

## A Closer Look at Lease & PPA (Power Purchase Agreement)



With a lease, the solar provider owns the system on your property and “rents” it to you for a set period of time. A solar provider will install the solar system on your home, and you will make scheduled monthly payments in exchange for all the electricity the system produces. A typical lease contract period is 20-25 years.

In a power purchase agreement (PPA), the solar provider owns the system on your property and sells you the electricity it generates. PPAs are similar to leases, except that instead of making a fixed monthly payment for the system, you typically pay for all the power the solar system generates (a fixed per-kilowatt-hour rate). The contract will specify the kilowatt-hour rate you pay in the first year and every year after that. This rate should generally be lower than your current electricity rate. A typical PPA contract period is 20-25 years.

- If you sell your house before the lease or PPA contract is over, you will have to pay the solar provider the remainder of the value of the lease or PPA or transfer the contract to the new property owner. Make sure you understand the specific contract terms, since buying out a lease or PPA can cost thousands of dollars.
- Payments for leases or PPAs will typically increase by a specified amount every year based on an “escalation clause” or “escalator.” Escalators are typically in the range of a 1 percent to 3 percent increase above the rate you paid in the previous year. Be cautious of entering into a contract with an escalator higher than that.
- There may be different ways to arrange leases and PPAs, such as paying more up front to reduce your monthly payments.

### Questions to Ask a Lender or Solar Provider About a Lease or PPA

What is the total cost of the solar system or solar energy over the entire course of the contract?

How much will I pay up front, how much over time, and for how long?

Will my payments increase over time? How much will they increase and how frequently?

Is there an option to make a down payment to reduce my monthly payments (for a lease) or kilowatt-hour rate (for a PPA)?

What happens if I wish to end the lease or PPA early?

If I end my agreement early, will I owe a balloon payment and/or an early termination fee? If so, how much will I owe?

Will a lease or PPA make it more difficult for me to sell or refinance my home?

Who will be responsible for monitoring, operations, and maintenance of the solar system?

# Learn About Electricity Bill Savings

## Electricity Bill Savings Estimates Do Not Guarantee Savings

Electricity bill savings estimates are educated guesses about how much you could save with rooftop solar. They are based on several uncertain factors. Here are some reasons why it's possible that your savings could be lower than the estimate:

- Your future energy use is uncertain. For example, if your family grows, you buy an electric vehicle, or you decide to turn up your air conditioning in the summer, your energy use will go up.
- If you sell your home, you could incur additional costs. For example, if a buyer doesn't want to take on a lease or PPA, you might have to buy out the contract, which could be thousands of dollars.
- Electricity prices and rates can change over time. Electricity bill savings estimates typically assume they will escalate, or rise, by a certain percentage each year (the CPUC has capped the assumed escalation rate at 4 percent for these estimates). Also, your electricity provider may require you to switch to a different rate plan in the future, which could change how much you save.
- Your solar system might perform slightly worse than the estimate assumed. For example, if your area is unusually dusty, the system could generate slightly less energy than estimated.



**Before you sign a contract, ask yourself:**

if the savings end up being lower than the estimated monthly or yearly savings, does getting rooftop solar still make sense to me?



## How Electricity Bill Savings Work

If you go solar, your electricity provider will enroll you in its Net Energy Metering (NEM) program. NEM allows you to get a financial credit on your electricity bill when your solar system sends electricity back to the grid after first powering the electricity needs at your house. Usually, this credit is approximately equal to the retail rate of energy. This means that you are credited on your bill about the same amount that your electricity provider would have charged you for electricity during that time.

## NEM and Your Electricity Bill

### Consuming and Exporting Electricity

Since the sun isn't always shining, solar customers also rely on electricity from their electricity provider. After your solar system is interconnected to the grid, your monthly electricity bill will summarize how much electricity you took in or "consumed," from your electricity provider, and how much electricity your solar system sent to the grid or "exported."

