

Solar Power Purchase Agreement

Solar Financing With No Money Down & No Installation Costs

FREQUENTLY ASKED QUESTIONS

What is a Power Purchase Agreement (“PPA”)?

A PPA is a contract between a property owner and the owner of a solar PV system installed on that property whereby the property owner agrees to purchase the electricity generated by that PV system. The PV system owner – IPC – oversees the development, construction, and asset management of the solar system. The property owner purchases electricity from the solar installed on your property at an agreed-upon rate.

How does net metering work?

Net metering allows building owners that have installed solar equipment on their property to receive full retail credit for electricity they export to the grid. The electricity credits are “banked” and used throughout the year when on-site consumption exceeds the production of the solar system. Typically, credits are generated in the summer months and used in the winter months when solar generation is lower.

What are the size limits for IPC’s Solar PPA program?

The Solar PPA program has a minimum PV system size requirement of 50 kW DC (30 kW for affordable housing properties).



Will a PPA system eliminate my electric bill?

In short, no. While the PV system will produce electricity to offset your electric bill, you will still be responsible for the regular basic service charges from the utility for being hooked up to the grid. In addition, solar production is weatherdependent, and IPC cannot guarantee that your system will produce all the electricity you may use in a billing period.

Who will actually install my system?

As the developer of the project, IPC will work with on-the-ground, approved, third-party solar installation companies to ensure the safe and reliable construction of your solar PV system.

How long will it take to get my system installed and energized?

IPC will work with the EPC contractor, as well as, local, state, and utility authorities to ensure the system is constructed and energized as soon as possible. As there are often several stakeholders in this process, projects often take a longer time than traditional renovation or construction projects, but the IPC team is committed to supporting your project’s development as expeditiously as possible.

Are there any incentives that I can take advantage of?

Depending on which state you are in, incentives are typically factored into the PPA rate, therefore, you will be receiving the benefit of the incentive in the form of a lower PPA rate while IPC receives the direct economic value of the incentive.

Is the IPC Solar PPA considered secured financing? If so, how?

IPC will seek financial security via Property-Assessed Clean Energy (PACE) mechanisms, where available. In instances where PACE is not available, installed solar equipment will be secured via a UCC-1 filing.

How will PPA billing work?

- 1. For PACE-secured PPAs:** Billing will occur through your regular property tax bill. At the beginning of the PPA term, expected production values will be used to estimate how much will be paid with your property tax bill. On an annual basis, IPC will true-up that amount based on the actual production of the system.
- 2. For PPAs billed monthly:** You will receive a monthly bill from IPC based on the actual production of the system for the preceding month. The total amount will be equal to the kWh production of the system times the PPA rate for that period (which will not change if the PPA rate is fixed but will escalate if an escalating option is selected).

What happens to the PV system at the end of the PPA term?

At the end of the PPA term, the property owner may purchase the system at fair market value (determined at that time by a third-party appraiser) or have the system removed at IPC's expense. Roof penetrations will be filled, and the roof repaired to as reasonably complete a condition as possible.

Will the PV system require maintenance? Who is responsible for that?

IPC is responsible for the asset management and operations and maintenance of the system and contracts with third-party O&M providers to provide preventative and responsive maintenance of the system to minimize downtime.

Who do I contact if I have questions about my system or billing?

If you have any questions about your system, PPA agreement, or billing, please contact the IPC Solar PPA team by email at solar@Inclusiveteam.org

To learn more call **203-433-5060** or visit inclusiveprosperitycapital.org/solarppa

