

University Park Community Solar LLC  
Annual Summary of Operations  
For Year 2017  
Presented December 1, 2018

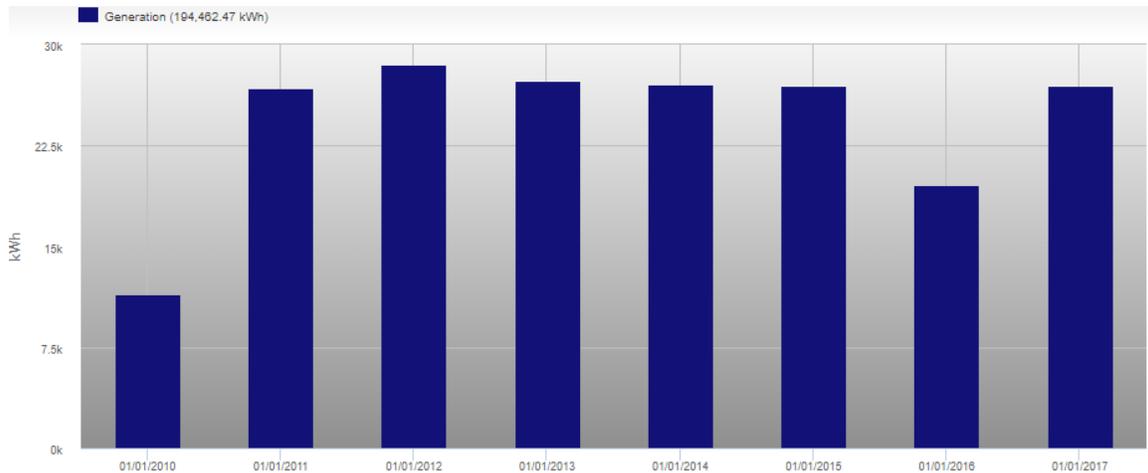
University Park Community Solar LLC has been generating clean renewable electric power since July 22, 2010. This annual status report has been prepared for our 35 Members for calendar year 2017.

Power Production:

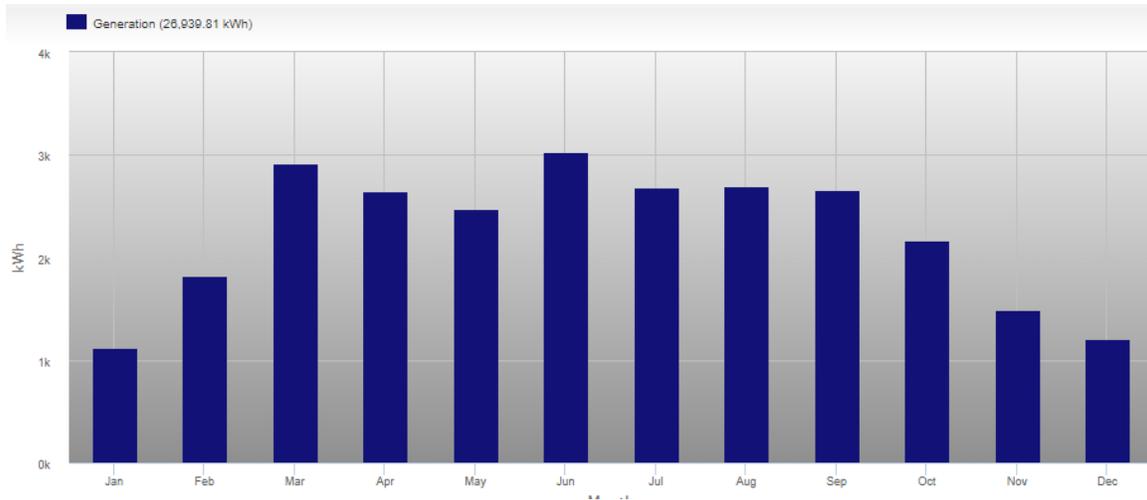
As of December 31, 2017, UPCS LLC has generated 194,462 kWh since commissioning the 22.8 kW solar facility in July 2010:

- 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
- 19,574 kWh in calendar year 2016
- 26,940 kWh in calendar year 2017

The bar graph shows a steady performance except for 2016 when the outside panel switches were inexplicably opened with a loss of about 7000 kWh of generation:



For calendar year 2017, our 99 solar panels show June to be the most productive month for solar generation:



### Distribution of the Power

The Church of the Brethren continued to meet all of its electricity needs with solar generation with the excess generation being fed into the Pepco grid. At the end of 2017, the Church's net meter measured 34,635 kWh into the grid of a total of 194,462 kWh generated since July 2010.

