

Summary of Terms and Conditions for Chugach Community Solar Pilot Program

1. Introduction

Chugach Electric Association, Inc. ("Chugach") is offering a voluntary Community Solar Service Pricing Pilot ("Pilot Program") for a 36-month period from July 1, 2025, to June 30, 2028. The terms and conditions governing the Pilot Program are contained in Chugach's Operating Tariff approved and on file with the Regulatory Commission of Alaska (Commission). This document is intended only as a summary of those terms and conditions. To the extent a conflict is determined to exist, the provisions of Chugach's Operating Tariff control.

2. Eligibility & Enrollment

- All Chugach retail members are eligible to apply for the Pilot Program.
- A total of 1,560 solar panels are available for subscription.
- Members may request up to a maximum limit of 20 panels.
- Net metering customers are also eligible to apply, subject to a 25 kW capacity limit for combined community solar and on-site generation.
- If demand exceeds available panels, a lottery will determine enrollment, with unselected members placed on a waitlist.
- Subscriptions are tied to the individual member and are not transferable to another person. However, members may transfer their subscription to a new address if they move within Chugach's service territory.

3. Subscription & Pricing

- The subscription operates on a month-to-month basis and automatically renews unless canceled. However, there is an initial 12-month commitment. If a member cancels within the first 12 months, a cancellation fee will apply. After the initial term, members can cancel at any time, with cancellations taking effect at the end of the current billing cycle.
- The monthly charge per panel is \$9.21 in the first year of subscription. This will appear on the member's monthly bill.
- Subscription rates will be escalated by 1% per year.
- Additionally, subscription rates may be adjusted annually based on actual project costs.
- Chugach will file annual updates to rates, effective July 1 each year.
- Chugach reserves the right to adjust rates if system conditions change or unforeseen costs arise.
- Any rate changes will not affect previously paid amounts.
- Chugach's current monthly per panel charge assumes Chugach will receive an Investment Tax Credit (ITC) from the federal government that will offset some of its costs. Should Chugach not receive the ITC, subscription costs will be adjusted accordingly on a prospective basis. In this scenario, cancellation fees will be waived for any member wishing to cancel due to the change in subscription cost.

4. Energy Credits & Billing

- Each month, the solar facility's total energy production will be divided by the total number of panels to determine the energy share per panel.
- Members receive energy credits based on the actual production of the solar facility and the number of panels subscribed.
- Unsubscribed panel energy will be used for Chugach retail electricity supply.

- If a member's consumption exceeds their share of energy production, they are billed for the remaining electricity usage at standard retail rates.
- If a member's subscribed solar energy exceeds their consumption:
 - The excess is credited to their bill using the non-firm buyback power rate specified on Tariff Sheet No. 97.
 - The credit is applied during the same billing cycle to offset any charges on the bill.
- If applicable, dollar credits will be carried over to subsequent bills.
- Any unused credits will be refunded upon the termination of service.

5. Cancellations

- Early cancellation within the 12-month term incurs a fee equal to the lesser of: a) The total remaining subscription cost for the 12-month term, or b) Four months of subscription charges.
- Members who cancel before the end of the 12-month period cannot re-enroll for 12 months.

6. Program Conditions

- Participating members do not own the solar facility or any portion of it.
- Members must remain current on payments. Failure to do so may result in subscription termination.
- Chugach makes no guarantees on solar energy production due to weather, seasonal variations, equipment failures, or external factors.
- No refunds or additional credits will be issued for low energy production or force majeure events.
- The Pilot Program is subject to evaluation, and Chugach may recommend modifications or a permanent program, subject to review and approval by the Commission.
- Subscribed members will retain the rights to claim their portion of Renewable Energy Certificates (RECs) related to the project's generation.

7. Disclaimer

- Participation is voluntary and may result in higher per kWh costs compared to standard electricity rates.
- Chugach does not represent or warrant that participation will result in financial savings or economic benefits.
- Members do not acquire ownership or investment interest in the facility as a result of their participation in the Pilot Program.

By executing and delivering an application for enrollment in the Pilot Program, you acknowledge and agree to be bound by the terms and conditions governing the Pilot Program contained in Chugach's Operating Tariff.

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2nd Revision

Sheet No. 104



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1st Revision

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Chugach Electric Association, Inc.

COMMUNITY SOLAR SERVICE PRICING PILOT

Chugach retail members may begin taking service under the Community Solar Service Pricing Pilot beginning with the July, 2025 monthly billing period. The pilot period extends for a 36-month period ending June 30, 2028. Community Solar Service Pricing Pilot is available to retail members for all member service classes. T

This service offering is available, on a voluntary basis, through a 12-month subscription. The 12-month subscription price offering is designed to distribute the project costs equitably across the life of the Community Solar facility, and to reduce project administration costs.

