

# TIPS FOR SUBSCRIBING TO A COMMUNITY SOLAR GARDEN

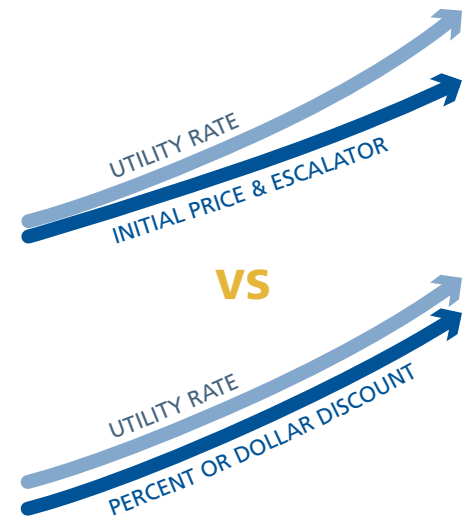


Maybe you've been approached by a company or attended a local event, and now you're thinking about subscribing to a community solar garden. This document provides guidance about how to get started and highlights key resources to help you move forward.

## What does a **good contract** look like?

### ✓ **Subscription Price: Escalator vs. Discount Models**

- **Escalator:** This model sets an initial subscription price and subscription rate escalator. In general, the lower the starting rate and lower the escalator, the better. The initial subscription price should be close to your monthly bill credit ([mncerts.org/csg-subscribers](http://mncerts.org/csg-subscribers)), and the escalator should be less than anticipated utility rate increases. Xcel Energy rates went up an average of 3.5% annually from 2000-2014, so any escalator should be less than that. Your ultimate savings will depend upon the difference between your subscription price and actual utility rate increases over time. Developers will assume different utility rate increases in estimating your potential savings. Compare the estimates and assumptions at [mncerts.org/csg-calc](http://mncerts.org/csg-calc).
- **Discount:** In this model subscription prices are set to be consistently lower than your utility rate by either a stated percent or dollar amount. Though it could provide smaller financial returns, this approach provides a higher level of certainty for future savings.



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### ✓ **Transferability and Early Termination**

**It's important to know what happens if you move out of the service area, die, or cancel the subscription.** Many developers will have a different procedure for each of those three scenarios. For example, if you move out of the utility territory, some developers take back the subscription without penalty, while others charge a set fee. Some developers will not charge a fee if you transfer your subscription to another eligible subscriber. If you decide simply to cancel, there will be a higher fee. It is up to you what terms are acceptable, but they should be VERY clear in the agreement. You should also understand what procedures to follow, who is responsible for each step, and what the associated costs may be.

### ✓ **Subscription Rate Tied to Production**

**Be sure that your subscription agreement clearly indicates that your subscription payment is tied to the garden's actual electricity production.** When this is the case, the developer or operator has more incentive to quickly resolve system maintenance or repairs needs.

### ✓ **Project Construction and Timing**

**You should ask the company where the project(s) that you would be eligible for are in the development and approval process.** You will not see a credit on your utility bill until the project is installed and producing electricity. Ask your developer when you can expect to see your first bill credits, and learn more about the development and approval process at [mncerts.org/solargardens/xcel-map](http://mncerts.org/solargardens/xcel-map).