



**Greenbelt Community Solar Annual Report and Financial Statement
Calendar Year 2012**

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Issued by Authority of the Management Committee

Steve Skolnik, Chair

Jerry Bonnell, Treasurer



1. The Year in Review

Installation and Generation: After a very successful fund-raising effort and a lot of work, the array was completed by Astrum Solar in December of 2011, in time to be eligible for the 30% Federal grant (which required construction to start in 2011). We used U.S.-made panels to help support the American solar industry. A 9-by-10 array of 245-watt panels was installed, 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 this would produce approximately 40% of the Greenbelt Baptist Church's annual electricity consumption. The actual production of electricity by the array for the entire 2012 calendar year is shown in **Figure 1**. The total electrical energy produced for 2012 was 27.4 MWh (megawatt-hours).

Power Purchase Agreement: On July 28, 2011, Greenbelt Community Solar (GCS) entered a power purchase agreement (PPA) with host Greenbelt Baptist Church in an example of a win-win-win community effort — GCS, the church and the environment. The PPA covers the supply of electricity to the church for a multi-year period, establishes rates and describes the responsibilities of the parties to the agreement.

Array Performance: The solar generating system was switched on and started generating electricity on December 30, 2011. We began billing the church for solar electricity on January 1, 2012. Since then all panels have performed flawlessly, with no maintenance requirements or concerns. Pepco eventually began billing the church correctly, and the church's receipt of solar versus utility electricity has met or exceeded expectations. The church has been an excellent customer — paying its bills in a timely manner. The performance of the solar array can be monitored at this public URL:

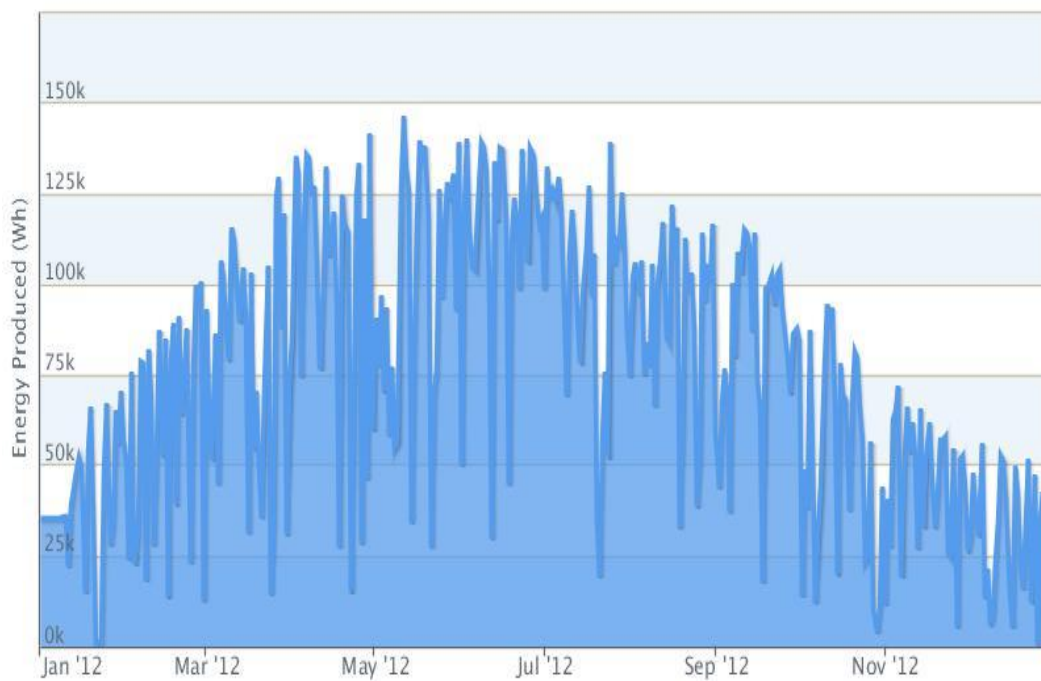
<https://enlighten.enphaseenergy.com/public/systems/ddAZ51813>

Solar Renewable Energy Credits (SRECs): The major downside news this year is the continuing rapid loss of value for SRECs. Because solar energy has become so popular – exceeding growth expectations significantly - and because Maryland energy producers can buy SRECs wherever they want – the auction price for Maryland-generated SRECs slid from approximately \$250 to a low of \$140 at the end of 2012. There is activity in the Maryland legislature and lobbying efforts by solar activists to try to fix this problem by changing the basis for SREC purchase/valuation but no immediate action or correction is anticipated. Astrum Solar is our broker for the SRECs and did not sell any in 2012. As a result, no income from SREC sales is shown on the 2012 Profit and Loss Statement. (Update: In March of 2013 Astrum Solar brokered 25 of a possible 27 SRECs accumulated by GCS through December 2012. The price per SREC was \$189.95 for a total earnings of \$4,748.75. This amount is 2013 income and will be included in the normal end-of-year distribution to members.)

Distributions of Grants and Income: We successfully obtained Maryland Clean Energy and Federal grant money, \$10,800 and \$34,020 respectively, that offset our initial investment. This cash was returned to members as a distribution in July of 2012. This grant money is considered a return of members' initial contribution and is not taxable. Separate from the return of grant money, a second distribution to members in December 2012 represented income from the sale of solar electricity for \$3,839.



