

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of IGS Solar, LLC For
Declaratory Statement Regarding Leasing
of Residential Solar Equipment

Docket No. _____

Filed: February 7, 2019

**PETITION FOR DECLARATORY STATEMENT
BY IGS SOLAR, LLC**

Pursuant to Section 120.565, Florida Statutes, and Rule 28-105.002, Florida Administrative Code, IGS Solar, LLC (“IGS Solar”) petitions the Florida Public Service Commission (“Commission”) for a declaratory statement that: (1) IGS Solar’s residential solar equipment lease does not constitute a sale of electricity; (2) offering its solar equipment lease to consumers in Florida will not cause IGS Solar to be deemed a public utility under Florida law; (3) the residential solar equipment lease described in this petition will not subject IGS Solar or IGS Solar’s customer-lessees to regulation by this Commission, and (4) IGS Solar’s customer-lessees will be entitled to interconnection with electric utilities as net metering customers.

IGS Solar’s proposed residential solar equipment lease, a draft copy of which is attached hereto as Exhibit A, comprises a standard equipment lease agreement for the lease of solar generating equipment to residential customer-lessees and includes IGS Solar’s maintenance and warranty service to repair or replace malfunctioning equipment, as well as guarantee that equipment will perform to the manufacturer’s specifications.¹

¹ IGS Solar offers its draft lease for the limited purpose of Commission review to verify the facts set forth in its Petition. Despite the Commission’s statement in Order No. PSC-2018-0251-DS-EQ that “[d]eclaratory statements for each individual company that has an identical fact pattern to Sunrun’s Petition are not necessary,” and its subsequent statement in Order No. 2018-0413-DS-EQ that “approving Vivint’s draft lease [of solar generating equipment] does not fall within our jurisdiction and review of the lease is not necessary for our determination,” the Commission’s determination to review Sunrun’s solar equipment lease before ruling on Sunrun’s Petition for Declaratory statement continues to trouble institutional lenders. Accordingly, IGS Solar seeks a declaratory statement regarding the applicability of certain rules and orders to its particular circumstances in order to secure financing from outside

In support of its petition, IGS Solar states:

1. The name and address of the agency affected by this Petition are:

Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

2. The name and address of Petitioner are:

IGS Solar, LLC
6100 Emerald Parkway
Dublin, OH 43016

All notices, pleadings, documents and communications filed in this docket are to be directed to:

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IGS Solar, LLC
(insert contact name as appropriate)
6100 Emerald Parkway
Dublin, OH 43016
Email: margeaux.kimbrough@igs.com
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investors and assure that its customer-lessees are entitled to interconnect with electric utilities as net metering customers.

I. DESCRIPTION OF IGS SOLAR AND SUMMARY OF ITS FLORIDA RESIDENTIAL SOLAR EQUIPMENT LEASE OFFERING

3. IGS Solar is one of the nation's larger commercial solar energy service companies, providing residential solar energy service to over 6000 customers in five states. IGS Solar now seeks to offer a residential equipment lease program to Florida residential customers. IGS Solar and its affiliates have over 800 employees throughout the United States.

4. IGS Solar is aware of this Commission's recent decisions in Order No. PSC-2018-0251-DS-EQ, Docket No. 20170273-EQ (May 17, 2018) (*Petition by Sunrun Inc. for declaratory statement concerning leasing of solar equipment*) ("*Sunrun*"), and Order No. PSC-2018-0413-DS-EQ, Docket No. 20180124-EQ (August 21, 2018) (*Petition by Vivint for declaratory statement concerning leasing of solar equipment, by Vivint Solar Developer, LLC*) ("*Vivint*"), and notes that such decisions are limited to the facts described in the Sunrun and Vivint petitions. IGS Solar seeks this declaratory statement to remove questions or doubts concerning the applicability of the statutes, rules, and orders identified herein to IGS Solar's particular set of circumstances, including its ability to procure financing for long-term leases of solar generating equipment; its ability to assure to its customer-lessees of the validity of the lease; the ability of its customer-lessees to interconnect with the utility on a net-metering basis; and its ability to ensure timely installation, interconnection, and commencement of system operation for its customer-lessees.

