

OFFERING DOCUMENT

Item 1.1

SES SOLAR CO-OPERATIVE LTD.

204 – 220 – 20th Street West

Saskatoon, SK S7M 0W9

Phone: 306-665-1915

Email: solarcoop@environmentalsociety.ca

Website: sessolarcoop.ca

Item 1.2

Contact: Jeffrey John Montgomery

Secretary

Box 2, Site 806, LCD Main, RR8

Saskatoon, SK S7K 1M2

Phone: 306-227-5732

Email: jeffreyjmontgomery@gmail.com

Item 1.3

The Financial and Consumer Affairs Authority of Saskatchewan has not reviewed or approved the merits of these securities. Any representation to the contrary is an offence.

This is a risky investment. See Item #8 RISK FACTORS.

Item 1.4

Offering Date: March 1, 2020

Item 1.5

Type of Security Offered and Price per share:

Class A Common Shares at \$50 each

Class B Preferred Shares at \$950 each

Funds available under the offering may not be sufficient to accomplish our proposed objectives.

Item 1.6

There may not be a market through which these securities may be sold.

Therefore, purchasers may not be able to resell their securities.

Transfer or sale of these securities is subject to transfer or resale restrictions as set out in the co-operative's Articles of Incorporation or Corporate Bylaws.

You should consider the advice of a professional before investing.

Item 2. **BUSINESS OVERVIEW – EXECUTIVE SUMMARY**

Objectives:

The purpose of the SES Solar Co-operative Ltd. (Solar Co-op) is to facilitate the production and use of solar and other forms of renewable energy, including:

1. Produce solar power and other forms of renewable electricity in an environmentally sound and socially just way,
2. Find beneficial institutional and technical practices that will help in the production of solar power and other renewable forms of electricity,
3. Reduce greenhouse gas emissions, and
4. Promote energy conservation, solar power and other beneficial renewable energy practices via public education.

The co-op will achieve these objectives by installing photovoltaic (PV) electrical generation facilities in and around Saskatoon. The owners of the sites where installations are located will become partners under contract with the co-op and will consume the electricity produced by the equipment. The co-op will solely, or in various partnership arrangements, own the solar power generating equipment producing electricity consumed by our partner, who will pay the Solar Co-op an equipment lease amount.

Date of incorporation: February 13, 2015

Type of co-operative: Consumer Co-operative

The idea of a solar co-operative was initiated by the Entrepreneurial Committee of the Saskatchewan Environmental Society Inc. (SES) in June of 2014. In the fall of that year SES was invited to participate in the Business for Good Social Venture Challenge, a project of Affinity Credit Union. After receiving the support of the community in the crowd funding campaign that was launched, SES was declared the winner of the challenge and awarded \$50,000 to assist in the Solar Co-op venture. Part of the crowd funding campaign included buying a panel in the proposed co-op and the initial 45 prospective members contributed \$1,000 each. Subsequently others contributed and currently there are 169 members of the Solar Co-op.

Once the Solar Co-op has reduced its deficit, and established a general reserve equal to a minimum of 1% of the total assets of the co-op as required by the Solar Co-op's Bylaws, it is the co-op's intention to begin to allocate profits earned from the production of electricity to Class B preferred shareholders by way of a patronage dividend. Patronage dividends will be declared at the discretion of the Solar Co-op's Board of Directors. Up to this point, proceeds from operations have been invested in further solar installations.

The purpose of the offering is to raise additional funds to finance solar installations. The total raised to this point is \$435,600, \$385,600 from share sales and \$50,000 from Affinity Credit Union that is administered by the SES. The Affinity grant was presented to SES and has been spent by SES for the specific purpose of supporting the Solar Co-op. SES provided the \$50,000 to assist in start-up costs to organize the co-op and to provide funding for a solar installation that will provide useful data for the study of solar electrical production.

There are now five installation projects operative under net metering agreements with SaskPower (SP) and Saskatoon Light & Power (SL&P) in partnership with installation site owners. There is also one installation subject to a virtual net metering agreement that is part of a demonstration project that has received federal government funding.

The intent is to proceed with additional installations, including those of a larger scale, by raising funds through sale of an additional 750 shares for a total of \$712,500 in preferred share capital. The co-op

will focus primarily on developing a 'behind the meter' project where electricity is consumed on site and not fed onto the grid. One or more new net metering projects may also be selected where the bulk of solar electricity produced is consumed immediately on site so to minimize that which is fed onto the grid.

Negotiations are ongoing with an industrial energy consumer to build a solar installation on their property that would require the majority of funds raised from this share offering. Further details are not at this time available but will be disclosed when contracts have been completed. A joint announcement will be made at that time.

