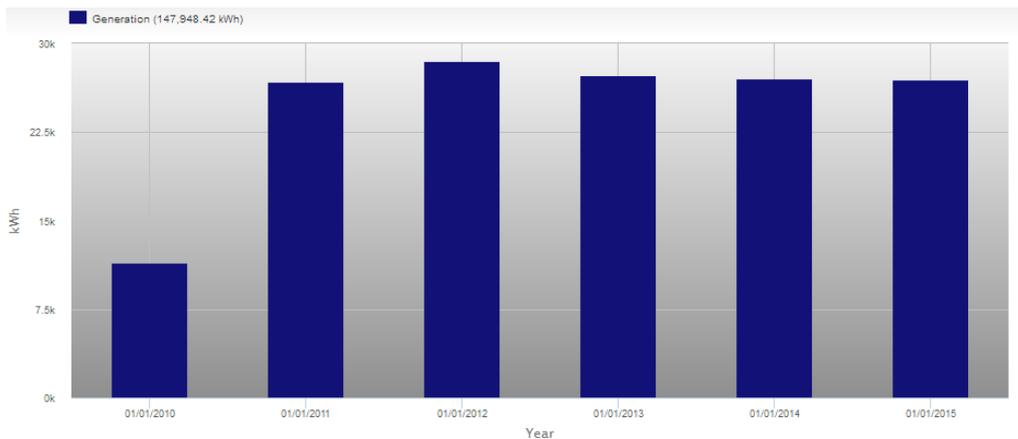
University Park Community Solar LLC has been generating clean renewable electric power since July 22, 2010. This status report has been prepared for our 35 members for calendar year 2015.

Power Production

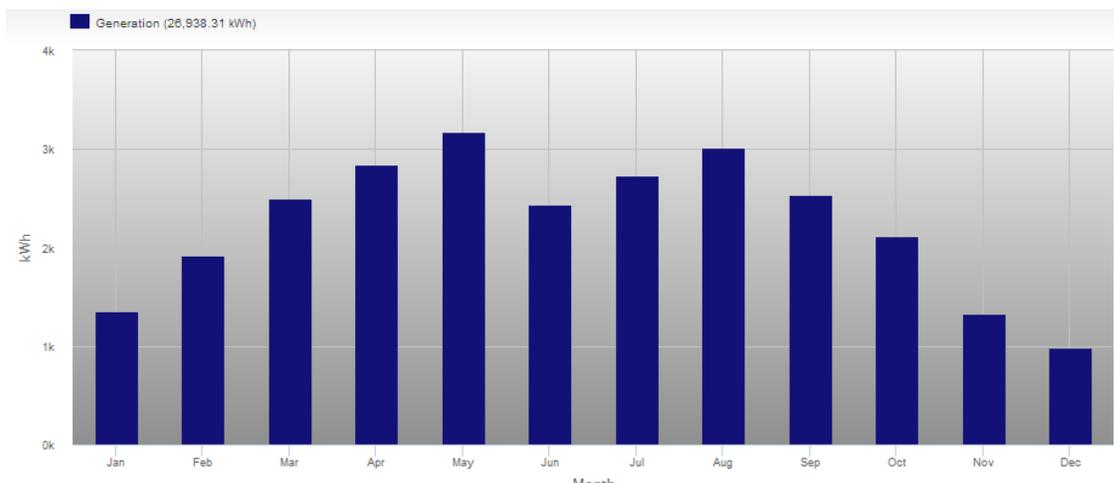
As of December 31, 2015, UPCS LLC has generated 147,948 kWh since commissioning the 22.8 kW solar facility in July 2010:

- 11,473 kWh from July 22, 2010 thru December 31, 2010
- 26,732 kWh in calendar year 2011
- 28,487 kWh in calendar year 2012
- 27,286 kWh in calendar year 2013
- 27,032 kWh in calendar year 2014
- 26,938 kWh in calendar year 2015

In our initial business plan, we estimated 137,652 kWh in the first five calendar years (2011-2015) with an average decrease of solar production of 0.5% per year. Actual production was 136,475 kWh for those calendar years.



In 2015, our 99 solar panels produced the most electricity in May and August, although April and September were also prime months in the past.



Distribution of the Power

The Church of the Brethren continued to meet all of its electricity needs with the excess generation -- 28 percent of total solar production -- being delivered into the Pepco grid. At the end of 2015, the Church's net meter measured 41,200 kWh into the grid of a total of 147,948 kWh generated since July 2010.

Pepco reimburses the Church (the generator customer) for the yearly excess at the wholesale Pepco rate of 7-8 cents per kWh around April of each year. In 2015, Pepco paid \$506.36 for the outstanding excess to the Church and, by the terms of the PPA, it pays the LLC for the excess.