### Monthly Bill Charges, Credits, and Minimum Amounts

If you took in more than you sent out to the grid in any given month, you will see an overall charge on your bill. If you sent out more than you took in, you will see an overall credit. Typically, you will be able to carry forward credits to the next month's bill, and electricity usage charges will not be due until the end of a 12-month period. Note that many electricity providers require solar customers to pay a monthly minimum bill each month just like other customers. This minimum bill may change over time.

### Time-of-Use Rates

PG&E, SCE, and SDG&E solar customers are required to go on a time-of-use (TOU) rate plan. A TOU rate plan will charge different prices for electricity depending up on the time of day. Prices are typically higher between 4 p.m. and 9 p.m., called "peak" hours, and lower the rest of the day and at night during "off peak" hours.

## 12 Month Settlement Bill

Typically, at the end of a 12-month period, you will receive a settlement bill, also called a "true up" bill, that settles all the credits and charges. Even though going solar can reduce your electricity costs, most customers still owe some money to their electricity

provider at the end of the 12 months. See graphic to the right that shows an example of an electricity bill over a 12-month cycle for a solar customer.

Some electricity providers give you the option to pay your settlement bill monthly instead of annually. If you choose the monthly option, your payments will be more evenly distributed over the course of the 12 months, and you will not have to worry about paying a potentially large bill once a year. Be clear with your solar provider if you want the monthly option and double-check with your electricity provider that the correct option was chosen.

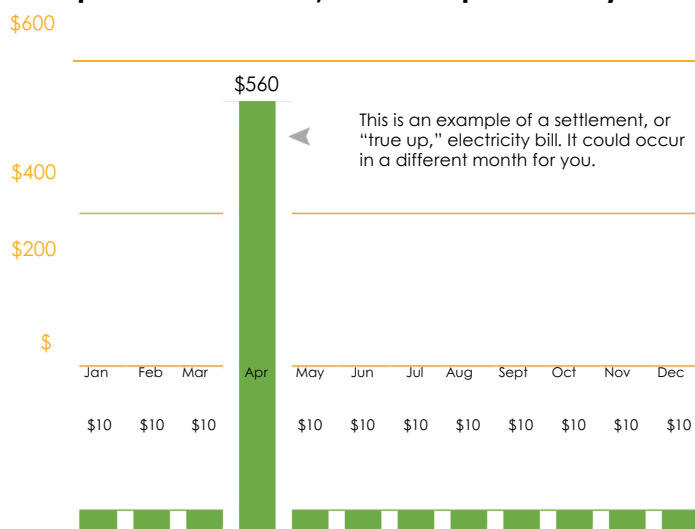
Though it's rare, if you sent out more electricity than you took in over the course of the 12-month period, you are typically eligible to be paid "net surplus compensation," which is around 2 to 3 cents per kilowatt-hour. Because this rate is lower than the retail rate, it is generally not in your financial interest to install a solar system that produces more energy than you would use over the course of a year.

Currently, PG&E, SCE, and SDG&E customers are guaranteed NEM for 20 years from the time their solar system starts operating. Your electricity rate, however, is subject to change. Go to [www.cpuc.ca.gov/electricrates](http://www.cpuc.ca.gov/electricrates) for more details on how electricity rates work.

If you still have questions after reading this section, you can find help at the additional resources on pages 20-21 of this guide.



### Example Of A Settlement, Or "True Up" Electricity Bill







### Getting Environmental Credit for Going Green

When a residential solar system produces electricity, the system is eligible to receive Renewable Energy Certificates (REC). If you purchase your solar system, you own any RECs created. If you enter a lease or PPA, ask your solar provider who will own the RECs, and check the contract fine print.

Solar system owners may sell the RECs they generate.

System owners would need to qualify for the Western Renewable Energy Generation Information System (WREGIS), which issues and tracks RECs. Please visit the WREGIS FAQ at [wecc.org/WREGIS/](http://wecc.org/WREGIS/) for more information.



### Combining Solar with Storage

When you install battery storage with your solar system, you can store excess solar electricity produced by your panels for use in the evening when the sun goes down. The software that comes with battery storage automatically determines whether to store the extra energy or export it to the grid to maximize cost savings. Battery storage can also provide limited back-up power.

