

## Solar For UUFCO

See below the chart of the bids prepared for UUFCO from E-Solar and Sunlight Solar. These are both companies that have installed solar on homes of members.

	<b>Sunlight Solar</b>	<b>E-2 Solar</b>
# Panels	147	192
Total Watts	49,245	
Inverter	Solectra	Fronius Symo
Est. Annual Prod.	57,674	69,929
Total Proj Cost	\$147,925	\$184,533
Energy Trust Reb	\$42,925	\$47,199
Date of Prop.	6/6/16	12/15/15
% UU Power Saved	50%	63%

Please note that a significant cost reduction in both proposals is due to a 30 % tax credit awarded to the owners of the panels. In the case of non-profits the tax credits are of no value in that non-profits pay no taxes, and I am told by the vendors that these credits cannot be sold.

Therefore I propose forming a separate investment group of members who front end the monies needed to pay for the installation costs. These investors can then use the tax credits against their federal taxes and can depreciate the equipment over 5 years.

My preliminary thoughts are as follows.

Entity:

- Probably a Limited Liability Corporation (LLC) let's call it Solar Friends of UUFCO.

Number of Members:

- For bookkeeping purposes I think it should be kept to approximately 10 individuals or couples.

Roof Lease:

- UUFCO would lease the roof to the LLC for the term the solar panels are owned by the LLC for \$1 per year.

Insurance:

- The LLC would insure UUFCO for damages to the roof as long as they own the panels.

Power Buy Back:

- The LLC would sell the power back to UUFCO at a rate to be determined and mutually agreed upon. Probably just enough to cover the annual overhead of the LLC.

#### Benefits to LLC Members:

- 30% Tax Credit against their federal income tax equal to 30 % of the amount they invest in the LLC.
- Members would receive modified accelerated depreciation for the solar panels proportionate to their percentage investment for 5 years.
- At some prearranged time Members would donate the remaining depreciable value of the panels to UUFCO and receive a charitable donation.

#### Benefits to UUFCO:

- This approach fulfills one of the stated purposes when developing the new building of being a good stewards and continuing to reduce the church's footprint on the earth.
- This would reduce UUFCO's electric consumption by approximately 50% based on the first year electrical usage.
- UUFCO would gain ownership of the panels at some predetermined time

#### Disadvantages to UUFCO:

- UUFSCO does not own the solar for some period of time.
- UUFSCO will need to have a roof lease prepared.
- Another entity will have the use of and access to the roof.
- Some additional accounting will need to be done to provide monthly kilowatt usage for accounting purposes.
- The investment group will consist of some members who can afford an arrangement like the one being proposed. This may cause some members to feel that there are different classes of UUFSCO members determined by their financial situations.
- One large tree will need to be removed.

Next Step:

The Board needs to assure me the one tree can be removed.

Give general approval of the idea outlined in this proposal.

I suggest you pass this idea by your attorney and insurance agent.

If anyone would like to actively work on this project with me, I would be pleased for the help and any additional ideas.

If the Board gives initial approval Sylvia and I are prepared to cover the preliminary costs for legal and accounting help.

With professional legal and accounting help I will determine the legal, and tax accounting feasibility of this approach. With this information I can develop a budget. I would then bring a developed proposal to the board for your approval.

I would then want to have the board's assistance in approaching members who might be willing and able to consider such an investment/donation.