Figure 1. Summary data on array productivity for 2012. Total Energy Produced: 27.4MWh





2. Balance Sheet

This 2012 cash balance sheet was prepared by Richard Simonen, the GCS accountant. It shows a financially healthy operation with reserves of approximately \$17,000. With a full year of operation under our belt that demonstrates a low risk of unexpected expenses, the Management Committee will be considering lowering the level of our reserves — potentially resulting in a further return of capital to members.

2012 Cash Balance Sheet:

		Dec 31, 12	Dec 31, 11	\$ Change
ASSETS				
Current Assets				
Checking/Savings				
	M&T Bank XX9649	16,960	54,120	-37,160
	Total Checking/Savings	16,960	54,120	-37,160
	Total Current Assets	16,960	54,120	-37,160
Fixed Assets				
	Acc. Depreciation-Solar Panels	-13,716	0	-13,716
	Solar Panels-Greenbelt Baptist Church	68,580	79,380	-10,800
	Total Fixed Assets	54,864	79,380	-24,516
	TOTAL ASSETS	71,824	133,500	-61,676
LIABILITIES & EQUITY				
Equity				
	Opening Balance Equity	133,500	133,500	0
	Net Income	-61,676	0	-61,676
	Total Equity	71,824	133,500	-61,676
	TOTAL LIABILITIES & EQUITY	71,824	133,500	-61,676



3. Profit and Loss Statement

The profit and loss statement shows that GCS did not make a profit on its operations, after depreciation of the array is considered. Federal tax rules allow us to take accelerated depreciation of the array. The losses due to depreciation this year are offset ONLY by income from the sale of electricity, which was approximately \$3,800 in 2012. No income was realized from the sale of SRECs in 2012. In July, members received distribution checks representing a return of Maryland Clean Energy and Federal grants. In December members received checks representing the income from the sale of solar electricity. (Note that the check amount was not the amount for a member's tax return as income from GCS.)

A members' taxable income from GCS has to take into account depreciation of the array (its reduction in value as it ages) as an offset against the cash from electricity sales. This net amount was reported to each individual member on a K-1 form prepared by our accountant. K-1 forms mailed in late January, show each member's reported share of the GCS income – expected to be a negative number, i.e. a loss, because of the depreciation. Example instructions for filing the information with a 2012 tax return were supplied by our accountant.

2012 Cash Profit and Loss:

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	TOTAL
Ordinary Income/Expense													
Income													
Electricity-	0	0	434	357	439	450	496	448	412	368	0	435	3,839
Total Income	0	0	434	357	439	450	496	448	412	368	0	435	3,839
Expense													
Bank Fees	-25	0	0	0	0	0	0	0	0	0	0	0	-25
Business License & Assessments	0	0	0	300	0	0	0	0	0	0	0	0	300
Depreciation-Solar Panels	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	13,716
Insurance-General Liability	999	0	0	0	0	0	0	0	0	0	873	0	1,872
Office/Admin Expenses	218	459	306	0	0	0	0	0	0	0	0	0	983
Total Expense	2,335	1,602	1,449	1,443	1,143	1,143	1,143	1,143	1,143	1,143	2,016	1,143	16,846
Net Ordinary Income	-2,335	-1,602	-1,015	-1,086	-704	-693	-647	-695	-731	-775	-2,016	-708	-13,007
Other Income/Expense													
Other Expense													
Distributions	0	0	0	0	0	0	44,820	0	0	0	0	3,848	48,668
Total Other Expense	0	0	0	0	0	0	44,820	0	0	0	0	3,848	48,668
Net Other Income	0	0	0	0	0	0	-44,820	0	0	0	0	-3,848	-48,668
Net Income	-2,335	-1,602	-1,015	-1,086	-704	-693	-45,467	-695	-731	-775	-2,016	-4,556	-61,675



4. Goals Reached

We are proud that GCS has achieved its ecological and social goals. We have emphatically demonstrated that a committed and environmentally aware citizenry can band together to accomplish a successful environmental outcome. Regardless of where the fiscal chips may fall, GCS has successfully installed a large solar array on a public building and is converting free sunshine into electricity, saving the Baptist Church money, making a small but symbolic dent in our consumption of fossil fuels and reducing the size of our carbon footprint.

In the process we have learned a lot. We have grown a community spirit. We have harnessed the sun's energy, and we have placed another brick firmly into Greenbelt's community infrastructure.

5. Thanks and Kudos

The Management Committee wishes to thank the members with technical savvy who researched requirements, evaluated products, worked on design and installation, and negotiated with contractors. We also thank those who organized meetings, dealt with money, chimed in and turned out. We thank the Greenbelt Baptist Church for being forward looking and for having the faith and courage to subject their roof to our project. Lastly we acknowledge and thank the GCS members – each of whom contributed hard-earned cash to fan this ember into a flame without the expectation of riches or the promise of profit – simply because it was the right thing to do.

Greenbelt Community Solar Management Committee:

Bonnell, Jerry
Fisher, Shalom
Gervasi, Frank
Lindner, Steve
Mason, John
Meetre, Cathie (new in 2012)
Robles, Luisa (new in 2012)
Rosenthal, Lore
Skolnik, Steve

Former Committee Members

Barish, Dale (2011)
Kessel, Robert (2011 - Oct 2012)