

Following are questions of clarification to the New London Energy Committee regarding the proposed Stump Dump solar array project, related costs, and the FY 2027 capital reserve request.

1. What is the itemized breakdown of the \$381,000 cost quote including any contingency amount?

The \$381,000 figure was not a quote. It was an estimate based on the cost of the Fire Station solar array installed in November 2025, and indexed for inflation. New information we received yesterday (Tuesday, January 6, 2026) indicates that because of new tariffs and new Federal regulations, 2026 costs will be substantially higher than 2025 costs. Our new estimate is \$415,000 for the solar array, plus \$10,000 for infrastructure improvements, for a total of \$425,000. Again, this is not a quote; it is an estimate only.

2. Is this a fixed dollar quote or are there items that could fluctuate up or down? **No, this is not a quote, fixed dollar or otherwise.**

3. How long is this quote good for? In effect, what must the Town commit to and by when before the quote is null and void or is increased by 'x' amount? **No, this is not a guaranteed price. Beyond signing a contract and paying a deposit by July 4, 2026, there is nothing that the Town must commit to.**

4. What costs are **not** included in the \$381,000 quote that should be factored into the total cost and what are these costs estimated to be?

- Site Survey including setback requirements **A site survey is not required, and setback requirements do not apply.**
- Site Preparation – clearing, excavation, pad site **It is possible that two or three trees may need to be cut down; no excavation is needed; mulch and compost piles need to be moved at minimal expense; no pads will need to be poured or installed.**
- Wetlands Delineation Mapping – **In the Jones & Beach engineering study final report, wetlands are clearly delineated. We have the site map on file.**
- Insurance **See Question #5**
- Toxic Materials Assessment **A Phase 1 Environmental Site Assessment has already been completed. We have the report on file.**
- Estimated additional construction cost if the site has toxic materials present? **None.**
- Abutter considerations **None.**

- Contingency cost (if not adequately included in the cost quote) **When we receive a quote from a solar vendor, it is a firm price, with no contingency.**
 - Infrastructure connection requirements? **Utility and electrical work are estimated to total \$10,000 or less, as noted in our answer to Question #1 above,**
 - Has a Three-Phase Power connection been absolutely ruled out as a requirement from Eversource (in writing)? **It is not financially feasible to bring in three-phase power. We will size the solar array appropriately for the existing single-phase power line, as discussed already with solar contractors and Eversource.**
5. What are the ongoing operating requirements and their estimated costs and what is the basis for each estimate?
- Clearing panels of obstructions (snow, branches, other debris) **Solar panels are never cleared of snow because of the risk of damage to the panels. They are normally installed in a clearing where branches and other debris cannot fall on them. Mowing or brush hogging should be performed once a year at minimal expense.**
 - Inverters (estimated 10-year life) replacement cost for materials and labor? **Inverters come with a 10- to 15-year manufacturer's warranty. The quote from the solar vendor will specify the inverter model and manufacturer's warranty. We can then calculate the annual set-aside necessary to pay for new inverters at the time the warranty expires. For example, the existing Sewer Department solar array - the same size array as that proposed for the Stump Dump - uses Chint Power Systems SCA50KTL-DO/US-480 inverters, which carry a 10-year warranty and have a replacement cost of \$13,000 plus a minimal labor charge. Thus, an annual set-aside of \$1,300 in today's dollars should be sufficient to cover their replacement.**
 - Disposal of 'end of asset life' cost **The degradation rate of solar panels is 0.5% per year; therefore, after 100 years, these panels should still be operating at 50% of their original capacity. As such, disposal and replacement are moot issues.**
 - Replacement of damaged panels **Once the manufacturer's and installer's warranties have expired, replacement cost will be covered by insurance.**
 - Insurance **No separate policy will be required beyond the Town's existing coverage.**
6. What is the basis for the Return of Investment (ROI) of 9.30%? What is the vendor's ROI assessment including the formula, data inputs used and cost of capital assumptions? Or please provide a detailed calculation of the ROI estimate. **The Return on Investment (ROI) is the annual revenue divided by the net**

construction cost (gross construction cost minus federal credits/incentives). Our ROI calculations are based on zero cost of capital, with financing from the Capital Reserve. If, instead, the solar arrays are financed by a bond issue, with a loan from the New Hampshire Community Development Finance Authority's low-interest loan program, the ROI will be much lower, but still positive, and in that case there will be zero cost to the taxpayers.