There are a total of 1,560 solar panels available for member subscriptions under the Community Solar Service pricing pilot. Members electing to enroll in the service will submit a subscription application form and may request up to 20 panels per meter. In year one of the pilot period, applications for initial subscriptions will be accepted from approximately April 1, 2025 through May 15, 2025. The exact application dates are subject to change due to operational constraints. If Chugach receives subscriptions totaling more than 1,560 panels, a lottery will be used to determine which members are enrolled in the Community Solar Service Pricing Pilot. Any remaining applicants will be placed on a wait list in the order they are drawn from the random lottery selection. As panels become available for new subscriptions, the applicants on the wait list will be offered enrollment in the order of the wait list. After the initial 12-month subscription period, Chugach will submit annual filings by May 15 of each year updating the 12-month subscription rates to reflect actual Community Solar Service Pricing Pilot project costs incurred during the prior 12-month calendar year test period with any changes to take effect July 1 of each year. T

On a monthly basis, the actual energy produced by the Community Solar facility will be applied equally across the total number of panels to determine the kilowatt hour (kWh) production share to be allocated to each panel. The energy produced by unsubscribed panels will be used by Chugach in the provision of electricity to its retail members. T

Based on the number of panels in each member's subscription, the production share will be applied as a credit on program participant's monthly bills. Energy generated and applied to member bills will be treated in the same manner as net metering customers are treated (Sheets 89.3 to 89.3.3). T

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COMMUNITY SOLAR SERVICE PRICING PILOT (Continued)

Purpose:

Chugach is proposing to initiate the Community Solar Service on a pilot basis for a 36-month period to compile information including the final project construction cost, receipt of federal tax credits, operating and maintenance expenses, member interest, renewable energy certificate treatment, and to assess modifications that may improve the subscription and pricing program. The proposed pilot period is expected to provide sufficient time to capture cost information and compile feedback to improve the service offering.

Pilot Period:

The Community Solar Service Pricing Pilot shall run from July 1, 2025 – June 30, 2028 (Pilot Period).

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Pilot Reporting:

Within 60 days following expiration of the Pilot Period, Chugach will submit a report to the Regulatory Commission of Alaska detailing the results of the Community Solar Service Pricing Pilot and requesting any necessary modifications. The report will analyze:

1. Member enrollment information throughout the Pilot Period;
2. Subscription benefits compared to costs (subscription amount paid net of energy buyback vs. energy received);
3. Project performance statistics;
4. Program costs;
5. Unsubscribed energy used to meet retail system energy requirements.

The report will provide recommendations for continuation, abandonment, or modification of the Community Solar Service Pricing Pilot and may include a recommendation for a permanent Community Solar Service tariff offering. Additionally, the report will also include recommendations for the treatment of renewable energy credits associated with the Community Solar facility. Chugach may use questionnaires to gather program feedback. All customer specific data obtained by Chugach through the Community Solar Pricing Pilot shall be held confidentially, to the extent allowed by law and regulation, and any public reporting should not reveal names or locations, unless ordered to provide such data by an appropriate authority.

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Chugach Electric Association, Inc.

COMMUNITY SOLAR SERVICE PRICING PILOT (Continued)**Monthly Billing:**

Monthly Charge per Panel:

\$ 9.21

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The pilot period price for the initial 12-month subscription period is based on the estimated project expense levels for the subscription period. Chugach may submit a filing to adjust the subscription price as necessary. The pilot period price for the next 12-month subscription period will be based on combined actual and estimated project expense and recovery levels. Chugach will use actual and projected period balancing accounts to track recovery and expense amounts and will adjust the subscription price as needed to recover no more, or no less than, the actual project costs. Chugach will submit annual filings by May 15 each year, or more frequently as needed, to update the subscription charge to reflect actual project costs incurred during the prior 12-month calendar year test period. T

Electric bills for members enrolled in the Community Solar Service Pricing Pilot shall be computed in accordance with all applicable retail service rates contained in this operating tariff, with electric energy (kWh) calculated as follows:

