

Standard Disclosure Form

Distributed Generation PV System Lease Option

Before You Sign a Binding Contract

The proposed agreement described in this disclosure represents the terms for **leasing a photovoltaic (PV) system** that will be installed on your property. Another party will own the system. Because you will not own the PV system you are leasing, you are not eligible to take the federal income tax credit for PV system owners.

The purpose of this form is to provide you with clear and accurate information about the terms of your lease, but this form is not a substitute for your contract. Do not rely exclusively on this form for your lease agreement. You should read your lease agreement closely before you sign it. The Illinois Solar for All program requires that ILSFA customers have a 14-day window to cancel an installation contract without penalty. You may want to discuss the information presented here with an accountant or financial professional.

Please print and save this document for your records.

Your Property	Your Seller	Your Approved Vendor
Name:	Name:	Name:
Street:	Street:	Street:
Apartment/Suite:	Apartment/Suite:	Apartment/Suite:
City:	City:	City:
State:	State:	State:
Zip:	Zip:	Zip:
Phone:	Phone:	Phone:
Email:	Email:	Email:

If you have questions after reviewing this Disclosure Form, contact your Approved Vendor or Seller (these may be different companies). You can also contact the Illinois Solar for All Program Administrator via email at **info@IllinoisSFA.com** or phone at **1-888-970-ISFA (4732)**.



Financial Summary

The following is a summary of important financial information you need to know about the PV system your Seller has designed for you. More detailed information about the system design, costs, and savings can be found further in this form.

SYSTEM SIZE

		Any system size variations once submitted for approval that is plus or minus more than 5% of the specifications listed here will require completion and submission of a new Disclosure Form. The Disclosure Form should exactly match the contract.
kW DC	kW AC	

SUMMARY OF COSTS AND SAVINGS

Estimated Monthly Savings	\$	The estimated average amount of total savings you will see monthly in dollars.
Upfront Costs	\$0	The amount you pay upfront, before the PV system starts producing energy is always \$0 .
First Year Costs	\$	The estimated total costs and fees you pay over the first year of the contract.
First Year Energy Produced	kWh	The estimated amount of energy in kilowatt hours your system will produce in the first year.
First Year Energy Value	\$	The estimated amount of value in dollars your system will generate in the first year.
First Year Energy Value Savings Dollars	\$	The estimated amount of total savings you will see in the first year in dollars. This is calculated by subtracting the first-year costs from the energy value produced.
First Year Energy Value Savings Percent	%	The estimated amount of savings you will see in the first year as a percent. The total savings divided by the total energy value must be at least 50% .
Costs Over the Full Contract Term	\$	The estimated total costs and fees you pay over the full contract term of ____ years.
Energy Produced Over the Full Contract	kWh	The estimated number of kilowatt hours produced by your system over the full contract term (____ years).
Energy Value Over the Full Contract Term	\$	The estimated amount of value in dollars your system will earn you over the full term of the contract (____ years).

Energy Value Savings in Dollars	\$	The estimated amount of savings you will see over the term of the contract in dollars (____years). This is calculated by subtracting total costs from total energy value produced.
Energy Value Savings as a Percent	%	The estimated amount of total savings you will see over the full contract term as a percent (____years). The total savings divided by the total energy value must be at least 50% .

Your Estimated Savings Over the Term of Your Contract

The following estimates provide an indication of projected savings over the full term of your contract. The variation in savings is based on different assumptions of how much energy costs will increase over this time. There are three savings amounts presented here, using a low annual energy cost increase assumption, as well as an average and a high increase.

	per kWh	Your Approved Vendor can use your relevant utility rate (\$.163986 per kWh for ComEd or \$.097282 per kWh for Ameren) or they can take your average electricity rate from 12 consecutive months of electricity bills.
--	----------------	---

Energy Escalation Rate		Total Estimated Savings
Low Estimate	0.5%	\$
Average Estimate	1.7%	\$
High Estimate	2.5%	\$

The Terms of Your Lease Agreement

You have selected to **lease** the PV system and will pay for your system in regular payments for a pre- determined length of contract of **no less than 15 years**. The lease agreement proposed for you requires that you pay \$_____ for a total of ____ payments, plus any additional fees listed below. Your payments will increase _____% each year. You will not be charged any costs or fees until your system is energized and you begin to see credits on your electricity bill. The following tables include important information about the terms of your lease agreement, along with projected costs and savings.

