

Community Solar Project, Electricity Off-Taker
Letter of Intent
Acorn Energy Co-op and Town of Middlebury
Monday, June 23, 2014

The Acorn Energy Co-op (AEC) and Town of Middlebury (Town) collaborated in 2011 on establishing a solar PV project (Acorn Energy Solar One on the Police Station property), from which Town is an off-taker for one third of that project's production. We have briefly discussed AEC's interest in developing an additional solar PV project where Town would be the off-taker of the entire electric power production from a solar array to be located on an (as yet) unnamed site in Addison County. The combination of the site with the solar array and the dedicated off-taker will be known as the (Project).

The remainder of this Letter of Intent (LOI) sets forth the terms of a possible arrangement between AEC and Town. Once a final proposal has been presented by AEC with general terms acceptable to both parties, a definitive agreement would be drawn up for approval by both parties.

The Proposed Project

AEC is finalizing discussions with a number of site owners and will select one of these sites to be the location of the solar array that would be the dedicated supplier of power for the Project. The array will consist of approximately 650, south-facing, ground-mounted solar panels with a total rating of 150 kW. The Project will connect to GMP electric lines, and an accounting system will be set up to properly allocate the revenue from the power generated each month.

AEC agrees to:

- Select an option for financing and building the project at no cost to Town or the site owner
- Report back within thirty (30) days of signing this LOI (the proposal preparation period) identifying the selected building site, the approach for developing and building the solar array, and any further terms and conditions
- Provide ongoing liaison between Town and the selected developer to help resolve any questions that may arise during the implementation phase.

Town agrees to:

- Evaluate the proposal presented by AEC within thirty (30) days of receipt; such proposal would include:
 - No expense to Town
 - Entering into a 25 year agreement to serve as the off-taker for the Project and receive approximately \$1,500 to \$2,000 per year, a figure that will fluctuate due to GMP rate movements, varying solar energy produced, and changes to the “solar adder” (as proscribed by law).
- Provide limited assistance as the Project may require to evaluate prospects for implementation of the Project during 2014
- Not pursue other solar project options during the proposal preparation period.

Both Parties agree:

- That Town will have no financial or management responsibility for any aspect of the design, implementation, or operation of the Project
- To keep each other informed of any significant problems or issues that may arise during any phase of the Project
- To publicly refer to this agreement as an AEC Community Solar Partnership between Town and AEC
- To mutually approve any press releases describing the Project throughout the design, implementation, and operational phases
- That the agreement may be renewed for an additional period of time beyond 25 years, subject to the mutual agreement of the parties.

AGREED:

Town of Middlebury

Date

Acorn Energy Co-op (AEC)

Date