



OFFICE OF THE PRESIDENT

Notice of Intent

August 12, 2009

Jorge Carrasco, Superintendent
Seattle City Light
700 – 5th Avenue, Suite 3200
P.O. Box 34023
Seattle, Washington 98124-4023

Dear Mr. Carrasco:

This Notice of Intent is to let your offices know that Shoreline Community College intends to develop a 100kW community owned solar project on our campus. As a public institution, Shoreline Community College is entitled under SB6170 to allow private investors to site such projects on public facilities if the serving utility to the public institution is participating in the Washington State Department of Revenue's Renewable Energy Production Incentive Program. According to the Department of Revenue, Seattle City Light is a participant in this incentive program.

The project, at 100kWh will be under the state net metering limit, and will be designed to feed all electric power into the College's electric distribution network. From your perspective, this production should appear as conservation, as the total output of the system should seldom, if ever, exceed the College's consumption. We will place production meters on all inverters used in this project.

Our intent is to develop this project using both Washington State manufactured modules and Washington State built inverters and hence, be entitled to a base payment of thirty cents per kWh, plus the inverter and module multipliers as specified in Washington State law. The total available incentive payment for this project would be one dollar and eight cents per kWh generated.

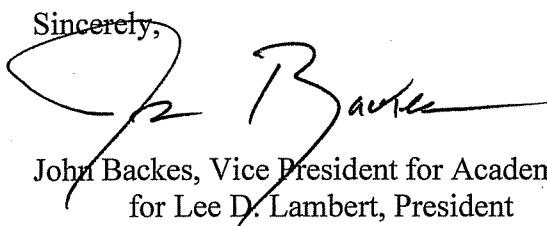
The 100 kW systems will be distributed over several buildings on our campus and will be owned by private investors. We will be developing this project in twenty 5 kW increments during the 2009 timeframe. Installation is planned to be done in conjunction with the Puget Sound IBEW Joint Apprentice Training Program, Shoreline Clean Energy Program Interns, and the WSU Northwest Solar Center.

The chosen increment of 5 kW will maximize the ROI for each investor. This project will be opened to twenty local investors from the Shoreline/Seattle community. Each investor will pay the full cost of the 5kW increment upon installation (estimated at approximately forty thousand dollars) and for such, will receive annually from Seattle City Light, a payment of \$1.08 cents per kWh for all kWh generated until the incentive program expires in 2020. Given past performance of similar systems in the Seattle Area, it is estimated that the annual production incentive for each increment will be near the five thousand dollar per year limit, thus maximizing the investors' revenue flow. This will result in a revenue flow to the investors of about 50 thousand dollars over the life of the system. Investors should also qualify for the 30% or about federal tax credit/rebate during the first year.

The kWh generated by the project shall be used to offset the College's utility costs and be considered a portion of the legally required compensation for private use of a public resource. Additionally, upon expiration of the Renewable Energy Production Incentive Program, ownership of all portions of the entire project will pass to the College. The College will continue to operate the project for its remaining useful life, and be the beneficiary of all kWh generated

We look forward to collaborating with Seattle City Light on this project. Thank you for your time and anticipated support for this exciting and mutually beneficial project. If you have questions or need additional information, please contact me (John Backes) at (206) 546-4651 or Vice President for Administrative Services Daryl Campbell at (206) 546-4532.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Backes", written over a horizontal line.

John Backes, Vice President for Academic Affairs
for Lee D. Lambert, President

cc: Daryl Campbell, Vice President for Administrative Services
Mike Nelson, Executive Director – WSU Northwest Solar Center