Pepco reimburses the Church (the generator customer) for the yearly excess at the wholesale Pepco rate of 8-9 cents per kWh around April of each year. In 2018, Pepco paid \$683.23 for the outstanding excess to the Church and, by the terms of the PPA, the Church pays this amount to the LLC for the excess.

Summarizing the Pepco reimbursements to the LLC:

\$887.31 for excess beginning July 22, 2010 and paid April 2013

\$579.83 for excess paid April 2013

\$628.45 for excess paid April 2014

\$506.36 for excess paid April 2015

\$967.10 for excess paid April 2016

\$205.99 for excess paid April 2017

\$683.23 for excess paid April 2018

## Financials for 2017

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 electricity flowing into the grid. In 2017, for the previous 12 months (ending July 2017-- the reconciliation period), the LLC paid the COB \$437.44 after reconciliation. In addition, within the reconciliation period, we received a check of \$967.10 for the excess Pepco electricity generated April 2016 thru March 2017 as required by the state net metering law. Summing, the LLC received \$3729.66 from the sale of electricity in 2017 after annual true-up (\$3200 plus \$967.10 minus \$437.44 after reconciliation).

The LLC's other source of revenue is solar renewable energy credits (SREC's). We sold 27 SRECs in 2017 for \$187.63 at \$6.95 per SREC after paying a 5% broker fee. Again, summing, the LLC received a total of \$3917.29 in 2017. For comparison, the LLC received \$7,501.14 in 2015. The precipitous drop in revenue can be attributed to the low SREC market value which is presently \$6 per SREC.

Going forward, the LLC is expected to produce 27-28 SRECs per year since our design annual generation is about 28,000 kWh. As of November 2018, the LLC accumulated 192 SRECs since startup. We have sold all 192 SRECs for \$25,447 (average \$119.47 per SREC).

Operating costs for 2017 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 the low current price levels. Also, for basic web hosting service and retaining the community solar name, doteasy.com charges the LLC \$67.80 and \$15 for the year.

As of November 25, 2018, the LLC has \$6168.58 in the Capital Bank checking account. There are no outstanding bills. The LLC membership previously decided to retain a reserve of \$5000 for contingencies such as replacing the inverter(s).

## Other Impacts/Events - Tangible and Intangible

As of November 25, 2018, the facility has generated 218,005 kWh since being energized in the summer of 2010. The Church is currently paying the LLC 17.2 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 files UPCS LLC's Federal and State tax returns in January as required by law. Each LLC member should always receive from him a Schedule K-1 by mail in January whether or not there is a declared distribution.

The Operational Agreement does not address the recent death of an LLC Member. Nonetheless, it is presumed that the Member's share is part of his estate which would still leave the LLC with 35 Members.

LLC broker Fred Ugast informed us in June that his company USPV will no longer trade our SRECs since it merged with SRECTrade. The bottom line is that we will be paying more than the USPV 5% broker fee. Even so, after reading Mr. Ugast's comments, the Board agreed to activate the SRECTrade account, since this is seamless, there was no other cheaper trading platform, SRECTrade's Terms and Conditions allow us to terminate anytime, and with the prevailing SREC prices, the impact on our finances is minimal.

The LLC is in the ninth operational year. The PPA allows the Church the option to purchase the facility at the fair market value after the seventh operational year which ended July 2017. The LLC Board Members have met recently to discuss the sale of the facility to the Church.

Conventional grid supplied electricity in this region releases 1 pound CO<sub>2</sub> / kWh produced; therefore, 237,407 lbs of carbon were not released to the environment because of the clean energy production (1.089 pounds of CO<sub>2</sub> per kWh x 218,005 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 unhealthy component of "smog."