5. IGS Solar's proposed Florida residential solar equipment lease, which will conform to Florida law and be consistent with prior Commission precedent regarding permissible leases of electric generating equipment by non-utilities, including leases of solar equipment, will consist of a 25-year lease of solar panels intended to provide the owner of a single residence with the means to potentially generate enough solar electricity to provide all or part of the electric needs for that

residence. IGS Solar's residential solar equipment lease will include the following non-exhaustive material terms or conditions:

- a. Lease payments will be fixed throughout the term of the 25-year lease, which may be subject to an annual escalator as specified in the lease. These payments, based on a negotiated rate of return on IGS Solar's investment, will be independent of electric generation, production rates, or any other operational variable of the leased equipment.
- b. IGS Solar will warrant that the equipment as installed by IGS will operate in compliance with the manufacturer's specifications.
- c. In the event IGS Solar's leased equipment fails to perform within the manufacturer's specifications, IGS Solar will repair or replace equipment to restore system operation.
- d. IGS Solar will hold legal title to the leased equipment and will receive the benefit of Investment Tax Credits, depreciation, and any other benefits associated with the investment.
- e. IGS Solar will have no control over the customer's use of the equipment other than as the beneficiary of covenants set forth in the lease, including the customer-lessee's obligation to bear the costs and expenses associated with maintenance, repair, replacement and operation of the leased equipment.
- f. At the lease expiration, the customer-lessee may purchase the leased solar equipment at fair market value, renew the lease on an annual basis, or request removal of the equipment. The customer-lessee also has a contractual right to purchase the system at any time on or after the five-year anniversary of the interconnection date.

- g. IGS Solar will provide customary workmanship warranties to protect the customer-lessee's premises from damage during the installation process. The customer-lessee will bear the cost for ongoing system maintenance through the specified monthly lease payments.
- h. Equipment operational warranties and maintenance services are triggered by damage to or malfunction of the system or its components, or by the equipment's failure to operate within the manufacturer's specifications.
- i. The customer-lessee also will be responsible for the cost of non-warranty maintenance, repair, and replacement, including, for example, damage due to windstorm, vandalism, accidents or negligence.
- j. Once the system is installed and interconnected, the costs and expenses of maintaining the equipment and the operational burden of assuring adequate solar exposure conditions are all borne by the customer-lessee except to the extent assumed by IGS Solar through the maintenance provisions of the lease.
- k. The customer-lessee will be responsible for the cost of applicable property taxes and insurance.
- l. Lease terms and conditions will be compliant with applicable IRS and accounting standards.

II. DECLARATORY STATEMENT REQUESTED

6. Section 120.565, Florida Statutes, states:

(1) Any substantially affected person may seek a declaratory statement regarding an agency's opinion as to the applicability of a statutory provision, or of any rule or order of the agency, as it applies to the petitioner's particular set of circumstances.

(2) The petition seeking a declaratory statement shall state with particularity the petitioner's set of circumstances and shall specify the statutory provision, rule or order that the petitioner believes may apply to the set of circumstances.

The declaratory statement procedure can assist persons to plan their future conduct and "avoid costly administrative litigation by selecting the proper course of action in advance." *Chiles v. Dep't of State, Div. of Elections*, 711 So.2d 151, 154 (Fla. 1st DCA 1988); *Adventist Health System/Sunbelt, Inc. v. Agency for Health Care Admin.*, 955 So.2d 1173 (Fla. 1st DCA 2007). IGS Solar will offer and market its residential solar equipment lease in Florida contingent upon the Commission granting, in the affirmative, this request for a declaratory statement. IGS Solar thus is a "substantially affected person" and has standing to bring this petition.

7. IGS Solar respectfully requests that the Commission make the following affirmative declarations:

- a. IGS Solar's proposed residential solar equipment lease, as described above and shown in the draft lease in Exhibit "A," will not be deemed to constitute the sale of electricity;
- b. IGS Solar will not be deemed to be a public utility under Florida law by virtue of leasing its residential solar equipment to residential customer-lessees in Florida;
- c. Florida customer-lessees who enter into IGS Solar's proposed residential solar equipment lease will not be subject to the jurisdiction of or regulation by the Commission;
- d. IGS Solar's warranty or guarantee that it will repair or replace equipment to restore system operation if leased equipment fails to perform within the manufacturer's specifications is lawful and will not deem the lease to be construed as a retail sale of electricity.