Terms of the Lease		
Upfront costs	\$0	The amount you are required to pay before you start receiving energy. This is always \$0.
Length of contract	years months	The length of time you are required to make lease payments.
Payment amount	\$	The dollar amount of each lease payment.
Frequency of lease payments		How often you make lease payments. For example, you may be required to pay monthly.
Payment increases ¹		The rate at which your payments will increase annually, if at all. Payments will increase by _____% every year.
First payment due		The date when your first payment is due. For example, 30 days after system is energized.
Contingent on Illinois Solar for All		Is this agreement contingent on the project being selected by the Illinois Solar for All program?

¹ Many lease contracts increase a lessee's payments on an annual basis to account for inflation and projected annual increases in electricity rates. These escalation rates compound, meaning they apply not only to the initial lease payment rate, but also to the increases added annually. The savings calculated for you in this Disclosure Form account for all these increases to give you a clear estimate of all your costs and savings over time. Your annual costs cannot increase more than the rate at which energy costs are projected to increase or no more than 2.5%.

The Costs and Fees Associated with Your Lease Agreement

The following are the costs and fees associated with installing and maintaining your PV system over the full term of the lease. Some services may not have associated fees. Some costs or fees may or may not be included in your lease payments, and therefore may require payment separately. Some payments may be conditional, such as a late fee that will not be charged unless you have a late payment. Please read each item to understand what payments you are required to pay and when.

Costs and Fees				
System cost	Are you charged these fees? Yes	Are these fees included in your payment? Yes	\$	The total cost of the system, including design, components and equipment and installation is always included in your payment.
System warranty fee	The system warranty is included at no cost to the customer.			
System maintenance fee	System maintenance is included at no cost to the customer.			
Document preparation fees	Are you charged these fees?	Are these fees included in your payment?	\$	Any administrative costs associated with originating the lease agreement.
Internet non-connection fee	Are you charged these fees?	Are these fees included in your payment?	\$	If you do not maintain a high-speed internet connection to facilitate the transmittal of generation data from your system for creating RECs, you may be charged a fee by the lessor to cover the cost of such a connection.
Estimated system removal fee	System removal is included at no cost to the customer.			
Automated clearinghouse fee	Are you charged these fees?	Are these fees included in your payment?	\$	You may be required to make payments are made through an electronic transfer of funds that include enrollment fees.

Uniform Commercial Code Notice Removal and Re-filing fee	Are you charged these fees?	Are these fees included in your payment?	\$	A filing fee to protect the Seller's equipment. ²
--	-----------------------------	--	----	--

² Some PV system Sellers will file a Uniform Commercial Code-1 filing statement, often referred to as a "fixture filing" or a "UCC- 1 filing," which allows them to legally take possession of the system if you breach your contract. A fixture filing can make it more complicated for you to refinance your mortgage or convey the value of the real estate equipped with the PV system.

SAMPLE

Any Other Fees:			
	Included in lease payment:	\$	
	Included in lease payment:	\$	
	Included in lease payment:	\$	

Financial Fees:				
Returned checks fee	Are you charged these fees?	Are these fees included in your payment? No	\$	The fee charged each time a check is returned for insufficient funds when making a payment.
Late payment fee	Are you charged these fees?	Are these fees included in your payment? No	—	If a payment is made more than _____ days after due date, you will be charged \$_____OR late payments accrue interest at _____% annually. These fees are not included in your lease payment.
Early termination fee	Are you charged these fees?	Are these fees included in your payment? No	See Description Below	If the lessor imposes an early termination fee or penalty, the amount of the fee/penalty will be calculated in the following way described below. This fee is not included in your lease payment.