A more detailed description of the co-operative's business is provided in Item #4.

Item 3. DISTRIBUTION INFORMATION

A detailed description of the specific rights of each class of securities is described in the Appendix in Item A - 2 ARTICLES OF INCORPORATION AND CORPORATE BYLAWS.

Item 3.1

Type of securities being distributed	Class A Common - "Member Shares"	Class B Preferred - "Panel Shares"
Price per security	Class A - \$50	Class B - \$950
Start of distribution period	March 1, 2020	March 1, 2020
End of distribution period	September 30, 2020	September 30, 2020
Date and description of amendment(s) made to this cooperative offering document, if applicable	None	None
Expected proceeds of this distribution	\$6,250 (125 shares)	\$712,500 (750 shares)
Minimum subscription per purchaser	\$50 (1 Class A)	\$950 (1 Class B)

Item 3.2

The eligible securities offered provide the following rights for each class:

Class A Common Shares provide:

- Voting rights
- Rights on dissolution
- Redemption rights

Class B Preferred Shares provide:

- Dividends eligible to be paid when declared by the Solar Co-op Board
- Rights on dissolution
- Redemption rights

Item 3.3

The following material restrictions or conditions apply:

Shares may only be transferred, sold or withdrawn with the approval of the Board of Directors and in accordance with the bylaws and articles of the co-operative. To date there have been shares sold back to Solar Co-op by the estates of deceased members, and by other members who have redeemed shares held in and outside of an RRSP. It is the position of the board that any member that desires to sell their shares can request to do so and that if the co-op is in the financial position to make the purchase it will be granted.

Each member is required to own one Class A Common Share, referred to as a "Member Share" as a condition of ownership of a Class B Preferred Share. Each member must own one and only one

Class A Share. Members must own one and may own more than one Class B Share(s).

As such, the purchase of either Class should be considered long-term in nature.

Item 3.4

	Total Amount	Total number of member securities issuable	Total number of securities issuable
Minimum offering amount	\$47,500	0	50
Maximum offering amount	\$750,000	750	750
Price per security		\$50	\$950

Item 4. **CO-OPERATIVE'S BUSINESS**

Item 4.1

Objective

The product or service of the co-operative is electrical energy with low greenhouse gas emissions produced by the co-op's renewable energy assets, comprised of photovoltaic electrical generation equipment. The equipment is leased to the Solar Co-op location partners. Revenue for the Solar Co-op is realized through leases with installation location partners based on the solar assets producing clean electricity. The objective is to enable co-op members to invest in renewable energy production. This is important for individuals that do not have the opportunity to install similar equipment on their own property due to shading, design standards, available space or financial constraints.

Saskatchewan has high solar resources (lots of sunshine hours) suitable for photovoltaic production. There are many residents in Saskatchewan concerned about our province's significant greenhouse gas emissions that lead to climate change who want to participate in green energy production.

Co-operative Goals

The Solar Co-op is the first renewable energy co-op in Saskatchewan. The co-op is providing services to the Solar Co-op members. There are currently 169 memberships. Each can purchase multiple Class B shares. Memberships can be owned individually or by two or more persons, each with a minimum age of 18, or by a corporation, with the principle of one membership one vote.

All members must be Saskatchewan residents.

The Solar Co-op currently has six solar installations operative. The installations have been selected by the volunteer board of directors based on the compatibility of the owner of the location of the installation and the suitability of the site. Each PV system is leased to a consumer that pays for the productive capacity of the installation. The return on investment for each installation varies due to design, location and sunlight conditions. The intent of the co-op is that the proceeds from the energy production of the systems will be used for further investment in renewable energy systems and to provide a return on investment for shareholders. Details of financial results of the Solar Co-op can be seen in the financial statements of the co-op.

Locations for further installations with suitable partners will be pursued when share capital becomes available.

Photovoltaic production equipment has proven to be dependable, durable and cost effective. Costs range by installation type and location. The Solar Co-op board is finding that contractors are adopting the use of superior quality equipment that meets standards demanded by the co-op and the price of installations is decreasing with advances in installation techniques and component cost reductions being realized. Online monitoring is simplifying tracking of production and system

maintenance. The electrical production equipment requires very little maintenance. Installation contractors provide the expertise for the installation and technical maintenance. Panels are warranted to maintain expected production for 25 years. Routine maintenance such as cleaning and snow removal is minimal and administration is being provided by member volunteers.