- e. IGS Solar’s customer-lessees under the proposed lease will be entitled to interconnection with electric utilities as net metering customers.

III. APPLICABLE STATUTES, RULES AND COMMISSION ORDERS

8. The statutory provisions and Commission rules or orders applicable to the narrow jurisdictional question raised in this petition are:

- a. Section 366.02, Florida Statutes;
- b. Order No. 17009, Docket No. 860725-EU (Dec. 22, 1986) (“*Monsanto*”) *Declaratory Statement Order, In re: Petition of Monsanto Company for a declaratory statement concerning the lease financing of a cogeneration facility;*
- c. Order No. PSC-2018-0251-DS-EQ, Docket No. 20170237-EQ, May 17, 2018 (“*Sunrun*”) *Declaratory Statement Order; In re: Petition of Sunrun, Inc. for declaratory statement concerning the leasing of solar equipment;*
- d. Order No. PSC-2018-0413-DS-EQ, Docket No. 20180124-EQ, August 21, 2018 (“*Vivint*”) *Declaratory Statement Order; In re: Petition for declaratory statement concerning leasing of solar equipment, by Vivint Solar Developer, LLC.*
- e. Rule 25-6.065, F.A.C. - *Interconnection and Net Metering of Customer-Owned Renewable Generation Definition.*

IV. ANALYSIS

A. The Florida Legislature has defined a jurisdictional public utility.

9. In Section 366.02(1), Florida Statutes, the Legislature defines a Commission-jurisdictional public utility as “every person, corporation, partnership, association, or other legal entity and their lessees, trustees, or receivers *supplying electricity* or gas . . . to or for the public

within this state.” (emphasis added) Thus, in order to be deemed a public utility subject to regulation by this Commission, IGS Solar must *supply electricity* to customer-lessees, and its residential solar equipment lease must constitute a sale of electricity.

B. The Florida PSC has held that an equipment lease is not a sale of electricity.

10. In *Monsanto*, the Commission held that no sale of electricity occurred and therefore, Commission jurisdiction did not attach, when a non-utility cogenerator (Monsanto) entered into a lease financing arrangement for the financing and construction of its electricity-producing cogeneration facility, where Monsanto retained the risks (via its operational responsibility) of production associated with the facility. In 2013, this Commission reiterated its holding in *Monsanto* that an equipment lease does not constitute a jurisdictional sale of electricity, stating:

In *Monsanto*, the owner of the electrical generating equipment was not the same as the consumer, Monsanto, who leased the equipment. However, we determined that no sale to an unrelated entity would occur because Monsanto was leasing equipment that produced electricity rather than buying electricity that the equipment generated.

Order No. PSC-13-0652-DS-EQ, *Order Denying Petition for Declaratory Statement, In re: Petition for declaratory statement regarding co-ownership of electrical cogeneration facilities in Hendry County by Southeast Renewable Fuels, LLC*, Docket No. 130235-EQ (Dec. 11, 2013) at p. 6.

11. IGS Solar’s residential solar equipment lease is consistent with the Commission’s prior holdings and applicable law. IGS Solar will not supply electricity to its customer-lessees, and its lease will not constitute a sale of electricity. Like Monsanto, IGS Solar’s residential customer-lessees will lease residential solar equipment that they will use for its intended and designed purpose – to generate their own electricity.

12. Consistent with the lease in *Monsanto*, IGS Solar’s Florida residential solar equipment lease will require fixed payments, not tied to energy production, throughout the 20-year lease term, subject to, as noted above, an annual escalator to be specified in the lease. The amount of the payment is based on a negotiated rate of return on IGS Solar’s investment, and is independent of electric generation, production rates, or any other operational variable of the equipment. Like the lessor in *Monsanto*, IGS Solar will hold legal title to the equipment and receive Investment Tax Credits and depreciation benefits associated with the investment as well as the benefit of manufacturers’ equipment warranties. As the owner of the equipment, IGS Solar will have no contractual control over the customer-lessee’s use of the solar equipment, other than as the beneficiary of the customer-lessee’s contractual obligation to maintain conditions at the premises to ensure the equipment remains in good repair and can perform as intended, of covenants requiring the customer-lessee to maintain the equipment in good repair and to retain and compensate IGS Solar to provide such specific maintenance services.

