



**Greenbelt Community Solar Annual Report and Financial Statement
Calendar Year 2016**

Table of Contents

1. The Year in Review2
2. Balance Sheet4
3. Profit and Loss Statement5
4. Goals Reached5
5. Thanks and Kudos5
Greenbelt Community Solar Management Committee:5

Issued by Authority of the Management Committee:

Jerry Bonnell, Shalom Fisher, Frank Gervasi, Robert Kessel, Beth Leamond, John Mason, Cathie Meetre,
Luisa Robles, Lore Rosenthal



1. The Year in Review

The Array: The 9-by-10 array of 245-watt panels was installed on the Greenbelt Baptist Church in 2011, each panel fitted with a micro-inverter, for a total of 90 panels and a system size of 22.05 kW. The modeling of the array projected that it would produce approximately 40% of the church's annual electricity consumption. Calendar year 2016 was the fifth full year of operation.

Array Performance: The solar array performed well and functioned as anticipated.

The array was much more stable than in previous years and some improvements in cabling seem to have prevented the drops in reporting we saw previously.

The actual production of electricity by the array for the entire 2016 calendar year is shown in **Figure 1**. Substantial dips in late January represent low points for electricity generation from the snow-covered array.

The total electrical energy produced for 2016 was 25.7 MWh (megawatt-hours). The table at right shows current and previous performance.

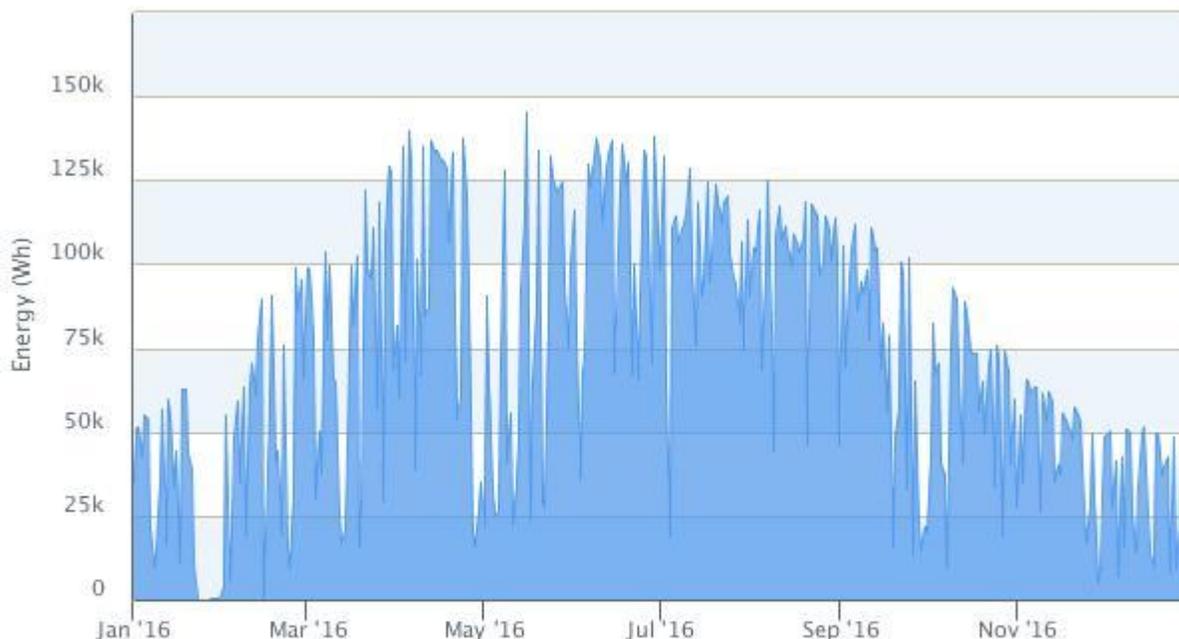
The current performance is consistent with weather related effects and the expected degradation of the array with age.

The array performance can be viewed on the web in real time at the following URL:

Year	Energy Produced (megawatt-hours)
2016	25.7
2015	24.3
2014	25.5
2013	25.7
2012	27.4

<https://enlighten.enphaseenergy.com/public/systems/ddAZ51813>

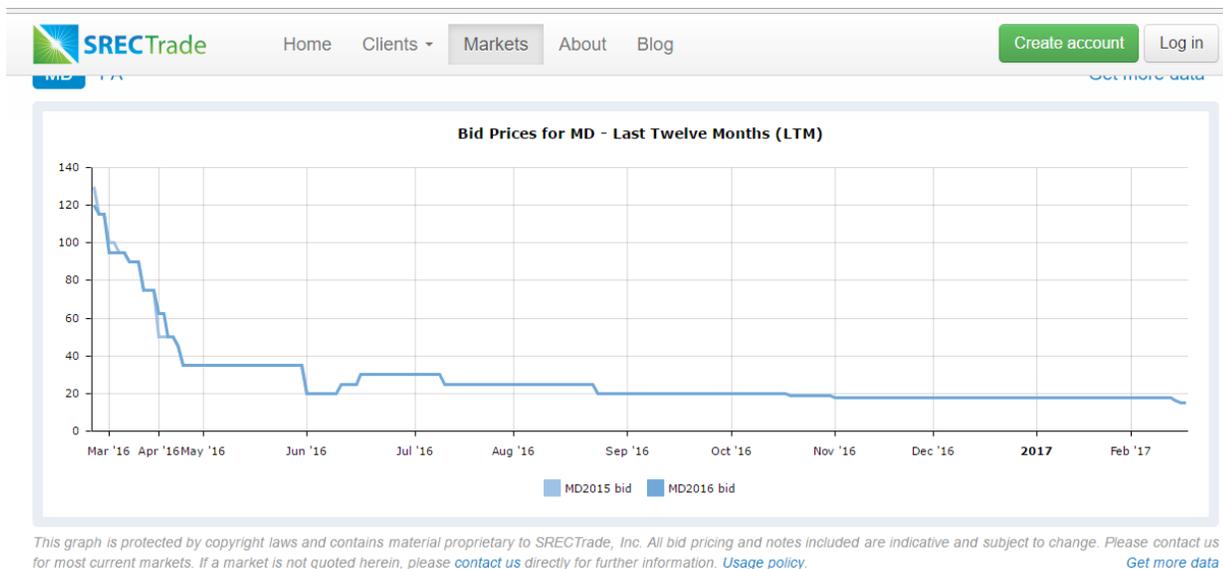
Figure 1. Summary data on array productivity for 2016. Total Energy Produced: 25.7 MWh





