

Memorandum

To: Members, First Baptist Church Manchester
From: Cheryl Gervasi, Trustee
Date: December 11, 2021
Re: PPA and Proposed Plan for FBCM Clarification

This memorandum is in response to the December 5, 2021 Business Meeting. I want to clarify what a Power Purchase Agreement (“PPA”) is and how it will benefit our church. First, I would like to explain what a PPA is and the benefits. Second, I will go over our plan which will hopefully further clarify some of the questions asked that I did not give the best explanation for. And, third, the difference between commercial/non-profit institutions and residential.

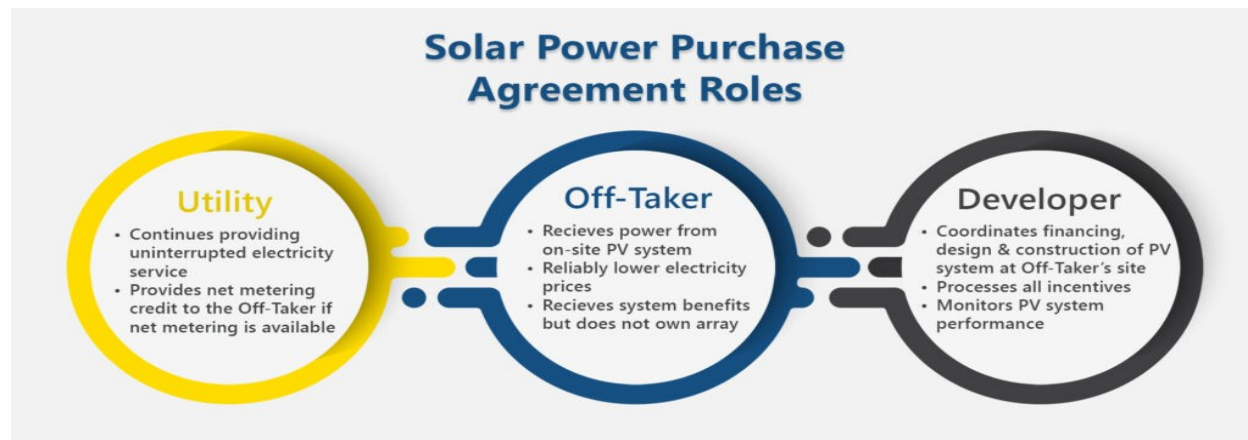
What is a PPA?

A solar PPA is a financial structure that makes it easier for non-profits to go solar as there is no upfront cost to FBCM. Prime Solar, the company FBCM is working with, pairs our site with an investment company (IPC) that will take on our project. The investor will purchase and build the solar array at our site and the sells the power back to FBCM at below-market rates.

PPA program benefits:

- Allows us the independence of producing our own energy instead of buying electricity from the utility.
- Significant saving on electricity costs.
- With a PPA the system is installed and maintained by a third party. Takes the burden off of FBCM to maintain (involves purchase of Operations and Maintenance agreement).
- Fixed rate for 20-year period (term of agreement).

PPA’s are not available to individual residential homeowners. The following entities are eligible for PPAs: Partnerships, trusts, LLCs, sole proprietors, public house authorities, non-profits, condo/co-op associations.



What is Net Metering?

Net Metering is available under our PPA. If the FBCM system sells more power than we use, these credits are built up with Eversource to be used by us when the panels do not produce as much. In short, the company owning the PPA takes the benefit of sale of power and tax credits. FBCM gets benefit of lower \$/kwh and net metering comes to us as a credit.

Price negotiation per KWH is limited under a PPA. The investor that agrees to take our project goes through strict approval process to avoid price gouging. Our project was presented to an investor board. Not everyone will get accepted for a PPA. We were passed over by 5 investors before being accepted by IPC Investors.

FBCM plan will not have an escalator so we will have the benefit of a fixed rate for the 20 period of our contract at \$.135/kwh.

FBCM plan will allow for additions to our system if incentives through the state and/or utility company becomes available. Right now any plan involving battery back up system are very cost prohibitive.

Prime Solar only uses journeymen roofers to install panels. Panels are warrantied for 25 years and the roof where panels are located for 10.

FBCM is not looking to purchase any system outright. The only mention made at Sunday's Business Meeting regarding purchase was that we would have the option to purchase the system outright after a fixed period of time. This is not an option we would be considering as it defeats the purpose of the PPA.

Hopefully this will provide clarification on what a PPA is, who is eligible for a PPA and how the pricing is obtained.

From the date we execute the PPA, it will take between 2-6 months for install. The panels are in stock. The problem comes with the availability of copper. Supply chains are suffering right now. We are hoping to have the contract in place by the first of the year so the process can begin.

Thank you.