13. As in *Monsanto*, *Sunrun*, and *Vivint*, IGS Solar’s customers will be “leasing equipment which produces electricity rather than buying electricity that the equipment generates.” *Monsanto*, Issue 2.

C. **The Florida PSC has held that a lease of solar generating equipment is not a sale of electricity.**

14. In *Sunrun* and *Vivint*, the Commission held that no sale of electricity will occur, and therefore Commission jurisdiction will not attach, when a residential customer enters into the long-term lease of residential solar generating equipment as described in those petitions for declaratory statement. The material terms of IGS Solar’s proposed solar equipment lease are substantially the same as, but not identical to, those in the Sunrun lease and Vivint lease. Sunrun, Vivint and IGS Solar leases are for a fixed term, with fixed lease payments that are independent

of electric generation, production rates, or any other operational variable of the leased equipment, lessors will hold legal title to the equipment, receive tax credits, and receive depreciation benefits; and in both cases, at the end of the lease lessees may purchase the equipment, renew the lease, or have the equipment removed. Sunrun, Vivint and IGS Solar each offer workmanship warranties and will maintain the equipment in good repair, and their customer-lessees will be responsible for the cost of non-warranty maintenance, repair and replacement. Neither will lessor have control over the customer-lessee's use of the equipment, and in both cases, customer-lessees bear the operational risk of non-warranty maintenance and assuring adequate solar exposure.

15. IGS Solar's warranty that the leased equipment will operate according to the manufacturer's specifications does not create a sale of electricity. IGS' customer-lessee will be the owner of the system's electrical output; IGS Solar has no right to any of the electrical output; and lease payments remain the same regardless of the system's electrical performance.

D. Rule 25-6.065, F.A.C. confirms that self-generation using leased equipment does not, by itself, constitute a sale of electricity.

16. The logic, policies and legal directives embodied in the *Monsanto*, *Sunrun* and *Vivint* decisions are directly reflected in the Commission's Rule 25-6.065, F.A.C., which confirms that self-generation using leased equipment that is operated and maintained by a third party does not constitute a sale of electricity:

The term "customer-owned renewable generation" does not preclude the customer of record from contracting for the purchase, lease, operation, or maintenance of an on-site renewable generation system with a third-party under terms and conditions that do not include the retail purchase of electricity from the third party.

17. Besides complying with Rule 25-6.065, the above-referenced terms and conditions of IGS Solar's residential solar equipment lease are entirely consistent with the lease-financing arrangement in *Monsanto* and solar equipment leases in *Sunrun* and *Vivint*, which the Commission

determined did not constitute sales of electricity, did not cause the lessors to be deemed a public utility, and did not subject either the lessors or their lessees to the Commission's regulation.²

V. CONCLUSION

As the Florida Supreme Court noted in *PW Ventures, Inc. v. Nichols*, 533 So. 2d 281, 284 (1988), “[t]he legislature determined that the protection of the public interest required only limiting competition in the sale of electric service, not a prohibition against self-generation. IGS Solar’s leasing arrangements assist consumers in self-generation, are not a sale of electricity, and are fully consistent with Florida law and policy as discussed above.

For the reasons described above, the terms and conditions of IGS Solar’s residential solar equipment lease confirms that it is not a retail sale of electricity; rather, it is a lease for an on-site renewable distributed generation system from a third-party customer-lessee. IGS Solar’s contractual warranty, consistent with Section 520.23, Florida Statutes that its leased equipment will perform at as specified by the manufacturer is standard in the industry, consistent with the warranty or guarantee received by a system purchaser, is not a sale of electricity and does not result in IGS Solar supplying electricity to its customer-lessees.

WHEREFORE, IGS Solar respectfully requests that the Commission make the following affirmative declarations:

1. IGS Solar’s proposed residential solar equipment lease, material provisions of which are described in numbered paragraph 5, above, will not be deemed to constitute the sale of electricity.