1. If the members consumption of energy is greater than the members subscribed share of energy produced by the Community Solar facility during the monthly billing period, Chugach shall bill the consumer for the kWh of net electric energy consumption at the applicable retail rates contained in the operating tariff; or,
2. If the member's subscribed share of energy produced by the Community Solar facility is greater than the member's energy consumption during the monthly billing period, Chugach shall credit the member's account with an amount derived by multiplying the kWh of net subscribed energy produced by the non-firm buyback power rate contained on Tariff Sheet No. 97; or
3. If the member's account participates in the net metering program and is also enrolled in the Community Solar Service Pricing Pilot, the member's subscribed share of kWh produced by the Community Solar facility shall be combined with the kWh delivered by the member's distributed generation facility.
 - (a) If the member's combined energy production is greater than the member's energy consumption during the monthly billing period, Chugach shall credit the member's account with an amount derived by multiplying the kWh of net subscribed energy produced by the non-firm buyback power rate contained on Tariff Sheet No. 97; or,
 - (b) If the member's combined energy production is less than the member's energy consumption during the monthly billing period, Chugach shall bill the consumer for the kWh of net electric energy consumption at the applicable retail rates contained in the operating tariff.

Dollar amounts credited to the member's account shall be used to reduce amounts owed by the member in subsequent monthly billing periods. Dollar amounts credited do not expire or otherwise revert to Chugach. Unused credits will be paid to the member in the event electric service is terminated.

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COMMUNITY SOLAR SERVICE PRICING PILOT (Continued)

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Conditions:

- 1) The initial subscription period is a minimum 12-month term subject to the early cancellation fee and prohibition on reenrollment discussed below.
- 2) Subscriptions shall remain in effect until:
 - a. Cancelled by the member through the Chugach online member service portal, or by phone with, or in writing to, Chugach member services; or
 - b. the member breaches or fails to satisfy or follow any term or condition of Chugach's tariff; or,
 - c. the community solar service is terminated.
- 3) A member who elects to cancel their subscription prior to completion of the 12-month enrollment period will be charged an early cancellation fee. The early cancellation fee shall be equal to the lower of; a) a charge equal to the combined total subscription charges for the remaining months in the 12-month subscription period, or b) a charge equivalent to the combined total subscription charges for four months service. Members who elect to unenroll prior to completion of the 12-month minimum enrollment period are prohibited from re-enrolling for a period of 12-months.
- 4) If the member is concurrently participating in the net metering program, as provided on in this operating tariff, the member's onsite net metered generation capacity combined with the member's subscribed share of the Community Solar facility installed capacity shall not exceed 25 kW.
- 5) Participating members pay a service fee in exchange for a portion of the Chugach-owned community solar facility's kWh energy output. Participants receive this solar-generated electricity as a service from Chugach; they do not own the community solar project or any portion thereof.
- 6) The program is portable for members moving within Chugach's service territory.
- 7) Participating members must remain current in their payment of bills as required in the operating tariff. If this is prior to the 12-month minimum period, the early cancellation fee will apply.
- 8) Chugach makes no warranty or representation, express or implied, as to the energy production of or energy credits available from the community solar facility. Solar energy credits will vary significantly from month to month based on seasonal solar intensity, weather and other conditions.
- 9) The solar facility may become subject to physical damage, equipment failure, or other events that may degrade the facility's efficiency. Chugach shall be under no obligation to issue any refund or credit to participating members based on the efficiency or output of the solar facility. In no event shall a refund or credit be issued if the solar facility performance is degraded as a result of a *force majeure* event.

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COMMUNITY SOLAR SERVICE PRICING PILOT (Continued)

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Conditions (continued):

- 10) Receipt of energy credits pursuant to this tariff may result in taxable income to a subscriber, and each subscriber is solely responsible for determination, payment and reporting with respect to such subscriber's taxes.
- 11) Chugach reserves the right to adjust rates upward or downward, if necessary, if system conditions change or unforeseen costs or benefits arise. Any change would not affect amounts paid prior to the change for monthly subscriptions. Chugach further reserves the right to adjust the rates for costs associated with the integration of the energy produced by the solar facility into the Chugach system.
- 12) The community solar program is a voluntary means to participate in a renewable energy program through enrollment which includes a commitment to pay the subscription price. Participating members acknowledge that the subscription payment and the energy production associated with the subscription may result in a higher cost per kWh than the cost per kWh from other generation sources. Chugach has made no warranty or representation, express or implied, that participating members may or will derive an economic benefit from its subscription. Participating members further acknowledge that Chugach makes no warranty or representation, express or implied, regarding the efficiency of the solar facility, or the amount of production credit, if any, that the participating member will receive during any billing period during the term.
- 13) Each subscribing member represents and warrants that he or she is (a) subscribing to the community solar program solely to receive energy credits as described in this tariff, not for investment or speculation, not with a profit expectation, and not with a view to the resale of any credit or other benefits and (b) aware that he or she does not have an interest in the solar facility.
- 14) Chugach makes no warranty or representation, express or implied, concerning the applicability or inapplicability of any federal or state securities laws on or in relation to the community solar program.

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