

COPY

STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION
SECURITIES DIVISION

In the matter of:)
) Docket No. 14-022-S
Registration Exemption for)
SolarCommunities, Inc. d/b/a)
SunCommon)

ORDER

WHEREAS, on March 21, 2014, counsel for SolarCommunities, Inc. d/b/a SunCommon (the "Company") sent a letter (the "Initial Request") to the Commissioner of the Department of Financial Regulation (the "Commissioner") describing a series of community solar projects that the Company anticipates undertaking throughout Vermont (the "Projects"); and

WHEREAS, on April 4, 2014, the Commissioner met with the Company to learn more about the Projects (the "Meeting") and received further information from the Company's counsel in an April 10, 2014 letter responding to specific questions from the Meeting (the "Follow-up Request," together with the Meeting and the Initial Request, the "No Action Letter"); and

WHEREAS, in connection with the Project, the Company intends to enter into separate agreements with individuals, businesses and municipalities (each a "Customer") pursuant to which Customers will receive net metering credits for use to offset their electricity purchased from the Customers' utility and the Company has provided the Department with a final form of such agreement for its review (the "Form Agreement");

WHEREAS, the No Action Letter requests the Commissioner exercises her authority under the Vermont Securities Act ("Act") to issue an exemption order determining that registration of the securities offered by the Company in connection with the Form Agreement is not necessary or appropriate for the protection of investors and that the exemption is consistent with the public interest and within the purposes intended by the Act;

WHEREAS, under 9 V.S.A. § 5102(28)(D), a security includes an "investment contract" defined as "an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a 'common enterprise' means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors;" and

WHEREAS, the Commissioner is charged with the administration of the Vermont Uniform Securities Act, 9 V.S.A. chapter 150, § 5101, *et seq.*, as amended (the "Act") under 9 V.S.A. § 5601; and

WHEREAS, for purposes of compliance with the securities registration provisions of the Act, the Commissioner finds that the interests to be offered to customers under the Form Agreement satisfy all the components of 9 V.S.A. § 5102(28)(D) and therefore are a "security" under the Act; and

WHEREAS, 9 V.S.A. § 5605(a)(1) provides that the Commissioner may issue orders necessary or appropriate to carry out the Act; and

WHEREAS, 9 V.S.A. § 5301 provides that "[i]t is unlawful for a person to offer or sell a security in this state unless: (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under sections 5201 through 5203 of this chapter; or (3) the security is registered under this chapter;" and

WHEREAS, 9 V.S.A. § 5203 permits the Commissioner to exempt by rule adopted or order issued a security, transaction, or offer from the registration requirements of §§ 5301- 5306 of the Act if the Commissioner determines that registration is not necessary or appropriate for the protection of investors and that the exemption is consistent with the public interest and within the purposes intended by the Act; and

WHEREAS, the State of Vermont through its policies and legislation, has demonstrated a commitment to fostering renewable energy and distributed renewable energy projection; and

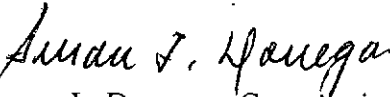
WHEREAS, having reviewed the Form Agreement and considered the contractual rights and obligations of the parties thereunder, the Commissioner finds that it is necessary and appropriate in the public interest and for the protection of investors and in consistent with the purposes intended by the policy and provisions of the Act to exempt the interest to be offered to customers under the Form Agreement from the registration provisions of the Act.

NOW, THEREFORE, IT IS ORDERED, under the authority granted by 9 V.S.A. §§ 5203 and 5605, that the interests to be offered to customers under the Form Agreement shall be exempt from the registration provisions of the Act; however, the Department retains all other enforcement authority conferred by law; and

IT IS FURTHER ORDERED, that this Order applies solely to the Form Agreement as reviewed by the Commissioner and the Company shall seek a further exemption order if the Form Agreement is altered in any material way.

IT IS FURTHER ORDERED, if and when the Commissioner issues a general comprehensive order regarding community solar projects, this Order shall be rendered null and void with regard to any Projects not then under development by the Company.

Dated at Montpelier, Vermont this twenty-first (21st) day of April, 2014.

A handwritten signature in cursive script that reads "Susan L. Donegan". The signature is written in black ink and is positioned above the printed name.

Susan L. Donegan, Commissioner
Vermont Department of Financial Regulation