



RE: CollectiveSun® and RMI's Innovation Center Pass-through PPA for Solar PV

It is with great pleasure that I recommend CollectiveSun to any organization considering solar power for their facilities. A common barrier to purchasing on-site solar PV is the up-front capital cost--especially to nonprofit organizations who can't take advantage of the tax incentives that make solar attractive to homeowners and other commercial building owners.

Rocky Mountain Institute - an independent nonprofit think-and-do tank founded in 1982—transforms global energy use to create a clean, prosperous, and secure low-carbon future. It engages businesses, communities, institutions, and entrepreneurs to accelerate the adoption of market-based solutions that cost-effectively shift from fossil fuels to efficiency and renewables. In 2014, RMI merged with Carbon War Room (CWR), whose business-led market interventions advance a low-carbon economy. The combined organization has offices in Snowmass and Boulder, Colorado; New York City; Washington, D.C.; and Beijing.

In December 2015, we completed the construction of the RMI Innovation Center, a 15,610sf office building and state of the art convening center that demonstrates the most effective practices in deep-green building design, energy efficiency, construction, occupancy, and an integrated project delivery contract mechanism.

We partnered with CollectiveSun to finance the solar project because of their unique skills and expertise in working with nonprofits. They were able to access tax incentives that would otherwise have been lost if we tried to build the project on our own. In addition, they have the distinctive capability of crowd-sourcing the solar project's financing from our donor base. As our partner, they invested the value of those tax credits back into our solar system.

Led by Lee Barken, CPA, CollectiveSun brought financial expertise and flexibility to creating our unique power purchase agreement (PPA), utilizing a pass-through contract with Holy Cross Energy, our utility provider. This pass-through PPA allows CollectiveSun to own the PV system and generate power. It then sells the electricity to Holy Cross Energy, who passes through that rate to RMI in a subsequent electricity sale. It is a first of its kind PPA in the Holy Cross Energy service area. Organizations that have explored converting to solar but found that a PPA was not allowed by their utility may find the pass-through PPA model with CollectiveSun a successful approach.

The Innovation Center's PV system was funded by an investor who is blurring the lines between financial return and philanthropic support. Nonprofit benefactors turned impact investors receive a small return, while also helping provide a lower cost of renewable energy for the non-profit. In addition, investors have the option to donate portions or all of their principal and interest repayment back to RMI.

CollectiveSun®'s partnership and investment approach to solar financing is recommended by RMI as it makes conversion to solar attainable and affordable for nonprofits now. I recommend them without reservation. Please feel free to contact me with any questions at (608) 469-9466 or cschiller@rmi.org.

A handwritten signature in black ink that reads 'Craig Schiller'.