

Solar For Schools FAQ

1. What is the purpose of the Solar for Schools Program?

The purpose of the Commission's Solar for Schools Program is to create bill savings for the state's Public K-12 School Districts while simultaneously incentivizing the buildout of Distributed Generation Facilities.

2. Which school districts are eligible to participate in the Mississippi Power Solar for Schools Program?

Only Public K-12 School Districts recognized by the Mississippi Department of Education and provided electrical service by Mississippi Power Company (the Company).

3. Which Public School District facilities can be included in the solar system sizing capacity determination?

Only meters at facilities that are directly managed by a Public School District and served by the Company can be included in solar system capacity determination calculations.

4. How is the solar generation capacity per Public School District determined?

Solar system capacity shall be based on the lessor of 110% of the aggregate annual peak demand of the school district's meters served by the Company, or 3 MWDC.

5. Is there a cap on participation?

Yes, the aggregate cap applicable to all Solar for Schools Facilities and renewable distributed generation combined is approximately 46 MW, which represents 3% of the Company's retail peak demand during the 2022 calendar year.

6. How is the aggregate cap calculated?

The total capacity (as measured in MWDC) of all participating school districts shall be combined with the total recorded capacity associated with the Commission-approved Renewable Energy Net Metering program, and other programs, as applicable, to determine if distribution level solar capacity equals or exceeds 3% of the Company's retail peak demand.

7. What is a Solar for Schools Agreement?

The Solar for Schools Agreement is a contract that reflects the Public School District's selection of a Third Party Solar Developer to construct, own and operate a solar generating facility and establishes the agreed upon revenue disbursements from the Company to the Public School District and the Third Party Solar Developer.

8. What is a Power Purchase Agreement (PPA)?

It is a contract between two parties, one which generates electricity (the seller) and one which is looking to purchase electricity (the buyer). The PPA defines all commercial terms for the sale of

electricity between the two parties, including when the project will begin commercial operation, schedule for delivery of electricity, payment terms, and termination. A PPA is the principal agreement that defines the revenue and credit quality of a generating project and is thus a key instrument of project finance.

9. Are School Districts and Third Party Solar Developers permitted to enter into additional agreements among themselves?

Yes. School Districts and Third Party Developers are permitted to execute other contracts among themselves and without Mississippi Power' involvement, such as real estate contracts, financing contracts, etc.

10. How is capacity reserved under the SFS Program?

The SFS associated documents can be found on the Company's website. Upon submission of a 1) fully executed Solar For Schools Agreement with a qualifying School District, 2) receipt of an accepted interconnection request, 3) execution by Generator and Mississippi Power of a Standard PPA, the Company will reserve capacity for a project. Capacity is reserved on a first-come-first-served basis.

11. Can a project still be considered if program capacity is reached?

Capacity held in reserve for a Facility shall be released upon the earliest occurrence of one of the following: (i) termination by any party of the Solar for School Agreement or Standard PPA; or (ii) withdrawal or rejection, for any reason, of the Generator's interconnection request. Any capacity reserved for a Facility that is later released shall be made available to other Generators that have submitted interconnection requests after the aggregate cap was exceeded based on interconnection queue position.

12. What kind of consumer protection efforts are required for the Solar for Schools program?

Generators that seek to make sales to the Company under the Solar for Schools program shall provide proof of compliance with the following requirements from the Commission's MDGR:

- File with the Commission proof that the Developer or its contractor has obtained appropriate and necessary licensures, including but not limited to, a Solar and Wind Construction Licensure, offered by the Mississippi State Board of Contractors;
- File with the Commission a point of contact to whom the Commission may direct customer complaints for resolution;
- File with the Commission proof of Generator's registration with the Mississippi Secretary of State to do business in Mississippi and list a registered agent for service of process; and
- File annually with the Commission and provide a copy to the c Consumer Protection Division of the Office of the Mississippi Attorney General, any marketing material with attestation of its accuracy.

13. What is the Purchase Power Agreement Price?

The price shall be the Company's avoided cost of energy plus 4.5 cents.

14. How is payment for energy from the site calculated?

As long as the SFS Agreement is in place, the Monthly Energy Payment (MEP) calculation is as follows:

$$\text{MEP} = (\text{On-Peak Energy} * (\text{On-Peak Price} + 4.5 \text{ ¢/kWh})) + (\text{Off-Peak Energy} * (\text{Off-Peak Price} + 4.5 \text{ ¢/kWh}))$$

The Energy prices can be found in the Company's Basic Avoided Energy Cost Bulletin.

15. What is the Company's avoided cost rate?

Avoided cost rates are listed in the Company's Basic Avoided Energy Cost Bulletin. Found here: [Basic-Avoided-Energy-Cost-Bulletin.pdf \(mississippipower.com\)](#)

16. Does the avoided cost rate change?

Yes, the Company's avoided cost rate is updated annually, filed with the Mississippi Public Service Commission and published on the Company's website.

17. How is distribution of the MEP between the School and Generator determined?

School district and Generator will reach an agreement on the split of the MEP and that split will be documented in the SFS agreement. Company will then pay the Generator and School District monthly based on the agreed upon split provided and in the SFS agreement.

18. Will the MEP be consistent every month?

No, due to the intermittent nature of solar, the MEP will vary based on the output of the facility. Additionally, solar modules degrade overtime so annual output will reduce over time unless preventive or maintenance activities are performed by the operator.

19. Will the Solar for School program impact the monthly electric bill for the participating school district?

No. All electricity utilized by the School District's facilities will still be provided by Mississippi Power pursuant to existing rates. The Solar for Schools facility will be directly interconnected to the Company's distribution system and all of the power output will be directly sold to Mississippi Power pursuant to the terms of the Power Purchase Agreement. All of the economic benefit to the School District from the program will be in the form of a monthly payment to the School District for the District's share of the MEP per the terms of the Solar for School Agreement.

20. Can a school district have multiple Solar for School Agreements?

A School District may only have one Solar For School Agreement in effect at any time.

21. What is the life of the Purchase Power Agreement?

The PPA may remain in effect up to 25 years.

22. How is the location of the solar facility determined?

The solar facility must be located in the county/counties of the school district and within the certificated area of the Company (unless otherwise agreed to by the Company in its sole discretion)

and be physically interconnected with the Company's distribution system. The solar facility is not required to be located on the same parcel of a facility managed by the Public School District nor is it required to be located on 16th Section Land.

23. Does Mississippi Power choose where the solar facility is located?

No, other than verifying the location meets the requirements of the rule and verifying proof of site control for interconnection purposes, the Company is not involved in determining site location nor terms of the land lease or purchase.

24. Can 16th Section Land be used for the Program?

Yes, 16th Section Land can be used, as long as it meets the location requirements defined in the SFS tariff.

25. Who is responsible for removing the solar facility equipment at the end of the agreement?

Returning the site to pre-agreement conditions is typically addressed in the lease agreement with the landowner.