Summarizing the Pepco reimbursements:

\$887.31 for excess beginning July 22, 2010 and paid April 2012

\$579.83 for excess paid April 2013

\$628.45 for excess paid April 2014

\$506.36 for excess paid April 2015

Financials for 2015

Pursuant to the PPA, the Church and UPCS LLC annually true-up the books in August since the Church pays in advance \$800 every three months (\$3200 a year), and does not consume and pay for the excess flowing into the grid. In August 2015 (reconciliation), for the previous 12 months, the LLC sold to the Church of the Brethren 17,165 kWh @ \$0.15/kWh = \$2574.82. In addition, as stated, we received a check of \$506.36 from Pepco for the excess electricity generated April 2013 thru March 2014 as specified in the state net metering law. Summing, the LLC received \$3,081.18 from the sale of electricity in 2015.

The LLC's other source of revenue is solar renewable energy credits (SREC's). We sold 27 SRECs in 2013-14 for \$4,419.96 at \$164 per SREC after paying a 5% broker fee. Again, summing, the LLC received at total of \$7,501.14 in 2015.

The LLC is expected to produce 27-28 SRECs per year since our design annual generation is about 28,000 kWh. As of December 2015, the LLC accumulated 145 SRECs since startup. We have sold all 145 SRECs for \$24,680.14 (average \$170.21 per SREC). The last quarter SREC market price was \$135 per SREC.

Operating costs for 2015 included property and liability insurance, Maryland personal property tax, and tax preparation by our CPA totaled \$2,000. To pay the operating costs, the LLC will need to continue selling SRECs in the near future even at current price levels. Also, for basic web hosting service, doteasy.com charges the LLC \$3.75/month or \$45 a year.

As of March 19, 2016, the LLC has \$6,371.46 in the Capital Bank checking account. There are no outstanding bills.

To date, UPCS LLC has returned \$73,000 to members comprised of \$40,000 (the Federal Grant), and dividend returns of \$12,000, \$7,000, \$6,000, and \$8,000 in 2011, 2012, 2013, and 2015 respectively. (The Board decided not to issue a dividend return in 2014 in order to boost reserves for replacement of the inverters (or other contingencies) that was considered in the initial business plan.) Each member has so far received \$560/\$1000 or 56% of his/her contribution to the \$130,000 cost of the solar project.

Other Impacts/Events - Tangible and Intangible

As of March 15, 2016, the facility has generated 152,380 kWh since being energized in the summer of 2010. The Church is currently paying the LLC 15.5 cents per kWh pursuant to the PPA. The rate is adjusted 3.5% yearly. In 2010 and 2011, it was 13.0 cents.

Our CPA Richard Simonen electronically filed UPCS LLC's Federal and State tax returns in January as required by law. Each LLC member should have received a K-1 Statement by mail from him in January.

After five years of operation, UPCS LLC is no longer required to report to the Department of Treasury the operational, financial and ownership status of the solar facility because of the \$40,000 grant received in 2010. (The end of the fifth commercial operation year was July 2015.) Further, the PPA allows the Church the option to purchase the facility at the fair market value after the seventh operational year. (The LLC is in the sixth operational year.)

Two of the 35 LLC members who originally were Maryland residents have relocated to other states. The LLC is required to pay withholding to the State, which is 1% of the member's annual distributed share. The LLC will recover that payment the following year by subtracting 1% from the following year member allocation. Thus, if \$5 was paid by the LLC to the State of Maryland in 2015 for an out-of-state member, and \$200 is allocated this December 2016, that member will receive a check of \$195 in 2016. The LLC will remain whole.

UPCS LLC received a sizable grant from the Biophysical Society in 2011. By consent of the LLC Board, the Grant would be used to support other solar projects. UPCS LLC would be an equity member in these projects which would allow our membership an allocated share of any profit/return.

The status of the \$12,420 grant is as follows: Community Solar Thermal LLC (CST LLC) has already received \$1,420. Sun Harvester Community Solar LLC (the "Baltimore Project") has received \$5,000. The remaining \$6,000 will be used to further support the CST LLC project once it is near completion.

Conventional grid supplied electricity in this region releases 1 pound CO₂ / kWh produced; therefore, 165,942 lbs of Carbon were not released to the environment because of our clean energy production (1.089 pounds of CO₂ per kWh x 152,380 kWh). Also, the solar facility has prevented some air pollution associated with the generation of the electricity production for this region, namely sulfur dioxide and nitrogen oxides, associated with acid rain and ground level ozone, an unhealthful component of "smog."