² Although not germane to the Commission’s jurisdiction, IGS Solar notes that its lease and guarantee also comply with the requirements of Sections 520.20 – 520.26, Florida Statutes, which govern solar equipment leases.

2. IGS Solar will not be deemed to be a public utility under Florida law by virtue of leasing its residential solar equipment to residential customer-lessees in Florida.
3. Florida customer-lessees who enter into IGS Solar's proposed residential solar equipment lease will not be subject to the jurisdiction of, or regulation by, the Commission.
4. IGS Solar's customer-lessees who enter into the proposed lease will be entitled to electrically interconnect with electric utilities and be deemed net metering customers under Rule 25-6.065, Florida Administrative Code.

Respectfully submitted on February 7, 2019.

BY:

/s/ Marsha E. Rule

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Attorneys for IGS Solar, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished to the following by electronic mail on February 7, 2019:

Keith Hetrick
General Counsel
Florida Public Service Commission
Office of the General Counsel
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399
Email: khetrick@psc.state.fl.us

/s/ Marsha E. Rule

DISTRIBUTED ENERGY GENERATION SYSTEM LEASE DISCLOSURE FORM

Pursuant to Chapter 520, Part II, Florida Statutes, this disclosure is designed to help you understand the terms and costs of your lease of a distributed energy generation system (“System”). It is not a substitute for the lease (“Lease”) and other documents associated with this transaction. All information presented below is subject to the terms of your Lease.

Read all documents carefully so you fully understand the transaction.

LESSOR		INSTALLER	
Name:		Name:	
Address:		Address:	
Phone Number:		Phone Number:	
Email:		Email:	
License # (if applicable):		State Contractor License #:	
WARRANTY/MAINTENANCE PROVIDER (If different from Installer)			
Name:		Address:	
Phone Number:		Email:	
State Contractor License #:			
LESSEE			
Name:		Mailing Address:	
		System Location:	
Phone Number:		Email:	
<p>*NOTE: YOU ARE ENTERING INTO AN AGREEMENT TO LEASE A DISTRIBUTED ENERGY GENERATION SYSTEM. YOU WILL LEASE (NOT OWN) THE SYSTEM INSTALLED ON YOUR PROPERTY.</p> <p>YOU ARE RESPONSIBLE FOR PROPERTY TAXES ON PROPERTY YOU OWN. CONSULT A TAX PROFESSIONAL TO UNDERSTAND ANY TAX LIABILITY OR ELIGIBILITY FOR ANY TAX CREDITS THAT MAY RESULT FROM THE PURCHASE OF YOUR DISTRIBUTED ENERGY SYSTEM.</p>			

Description System:

A residential rooftop solar photovoltaic system, comprised of modules, racking, inverters, and other equipment

System Size:

Materials/Equipment:

solar modules:

inverters:

racking:

monitoring equipment:

additional equipment:

Total Cost (A)	Amount & Term (B)	Total Estimated Lease Payments (C)
<p>Total cost to be paid, including any interest, installation fees, document preparation fees, service fees or other () fees: \$_____</p> <p>State or federal tax incentive(s) or rebate(s) relied upon by lessor in determining the price of the System: _____ _____</p> <p>Value of Incentive/Rebates Included: \$_____</p> <p>*NOTE: You may not be eligible for all incentives available in your area. Consult your tax professional or legal professional for further information.</p>	<p>The initial term of Lease: <input type="checkbox"/> _____ Years <input type="checkbox"/> _____ Months</p> <p>Your monthly payment during the term of your Lease: \$_____</p> <p>Number of Lease payments: _____</p>	<p>Total of all your monthly payments and estimated taxes over the course of Lease: \$_____</p> <p>Your estimated total Lease payments over the initial term of the Lease excluding taxes are: \$_____</p>

Other Possible Charges (D)

Other charges you may have to pay under your Lease:

Late Charge:

- If a payment is more than _____ days late, you will be charged \$_____ **OR**
- Late payments accrue interest at _____% monthly not to exceed the maximum allowable by law.