Early Termination Fee/Penalty Calculation Description:

Your lease payments will not constitute your total monthly payment amount for electric service from your utility. In addition to the lease payments, you will still receive an electricity bill from your current electricity provider. Even with two bills, you can still see significant savings. Below is an estimate of savings over 25 years.

Installation

The PV system being installed is owned by_____.

The installation of a PV system typically begins____days after your contract is signed and typically takes _____ days to complete.

The PV system being installed will be_____.

System Assumptions and System Components

- Size of system in kilowatts (kW):_____kW DC and_____kW AC.
- Estimated gross annual electricity production in kilowatt-hours from your system in the first year:
_____kWh
- Estimated annual system production decrease (degradation):_____%
- Expected life of the system:_____years

The manufacturer of the PV Modules is_____OR your modules will be provided by one of the following three manufacturers:

1. _____
2. _____
3. _____

An inverter is another important component of the PV system because it turns DC electricity into AC electricity that you can use for your property. The manufacturer of the inverter for this system is

_____. The model of the inverter is_____OR the PV system will use one of the following three inverter makes and models:

1. Make:_____Model:_____
2. Make:_____Model:_____
3. Make:_____Model:_____

The lessor is providing you with a:

_____ : System performance or electricity production guarantee

_____ : Other type of system guarantee (please specify)

_____ : No system guarantee



System Operations, Maintenance, and Warranties

Are repairs to your system that go beyond routine maintenance covered by your system lease contract?

Does the system include a **warranty for improper installation**? _____

Does this agreement include a manufacturer's **warranty for the PV modules**? _____

Does this agreement include a manufacturer's **warranty for the inverters**? _____

Does the system include a **warranty against roof leaks caused by installation**? _____

Will the Lessor **insure for loss or damage to the system?** _____

--

It is important to understand that you may be responsible for obtaining insurance coverage for any loss or damage to the PV system that is not covered by the warranties listed above. Consult an insurance professional to understand how to protect yourself against the risk of loss or damage to the PV system. Unauthorized modification of your PV system, including the relocation of it, is prohibited under Illinois Solar for All.

End of Lease, Renewal, and System Removal

At the end of the lease term, the Lessor must provide you with the following options:

1. Removal of the system at no cost to you.

Will the Lessor return any portions of the system's site to its original condition upon the removal of the system (ordinary wear and tear excepted)? _____

2. Buy-out of the system. What are the terms of the transfer of ownership?

3. Renewal of the lease. What are the terms of the lease renewal?

If You Move

If you move, the Lessor must allow you the option to transfer the system or buy the system outright. *The transfer will be subject to the following conditions:*

_____: Credit check of the home purchaser(s)

_____: Minimum FICO score requirement: _____ (dependent upon the customer's credit criteria at the time of system transfer)

_____: Transfer fee of \$ _____

_____: Assumption of the PPA agreement by the home purchaser(s)

_____: Other _____

_____: No requirement to transfer

The buy-out will be subject to the following conditions:

Default

If you default on your payments, the Lessor must allow you the option of forbearance. If a program participant can show good cause in a request for forbearance, financiers must offer a) a suspension of total payments for up to three months, b) a suspension of interest payments for up to six months, or c) a reduction in interest rates for up to twelve months. Missed revenues may be recovered later in the stage of the contract, but no interest may be applied. The following are the terms of the forbearance:

How Much Will A PV System/Electricity Cost?

The amount you will pay will vary based on 1) the system size, 2) whether you purchase or lease the PV system or simply buy the electricity, and 3) the terms of your contract. Please read this Disclosure Form carefully to better understand all potential costs and values before you sign the contract. All savings are estimated based on your proposed contract terms, the system design, program requirements, and other important details are outlined in this Disclosure Form. Although many of the details described here are estimates, they provide a fair representation of what you can expect to pay and save. All participants in Illinois Solar for All are ensured a minimum amount of financial savings with all contracts, as well as important consumer protections.