7. Is this percentage an expected annual return on investment based on the \$381,000 cost quote? **It was. However, the gross construction cost will be higher - \$425,000 per the latest estimate - therefore, the ROI drops from 9.3% to 8.3%.**
8. What portion of the 9.3% is reliant on federal credits? **30%. Using the old numbers, if federal credits are not forthcoming, the return would be 6.5% instead of 9.3%. The updated ROI estimate is 8.3% with the federal credits, and 5.8% without.**
9. The annual revenue / cost saving is projected to be ~\$24,750; is this credit all in the form of a cash rebate to the town or a combination of cash, Investment Tax Credits and Renewable Energy Certificates (RECs)? **All payments are in cash. The Town will receive a check from Eversource once a year for electricity sales. The REC Aggregator will send the Town a check every quarter for REC sales.**
10. What is the breakdown? **Revenue estimates are \$19,800 per year for electricity sales and \$4,950 per year for REC sales. These calculations are based on annual solar production of 165,000 kilowatt-hours; a credit of \$0.12 per kilowatt-hour; and a REC price of \$30 per megawatt-hour (1,000 kilowatt-hours).**
11. How does New London sell its renewable energy certificates? To whom? At what cost and over what timeframe? **We recommend signing an agreement to sell our RECs indefinitely on a quarterly basis to the Community Power Coalition of New Hampshire (CPCNH). The current price is about \$32 per REC. Each REC represents one megawatt-hour of solar electricity produced.**
12. How does Eversource charge or credit the Town for electricity sent out of its system versus energy sent into its system? **There are six components of Eversource's electric rates. There are three components of their solar credits. The credit for a kilowatt-hour exported is roughly 75-80% of the charge for a kilowatt-hour purchased.**

13. If the sale of RECs is part of the ROI calculation, what is the basis for the estimated revenue / credit from the sale of the RECs? **See answers to Questions #10 and #11 above.**
14. If part of the projected revenue is in the form of RECs what is the financial industry practice associated with including (or excluding) their associated value in the ROI calculation? **The projected value of RECs is included in the financial analysis of every single commercial and municipal solar project, either existing or proposed. REC prices are set by market forces. The intrinsic value of RECs was established by an act of the New Hampshire legislature, and the legislature has the power to amend or repeal that act.**
15. What is the timeline and approval process for a solar array application? **The only application that is mandatory is the interconnection application to be filed with Eversource. For small solar arrays such as we are proposing, it normally takes a few weeks to be approved.**
16. Is there a cost and if so, how much will it be? **The application is filed and paid for by the solar contractor.**
17. What is the plan and timeline to approach Eversource for its evaluation of its ability to accommodate the solar arrays? **Our plan is to approach Eversource this week.**
18. Is there a cost and if so, how much will it be? **We estimate a cost of \$5,000 for the utility line upgrade, payable to Eversource. This cost is included in the ‘infrastructure improvements’ line item in our answer to Question #4 above. (Additional work will need to be performed by the Town’s electrical contractor, Irish Electric, at an estimated cost of \$5,000 - for a total cost of \$10,000 as cited above.)**
19. How might the timeframe impact the project cost quote? **We will be unable to obtain a firm cost quote from the solar vendor until Eversource gives us a scope of work and a price. Therefore, timely communication between the Town, Irish Electric, and Eversource is essential.**
20. The deposit is referenced as a “requirement”. What does the deposit obligate the Town to? **We will get back to you on this point as soon as possible.**

21. If circumstances arose that required a delay or change of course what happens to the deposit? ***We will get back to you on this point as soon as possible.***
22. To what is the Town committing to with the deposit? i.e. what are the risks and is the deposit refundable? ***We will get back to you on this point as soon as possible.***
23. What is the financial solvency / strength of the solar contractor? ***ReVision Energy is the largest solar contractor in New England, with 22 years in the business. We have also been in communication with two other vendors with similar track records.***

Respectfully submitted.

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for the New London Energy Committee***