Estimated System Removal Fee: \$_____ **Maintenance Fee:** \$_____

UCC Notice Removal and Re-filing Fee:

If you refinance your mortgage, you may have to pay \$_____

Returned Checks:

If any check or withdrawal right is returned or refused by your bank, you may be charged \$_____ (or a lower amount if required by law)

Non-Connection to Internet:

If you do not maintain a high-speed internet connection, you will be charged a monthly fee of \$_____ and/or your monthly payments may be based upon estimates. Non-connection may affect any guarantee. **See Section O.**

Automated Clearing House (ACH) Fee: \$_____

Payment Schedule (E)	When Payments are Due (F)	Installation Timing (G)
Amount you owe at Lease signing: \$_____	After your System is connected, you will receive an invoice that identifies the date your first monthly payment on your Lease is due. You will receive: <input type="checkbox"/> Electronic Invoices (sent to your email address above) <input type="checkbox"/> Paper Invoices (sent to your mailing address above)	Approximate start date: _____ days from the date the agreement is signed, assuming timely issuance of permits required to begin construction.
Amount you owe at the commencement of installation: \$_____		
Amount you owe at the completion of installation: \$_____		
You will make a final payment to Lessor in the amount of \$_____ at the following time (e.g., interconnection):		

**Interconnection Approval
(H)**

YOU are or **LESSOR** is responsible for submitting a System interconnection application.

NOTE: It is important to understand the requirements of interconnection rules and/or policies for renewable energy systems which may vary based on location or utility jurisdiction. For further information regarding interconnection standards, please contact your local utility or public service commission.

Site & Design Assumptions for your Leased System (I)

- Estimated size of the System in kilowatts: _____(kWdc)
- Estimated gross annual electricity production in kilowatt-hours (kWh) from your leased System in the first year of the Lease: _____
- Estimated annual System production decrease due to natural aging of the System: _____%
- System location on your property: _____
- System **WILL** **WILL NOT** be connected to the electric grid
- At the time of installation, your local utility **DOES** **DOES NOT** credit you for excess energy your System generates. The rules applying to such credit are set by your jurisdiction.
- Make _____
- Model _____

***NOTE:** A lessor who provides a warranty or guarantee of the energy production output of the distributed energy generation system may provide a description of such warranty or guarantee in lieu of a description of the system design and components.

Security Filings (J)

Lessor **WILL** **WILL NOT** place a lien on your home as part of entering the Lease.

Lessor **WILL** **WILL NOT** file a fixture filing or a State Of Florida UCC Financing Statement Form (UCC-1) on the System. The UCC-1 is a public filing providing notice that Lessor owns the System, but is **not** a lien.

System Maintenance & Repairs (K)

“System maintenance” refers to the upkeep and services required or recommended to keep your System in proper operation. System maintenance **IS** **IS NOT** included for _____years by _____(e.g., Installer, Maintenance Provider).

“System repairs” refers to actions needed to fix your System if it is malfunctioning. System repairs **ARE** **ARE NOT** provided by the _____(e.g., Installer, Other).

Please review your Lease for additional information about any warranties on the System installation and equipment. Certain exclusions may apply. Note that equipment warranties for hardware are not required to include labor/workmanship.

Roof Warranty (L)

Your roof **IS** **IS NOT** warranted against leaks from the System installation for _____years by _____(e.g., Provider, Installer, Other).

Your roof **IS** **IS NOT** warranted against leaks caused by removal of the System for a period of _____years following System removal. Any portions of your roof impacted by the System **WILL** **WILL NOT** be substantially returned to their original condition upon the removal of the System (ordinary wear and tear excepted).

Transferring Your Lease and Selling Your Home (M)

If you sell your home, you **MAY** **MAY NOT** transfer the Lease to the purchaser(s) of your home. If transfer of ownership is permitted, the transfer will be subject to the following conditions:

- Credit check on the purchaser(s) by the Lessor
- Minimum FICO score requirement: _____
- Transfer fee of \$ _____
- Assumptions of Agreement by purchaser(s)
- Other _____

If you sell your home, you **ARE** **ARE NOT** permitted to transfer the System to a new home or property.