Electricity Sales: The power purchase agreement with the church remains in effect. In 2016 the rate increased from \$0.150 to \$0.155 per kWh. We continued to bill quarterly to reduce administrative costs. Payments made by the church in 2016 include the last quarter of 2015 and the first three quarters of 2016 for a total of \$3,892. This 2016 income, less expenses, was put toward the normal end-of-year distribution to members.

Solar Renewable Energy Credits (SRECs): Our broker, Direct Energy, sold 23 SRECs at \$137.5 per unit in February 2016 during a year when prices slid rapidly downward as shown in the graph below. The total SREC sales amount in 2016 was \$3,162.5 and was applied toward the 2016 end-of-year distribution to members. Distributions shown on the 2016 statements were income distributed in 2016 that was earned in 2015. The current value of an SREC is under \$20.



Distributions of Income: The 2016 year-end distribution of \$4,800 represented income from the sale of solar electricity and SRECs minus operating expenses for 2016. It is combined with the January 2016 distribution of 2015 income and expenses on the 2016 Profit and Loss statement. The total shown on the P&L statement is \$7,097. This number is not the same as reported on member K-1 notifications due to the inclusion on the K-1 of depreciation. Because this income is defined as 'passive' we can only take the loss to the extent of income, resulting (for most people) in a zero effect on taxes. Untaken depreciation continues to accumulate to offset future gains. The current bank balance is \$3,071.74 (as of February 2017) and represents a low water mark. The balance will increase as payments are received from the church.

Potential Exit Strategy: During the year, the Committee decided to investigate the possibility of selling the array to the Baptist Church. Although this investigation has not progressed very far, the idea itself seems to have gained traction due to the ever-extending pay-back period (originally estimated at approximately seven years) that now approaches or exceeds 20 years based on the assumption that the current depressed value of SRECs is unlikely to recover. The conclusion was reached by the Management Committee that if a price satisfactory to all parties could be identified, the Baptist Church would benefit and Greenbelt Solar could almost break even without many years of operation that provide little additional benefit to the LLC. This is obviously a concept that will require discussion by and the backing of members to prevail.

In order to fold up the LLC, some changes will need to be made in the bylaws by the membership because the current bylaws require the approval of all members to close down the LLC and we are already out of touch with some of them.



3. Profit and Loss Statement

The profit and loss statement shows that GCS did not make a profit on its operations after accelerated depreciation of the array is considered as allowed by Federal tax rules. The losses due to depreciation this year are partially offset by revenue. The reported monthly electricity sales numbers reflect quarterly billing. Total income reported from sale of SRECs was \$3,163 and electricity sales were \$3,892 for a total of \$7,055. This was more than 2015 because few SRECs were sold in 2015. SRECs were sold relatively early in the year, before their market value took a steep and sustained dive. Accounting, insurance and Maryland fees are inescapable and represent over half the revenue from energy production.

2016 Profit and Loss:

8:01 PM
02/01/17
Cash Basis

Greenbelt Community Solar LLC Profit & Loss/Cash Flow January through December 2016

	Jan - Dec 16	Jan - Dec 15	\$ Change
Ordinary Income/Expense			
Income			
Electricity-	3,892	3,616	276
SHREC sales	3,163	1,693	1,470
Total Income	7,055	5,309	1,746
Expense			
Accounting & Tax Preparation	996	1,000	-4
Depreciation-Solar Panels	7,901	7,900	1
Office/Admin Expenses	2,365	1,183	1,183
Total Expense	11,262	10,083	1,180
Net Ordinary Income	-4,207	-4,774	567
Other Income/Expense			
Other Expense			
Distributions			
Total Distributions	7,097	0	7,097
Total Other Expense	7,097	0	7,097
Net Other Income	-7,097	0	-7,097
Net Income	-11,304	-4,774	-6,530

4. Goals Reached

We have successfully navigated a fifth full year of operation with steady energy production. The sale of SRECS has been disappointing with no relief in pricing in sight or likely.

5. Thanks and Kudos: The Management Committee wishes to thank its members, its Baptist Church customer, and all those whose energy and commitment continue to make this a successful community venture. It's nice to know that when you do the right thing, it can actually pay off for everybody!

Greenbelt Community Solar Management Committee:

Bonnell, Jerry; Fisher, Shalom; Gervasi, Frank; Kessel, Robert; Leamond, Beth; Mason, John; Meetre, Cathie; Robles, Luisa; Rosenthal, Lore.

Former Committee Members: Lindner, Steve (2011-2014); Barish, Dale (2011); Skolnik, Steve (2011-2015)