

University Park Community Solar LLC
Annual Summary of Operations
For Year 2014
March 21, 2015

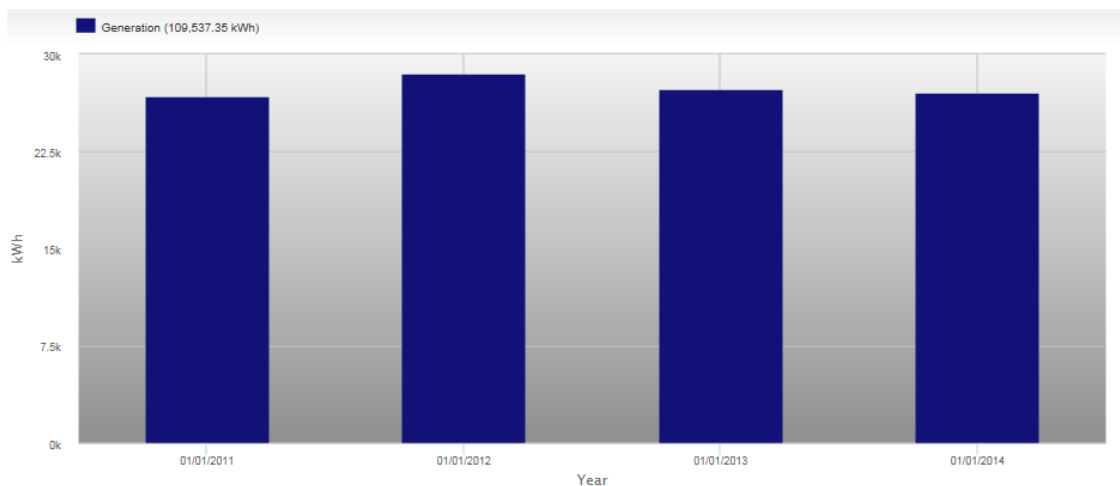
University Park Community Solar LLC has been generating clean renewable electric power since July 22, 2010. This status report has been prepared for our 35 members for calendar year 2014.

Power Production:

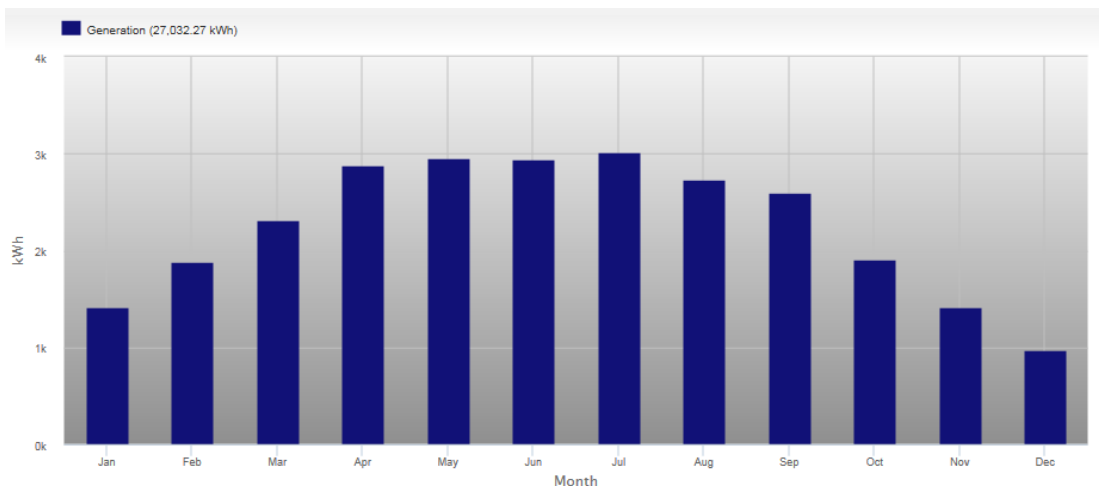
As of December 31, 2014, UPCS LLC has generated 121,010 kWh since commissioning the 22.8 kW solar facility in July 2010:

11,473 kWh from July 22, 2010 thru December 31, 2010
26,732 kWh in calendar year 2011
28,487 kWh in calendar year 2012
27,286 kWh in calendar year 2013
27,032 kWh in calendar year 2014

In our initial business plan, we estimated 111,298 kWh in the first four calendar years (2011-2014) with an average decrease of solar production of 0.5% per year. Actual production was 109,537 kWh for those four calendar years:



For calendar year 2014, our 99 solar panels show July to be the most productive month for solar generation, although in the past three years April and September were the prime months:



Distribution of the Power

The Church of the Brethren continued to meet all of its electricity needs with the excess generation being fed into the Pepco grid. At the end of 2014, the Church's net meter measured 28,320 kWh into the grid of a total of 121,010 kWh generated since July 2010. Thus, since July 2010, the Church has consumed 92,690 kWh of solar generated electricity with the balance of 28,320 kWh flowing into the grid.