You may also have the option(s) to purchase the System or prepay some or all of the Lease Balance as part of or prior to a transfer, as long as you are not in default of the Lease. The purchase price will be the greater of (a) the minimum purchase price ("Minimum Purchase Price") or the fair market value ("FMV") of the System. The Minimum Purchase Price will be an amount equal to the will be equal to the present value of the forecasted lease payments over the Term then remaining, discounted at a rate of 5%. The FMV will be calculated by a mutually acceptable third-party independent appraiser.

You **ARE** **ARE NOT** permitted to make modification(s) to the System. If modification(s) of the System is permitted, such action will be subject to the following conditions:

- System guarantees or warranties **ARE** **ARE NOT** rendered void
- Provider is not responsible or liable for any loss or damage that may occur as a result of any modifications
- Other _____

Transfer of Obligations by Lessor (N)

Your Lease may be assigned, sold or transferred by Lessor without your consent to a third-party who will be bound to all the terms of the Lease. If such a transfer occurs, you will be notified if this will change the address or phone number to use for Lease questions, payments, maintenance or repair requests.

System Guarantee (O)

In terms of your full System, Lessor is providing you with a:

- System performance or electricity production guarantee*
- Other type of System guarantee*
- No System guarantee

You may have additional guarantees or warranties in addition to those that cover the entire System.

****Please provide description in the space provided under Section T.***

Utility and Electricity Usage/Savings Assumptions (P)

You **HAVE** **HAVE NOT** been provided with a savings estimate (“Estimate”) based on your Lease.

If you HAVE been provided with an Estimate, Lessor provides the following:

Lessor **IS** **IS NOT** guaranteeing these savings.

Your Estimate was calculated based on:

- Your estimated prior electricity use
- Your actual prior electricity use
- Your estimated future electricity use

Your Estimate assumes the following:

- Years of electricity production from the System: _____
- A current estimated **utility electricity rate** of _____ [cost per kilowatt-hour] during the first Lease year with estimated increases of _____ percent annually. Lessor based this estimate on the following source(s): _____
- Your utility will continue to credit you for excess energy your System generates at
- ESTIMATED FUTURE** **CURRENT** utility electricity rates

NOTE: It is important to understand that future electric utility rates are estimates only. Your future electric utility rates and actual savings may vary. For further information regarding rates, you may contact your local utility or the public regulation commission. Tax and other state and federal incentives are subject to change or termination by executive, legislative or regulatory action, which may impact savings estimates. Please read your Lease carefully for more details.

Renewable Energy Certificates (RECs) (Q)

Any renewable energy certificates or credits (RECs) from producing renewable solar energy with the System **WILL** **WILL NOT** be assigned to the Lessor. If Lessor is assigned the RECs, you will not own the RECs to sell, use or claim them, and Lessor may sell the RECs to a third party.

Cooling Off Period/Right to Cancel (R)

You have the right to terminate this Lease without penalty within _____ business days after the agreement is signed by both parties by notifying Lessor in writing at the above address.

NOTE: This section does not apply IF agreement is to lease a distributed energy generation system in a solar community in which the entire community has been marketed as a solar community and all of the homes in the community are intended to have a distributed energy generation system, or a solar community in which the developer has incorporated solar technology for purposes of meeting the Florida Building Code in s. 553.73, F.S.

Insurance Policies and Coverage (S)

- Lessor **will not** insure for any loss or damage to the System.
- Lessor **will** insure System for any loss or damage, except under the following circumstances:

NOTE: Lessee is responsible for obtaining insurance policies or coverage for any loss of or damage to the System not covered under the lessor's obligations as indicated above. Please consult an insurance professional to understand how to protect against the risk of loss or damage to the System. Lessor will procure and maintain personal property insurance on the System in an amount equal to the cost to replace the System.

Additional Disclosures or Terms (T)

Early Termination: If you terminate this Lease before the end of the term, you may be required to pay a repossession/disposition fee, the greater of the Minimum Purchase Price and the FMV, as well as taxes, late charges, penalties, interest, and recapture of rebates, grants, credits, or tax benefits.

Other Important Terms: See your Lease for additional information regarding early termination, purchase options, maintenance, responsibilities, warranties, and late and default charges.

Individual Completing this Form:

Name: _____ Signature: _____

Title: _____ Company: _____ Date: _____

For additional information, please carefully read Chapter 520, Part II, Florida Statutes.