Important Solar Power Concepts

RENEWABLE ENERGY CREDITS

Renewable Energy Credits (“RECs”) are created when PV systems generate electricity, but they are not the electrical energy itself. Instead, they represent the environmental value of the electricity generated from a PV system. RECs are important because they can be bought and sold separately from the energy. System owners can sell RECs to help pay for a solar installation. Illinois Solar for All makes solar affordable by allowing system owners to sell RECs and requires that those incentive dollars are used to pass savings on to participants. The following table outlines the details on the sale of the first 15 years of RECs of your proposed PV system.

RECs Generated	Value per REC	Total REC Value
	\$	\$
The estimated total number of RECs generated over 15 years.	The fixed price paid for each REC sold.	The estimated value of all RECs generated over 15 years.

NET METERING

Net metering is an agreement between you and your electricity supplier. A net metering agreement allows you to sell back any excess energy to your supplier each month with each kilowatt-hour (kWh) you sell appearing as a credit on your electricity bill. With net metering, you are charged only for the net amount of energy you use during each billing period (i.e., the amount of energy delivered to you minus the excess amount you send back to your supplier). If you send more energy to your supplier than is delivered, you can receive credits on your bill.

INTERCONNECTION

Interconnection is the process for getting approval to connect your PV system to the power grid. With Illinois Solar for All, your Approved Vendor, or their agent, will apply for interconnection on your behalf. A completed interconnection agreement must be in place before the PV system can be energized. The interconnection rules may vary based on location and utility service territory. If your system is in the service territory of an Illinois municipal electric utility or rural electric cooperative, you should contact them for their interconnection requirements.

- *This is who will submit the interconnection application on your behalf:*

- *This is who will submit the net metering application on your behalf:*

Is Your Property Ready for Solar?

Before solar can be installed, it's important to determine whether your property is suitable for solar. Illinois Solar for All requires that your Approved Vendor or Installer inspects your property to ensure various conditions are met before installation can begin, including:

- The property roof is in good condition and has at least 15 years of life left.
- Your property has the structural capacity to hold the weight of a PV system.
- Your electrical systems are safe, meet local code requirements and the requirements of the proposed PV system.
- The areas where installation crews will work are free and clear of obstructions and hazardous materials.
- Your property has minimal obstructions that cause shading, like trees and taller buildings.
- For ground-mounted systems, the site has minimal obstructions, flooding or contamination.



The Seller or Installer will inspect your property before presenting a contract and will submit a Site Suitability Report to you and the Program Administrator. If issues are found that need to be corrected, this report will detail a corrective plan. If repairs are needed, the Illinois Solar for All Approved Vendor must identify the plan for the repairs and how they will be paid for, ensuring that such costs do not place an unsustainable financial burden on the participant.

Complaints

If you have complaints related to the system or this lease process, first try to resolve the problem with your Installer or Approved Vendor. If you can't agree with the company about how to solve the problem, you may contact the Illinois Solar for All Program Administrator by emailing info@IllinoisSFA.com or by calling 1-888-970-ISFA (4732). If you believe you have been subject to fraudulent or deceptive sales practices, the Consumer Protection Division of the Illinois Attorney General's office may be able to help. Customers may contact the Illinois Attorney General's office by calling one of the following hotlines:

Chicago
800-386-5438
TTY: 800-964-3013

Springfield
800-243-0618
TTY: 877-844-5461

Carbondale
800-243-0607
TTY: 877-675-9339

Spanish language support and information is available at 1-866-310-8398.

Visit the Illinois Solar for All website at www.IllinoisSFA.com or call the toll-free number at **1-888-970-ISFA (4732)**.

Customer Signature

Signature

**By signing this form, you certify that you received and read this form.*

PRINTED NAME: _____

SIGN: _____

DATE: _____

Please print and save this document for your records.