In April of each year, Pepco reimburses the Church (the generator customer) for the yearly excess at the wholesale Pepco rate of about 9 cents per kWh. In 2014, Pepco paid \$628.45 for the outstanding excess to the Church and, in turn, pays the LLC for the excess by the terms of the PPA.

Summarizing the Pepco reimbursements:

\$887.31 for excess beginning July 22, 2010 and paid April 2012

\$579.83 for excess paid April 2013

\$628.45 for excess paid April 2014

Financials for 2014

Pursuant to the PPA, the Church and UPCS LLC annually true-up the books in August since the Church pays in advance \$800 every three months (\$3200 a year), and does not consume and pay for the excess flowing into the grid. In August 2014 (reconciliation), for the previous 12 months, the LLC sold to the Church of the Brethren 17,989 kWh @ \$0.145/kWh = \$2608.40. In addition, as stated, we received a check of \$628.45 from Pepco for the excess electricity generated April 2013 thru March 2014 as specified in the state net metering law. Summing, the LLC received \$3,236.85 from the sale of electricity in 2014.

The LLC's other source of revenue is solar renewable energy credits (SREC's). We sold 27 SRECs in 2013-14 for \$3,479.38 at \$129 per SREC after paying a 5% broker fee. Again, summing, the LLC received \$6,716.23 in 2014.

The LLC is expected to produce 28 SRECs per year since our design annual generation is about 28,000 kWh. As of December 2014, the LLC accumulated 114 SRECs since startup. We have sold all 114 SRECs for \$19,766.19 (\$173.39 per SREC). The market price for SRECs has been around \$135 per SREC for the last few years.

Operating costs for 2014 included property and liability insurance, Maryland personal property tax, and tax preparation by our CPA totaling \$2,400. To pay the operating costs, we will need to continue selling SRECs in the near future even at current price levels.

As of March 21, 2015, the LLC has \$9,013.41 in the Capital Bank checking account. There are no outstanding bills. The Board decided not to issue a dividend return this past year in order to boost reserves for replacement of the inverters (or other contingencies) that was considered in the initial business plan.

To date, UPCS LLC has returned \$65,000 to members comprised of \$40,000 (the Federal Grant), and dividend returns of \$12,000, \$7,000 and \$6,000 in 2011, 2012, 2013 respectively. Each member has thus received \$500/\$1000 or 50% of his/her contribution to the \$130,000 cost of the solar project.

Other Impacts/Events - Tangible and Intangible

The Church is currently paying the LLC 15 cents per kWh pursuant to the PPA. In 2013, the rate was 14.5 cents, 14 cents in 2012, and previously 13 cents in 2011 and 2010.

Our CPA Richard Simonen electronically filed UPCS LLC's Federal and State tax returns in January as required by law. In addition, each member should have received a K-1 Statement by mail from him in January. No dividend distribution appears in the K-1 since the LLC did not issue dividends in 2014.

This is the fifth and final year that UPCS LLC is required to report to the Department of Treasury the operational, financial and ownership status of the solar facility because of the \$40,000 grant received in 2010. (The end of the fifth commercial operation year is in July.) Further, the PPA allows the Church the option to purchase the facility at the fair market value after the seventh year.

As of March 19, 2015, the facility has generated 125,729 kWh since being energized in the summer of 2010. Conventional grid supplied electricity in this region releases about 1 pound of CO₂ / kWh produced; therefore, 136,919 lbs of Carbon were not released to the environment because of our clean energy production (1.089 pounds of CO₂ per kWh x 125,729 kWh). Also, the solar facility has prevented some air pollution associated with the generation of the electricity production for this region, namely sulfur dioxide and nitrogen oxides, associated with acid rain and ground level ozone, an unhealthy component of "smog."