The state-funded Self-Generation Incentive Program (SGIP) provides financial incentives to install storage. See [cpuc.ca.gov/sgip](http://cpuc.ca.gov/sgip) for more details on SGIP.



## Taking Charge of Your Energy

**\$0**

Upfront Payment

**\$0.278**

Cost Per kWh  
(solar rate per kWh)

**\$360.82**

Estimated Monthly Bill Year 1  
(solar + storage)

With this agreement EverBright provides you the following



We will maintain the System and make repairs at no additional cost to you.



We use a web-enabled performance platform to monitor your System at no additional cost to you.



We provide a simple process for transferring the agreement to a new homeowner if you sell your home.

### Your System is designed to save you money

**7.800 kW**  
System Size

**11,042 kWh**

Estimated Year 1 Production

**9,180kWh**

Estimated Annual Usage

**119.05%**

Estimated Offset

Your estimated 1st year of solar production equals

**12,477** pounds of coal burned



**About EverBright:** Energy is everywhere. Enjoy it without limits. EverBright empowers you to take control of your energy, eliminate uncertainty, and save money by producing and storing your electricity. At EverBright, we believe you should have the freedom to choose how and when you enjoy your energy.



## Power Purchase Agreement: Part I – Payment Terms & Summary

This Power Purchase Agreement (“Agreement”) is given to you by EverBright, LLC (together with its successors and assigns, “EverBright” or “we”, “us”, or “our”). Under the Agreement you agree to buy and we agree to sell all the electric energy generated by a solar power system that we will own (the “System”), to be installed at your home (the “Property”) as described more fully in Part II – Terms and Conditions (“Part II” or “Standard Terms”) of the Agreement. The System will also include an energy power storage system (i.e., “battery”) that you will pay a separate monthly payment for. This Part I provides answers to some important questions you may have regarding the terms of the Agreement. The answers to the questions below in this Part I are not intended to answer all questions you may have about the Agreement, and only summarize certain terms of the Agreement. Please read the entire Agreement carefully.

### Customer’s name & service address:

Property Owner (Customer):  
JOSEPH D LUNA

Property Address:  
10634 SANFRED CT  
SANTEE, CA 92071

Customer 2 (if any):  
MANDI S LUNA

Owner Contact Information:

Customer:  
Phone: 619-7840833  
Email: MANDI.LUNA33@GMAIL.COM

Customer 2 (if any):

Phone: 4358400833  
Email: MANDI.LUNA33@GMAIL.COM

### Payment Terms:

Total Monthly Payment:*	\$366.82
Solar cost per month:	\$255.80
Battery cost per month:	\$111.02
Annual Percentage Increase: (the “Annual Increase”)	3.5%
*Plus applicable taxes and fees, if any.	

### What services will we provide?

- We will insure, monitor, operate, maintain, and repair the System at no cost to you.
- We will bill you monthly for each month of the Term.

### Can you end the Agreement early?

- The Term of the Agreement is 25 years. You are agreeing to buy all energy generated by the System through the Term and any renewals. The only ways to end the Agreement early are if you sell your home or if you purchase the System as described in Part II, Section 8 of the Agreement.

### What happens at the end of the Term?

- You may purchase the System as described in Part II, Section 8 of the Agreement; or
- You may ask us to remove the System at no cost to you, as described in Part II, Section 10(c) of the Agreement; or
- The Agreement may automatically renew for up to ten (10) one-year renewal terms as described in Part II, Section 10(a) of the Agreement.

### What happens to tax credits, incentives, renewable energy credits and other benefits associated with the System?

- We will own all federal, state, and local tax credits, incentives, renewable energy credits, green tags, carbon offset credits, utility rebates or other attributes of the System; including renewable energy certificates and any similar environmental attributes associated with the electricity output from the System.



