Memorandum of Understanding (MOU):

([Grantee] Solar for Schools Project SFS24-XXXX)

This MOU establishes a mutual understanding between potential Solar for Schools grant recipient, [insert school and district name or state college or university name], ("Grantee") and [electric utility serving Grantee] ("Utility") regarding Grantee's installation of a solar photovoltaic system ("System") made possible, in part, by the Solar for Schools grant program ("SFS") under Minnesota Statutes § 216C.375. The intent of this MOU is to allow Utility the opportunity to provide input and clarity related to the below listed topics, assisting with the accuracy, and streamlining of the System procurement and installation process. This MOU does not create or replace any existing rates or tariffs currently in effect as established by Utility.

SFS was established by the State Legislature in 2021 and designed to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing the cost, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum. The Minnesota Department of Commerce developed and administers SFS for schools outside of Xcel Energy Territory (Minn. Stat. § 216C.375).

Utility and Grantee mutually understand that:

- the intent of financial information submitted here is to inform Grantee's financial modeling of the System;
- the assumptions utilized in financial modeling of the System have significant impact on the projected lifetime cashflow and subsequent overall value of the System;
- Utility rates are regulated, and customers, including Grantee, have the ability to provide input;
- future changes to Grantee's electric rate and tariff cannot be precisely predicted, however, Utility may be able to improve financial modeling due to knowledge about its power supply and other utility costs which influence Grantee's electric rate; and
- the information submitted here is true and accurate to the best of Utility's knowledge.

[Check All] System Interconnection:

☐ Utility has reviewed the SFS System contract with Grantee selected solar developer and/or has engaged in discussion(s) with Grantee pertaining to the SFS System contract with Grantee selected solar developer.
☐ As the SFS System is shown to be designed and financed, Utility, as of the date under Utility's signature below, does not foresee any issues that would prevent System interconnection from proceeding.

[Check One or More] Electric Rate Escalator Assumption:

☐ Utility Submits the Following Average Historical Commercial Electric Rate Increase: [Insert the average annual commercial $/kWh rate increase for a minimum of 10-year historical period; and/or a list of the average commercial $/kWh rate per year for a minimum of 10 years]
☐ Utility Submits the Following Future Forecasted Commercial Electric Rate Increase: [Insert, for a 10+ year future forecast, the expected average annual commercial $/kWh rate increase]
☐ Based on the above submitted historical and/or future forecasted commercial electric rate escalations, Utility recommends Grantee use the following average annual $/kWh rate increase to inform the financial modeling of the System for the next 25 years of energy production: [Insert Utility recommended annual $/kWh commercial rate escalator for a 25-year period, with additional explanation as necessary]

[Check One] System Impact on Grantee Electric Tariff:

☐ With current System design, in combination with known historical or project Grantee electricity use, Utility does not foresee that the interconnection of the System would result in Grantee transitioning to an alternate electric rate or tariff.

☐ With current System design, in combination with known historical or project Grantee electricity use, Utility does foresee that the interconnection of the System would result in Grantee transitioning to an alternate electric rate or tariff. [list the $/kWh of the old and new electric rate or tariff and describe, as necessary, the impact that this rate or tariff change may have financially on the System's value or Grantee electric bills]

☐ Utility unable to determine this based on the following factors. [list factors resulting in this selection]

Utility's authorized representative

Signature _____

Name _____

Title _____

Date _____

Grantee's authorized representative

Signature _____

Name _____

Title _____

Date _____