**What happens if you want to sell your home?**

You have three options if you sell your home as described in Part II, Section 7 of the Agreement:

- ✿ Assign this Agreement to the buyer of your home if the buyer agrees to assume the obligations herein and either passes our credit criteria or pays a \$250 credit check exemption fee; or
- ✿ Purchase the System from us; or
- ✿ Prepay all monthly payments through the remaining term of the Agreement, in which case the buyer would not have to pass our credit criteria or pay a credit check exemption fee and would have no additional payment obligations under the Agreement.

**The Payment Terms outlined above are only valid if you sign and return the Agreement to us within thirty (30) days of July 16, 2024, which may be extended at our sole discretion.**

**By signing this Agreement in Section 31, you agree that you:**

- ✓ Have read the entire Agreement including any/all Exhibits;
- ✓ Agree to all the terms of the Agreement and the Exhibits, including without limitation the arbitration provisions in Part II, Section 21 of the Agreement;
- ✓ Are eighteen (18) years of age or older;
- ✓ Unless signing as a co-signer, are either a United States resident or are not exempt from paying Federal U.S. income taxes;
- ✓ Are the owner of legal title to the home and that every person or entity with an ownership interest in the home has agreed to be bound by the terms of the Agreement;
- ✓ Have understood that EverBright has the right to obtain and use your consumer report;
- ✓ Agree that EverBright will make a final determination of your eligibility in its sole discretion;
- ✓ Acknowledge that you are responsible for making all payments under the terms of this Agreement;
- ✓ Acknowledge that EverBright will communicate with you via email and that you must maintain a working email address in order to receive these communications;
- ✓ Acknowledge that you are responsible for all obligations set forth in Part II, Section 6.
- ✓ Acknowledge that you will continue to receive a monthly bill from your local utility;
- ✓ Acknowledge that the System includes one or more batteries and that there are additional risks associated with installation and operation of batteries in your home, including increased risk of fire;
- ✓ Acknowledge that the System is owned by EverBright and/or its assigns; and
- ✓ Acknowledge that you have been advised of your right to cancel this Agreement.

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EXHIBIT C TO SOLAR INSTALLATION AGREEMENT

DESCRIPTION AND CATALOG OF SYSTEM AND SYSTEM COMPONENTS		
Make and model of the solar panels and inverters, and energy storage if applicable: 20xEnphase Energy IQ8PLUS-72-2-US [240V] 20xCanadian Solar CS6R-390MS 2Enphase Energy IQ Battery 5P	System size: 7.800kW	Estimated first-year energy production: 11,041.79 kWh





Battery “Wish List”

Please let us know which battery option you prefer. This form does not guarantee we can back up these breakers. With wholehomeback-up, please be aware that all loads cannot be run at the same time. Any breakers larger than these maximum sizes must be turned off during a power outage; 2 Enphase 5Ps: 40amps, 3 Enphase 5Ps: 60amps.

NO Back-Up: Battery will be used to store energy for use when the

electricity. Customer is aware that THIS BATTERY SETUP WILL NOT PROVIDE POWER TO THE HOME DURING A UTILITY POWER OUTAGE.

Partial Home Back-Up

Back-up of small loads: light fixtures, outlets, small appliances, refrigerator, computers, TV



X Whole Home Back-Up

Back-up of larger loads: dishwasher, dryer, electric oven, AC (may require “soft start”)



Partial Home Back-Up List: 6 standard breakers included with back-up battery	
1	master bedroom lights and plugs
2	kitchen lights and plugs
3	HVAC
4	
5	
6	
7	
8	
9	

Whole Home Back-Up: Circuits NOT to be backed up (OR an a Load Controller)	
1	
2	
3	

Ideal battery location is alongside the main service panel. Batteries cannot be under a first-floor window, within 3' of a gas riser, above uneven surfaces, above other electrical equipment, or any location that does not provide 6' minimum height from ground to ceiling. Certain jurisdictions have stricter requirements. Battery regulations frequently change even after a permit is approved and sometimes at the time of install. Please be prepared for unexpected changes to the install plan as this is a new technology. If you have multiple batteries they will not always be in sync and they may charge and discharge at different rates.

Signature: 

DocuSigned by:  
JOSEPH D LUNA  
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Date: 7/17/2024