Partnership Agreements

The Solar Co-op is partnering with electrical consumers to produce renewable electricity using the utility net metering programs where installations are located. The co-op owns solar power generating equipment installed at the partners' locations that produce electricity to be consumed by our partner, who will pay the Solar Co-op an equipment lease on a quarterly basis. As an added benefit, for every one thousand kilowatt hours (kWh) of electricity produced by a Solar Co-op solar system, the estimated greenhouse gas emission savings are 0.58 tonnes (carbon dioxide equivalent) as compared to if this electricity had been obtained from the SP grid.

The SP and SL&P Net Metering Program (NMP) allows electrical utility customers in Saskatchewan to install renewable energy production equipment tied to the electrical power grid where energy not used at the point of production is fed onto the grid and credited to the owner of the system without storage requirement. The Solar Co-op partners' net metering agreements are for a minimum of 10 years at predefined rates. Installations of solar panels will not be considered with any partner without a net metering agreement or other contract that ensures a long term commitment to permissibility of production and consumption by the partner.

Further similar agreements will be pursued with partners who are eligible for the program through SP and SL&P. The installations will be in the 30 to 45 kilowatt size range. SPNMP allows electrical utility customers in Saskatchewan to install renewable energy production equipment tied to the electrical power grid where energy not used at the point of production is fed onto the grid and credited to the customer by the utility. The revised NMP provides participants with up to three years to use their banked kWh credits. Contracts with the utility are for 10 years with the option to renew for an additional 10 years. The Government of Saskatchewan and SP have recently made significant changes to the NMP that will impact new solar projects, particularly those in the SP district. The changes result in lower rates of compensation being credited for solar-generated electricity that is fed onto the power grid. Therefore, to the degree that we undertake new net meter projects in the SP district, it will be with partners who consume the bulk of their solar-generated electricity on site, so as to minimize feeding electricity onto the grid. In this way, the changes made to SP's NMP will not significantly influence the attractiveness of our projects.

The SP larger projects initiative, Power Generation Partner Program (PGPP), does not at this time appear to be economically viable for the Solar Co-op.

The most important focus of the Solar Co-op in the year ahead will be on establishing a long-term lease agreement with a large industrial partner. This will be a 'behind the meter' solar project rather than a 'net metered' solar project. In other words, solar-generated electricity will not be fed onto the grid, but rather will be completely consumed on site. The Solar Co-op will be targeting to install a solar system in the 200 kilowatt to 400 kilowatt range, with a strong preference for a 400 kilowatt system. The Solar Co-op expects to reach a formal agreement with a large industrial partner by the spring of 2020. The approximate cost of installing a 400 kilowatt system (about 1,200 solar panels) will be \$640,000. The majority of the proceeds from a sell out of the share offering would be used in the project. As large scale renewable energy installations are in early stages of development in Saskatchewan there are numerous hurdles to overcome so that all parties involved are fully aware of the ramifications of these types of projects. Aside from the tremendous benefits of greenhouse gas reductions and the other benefits of renewable energy due to reduction in fossil fuel consumption there are important infrastructure considerations to be addressed. The Solar Co-op board is

committed to ensuring that the projects pursued are fully compliant in all respects and meet the goals of the co-operative. The board is hopeful that agreements can be signed on this project being pursued and contractors can be selected in the summer of 2020 and that construction will follow with a 400 kilowatt system being fully operative by the fall of 2020.

The Solar Co-op continues to investigate the possibility of a larger scale or multiple small scale installations with the City of Saskatoon. Based on the excellent relationship formed with the City and SL&P on previous projects it is felt that further solar installations with the City as a partner are desirable. Discussions with the City of Saskatoon are ongoing.

Renewable Rides – This project is a demonstration of providing solar power for use in electric vehicles in five different locations using virtual net metering; it is one of the first demonstrations of its kind in Canada. SES, with financial assistance from Western Economic Diversification Canada (WD), is overseeing the project. There are partners who provide the vehicles, the charging stations, the electrical network and the Solar Co-op has installed the renewable energy equipment at Radiance Cohousing on Avenue L South in Saskatoon. The Solar Co-op invested \$50,000 in the Renewable Rides project, the value of half the cost of the \$100,000 solar installation; WD has provided project funding to support many aspects of the Renewable Rides project including the solar installation. The Solar Co-op has also paid \$2,331 for the rooftop bird screening that needed to accompany this solar installation. The income from the installation has been generated through the electricity consumed by the vehicles via a virtual net metering agreement with SL&P. This arrangement is the first of its kind in Saskatchewan. The Solar Co-op takes official ownership of the solar installation at the end of the Renewable Rides demonstration period which runs until March 31, 2020 so that the Solar Co-op will own the solar installation at Radiance Cohousing on April 1, 2020.

Net Metering – Renewable energy produced in Saskatchewan and connected to the electrical grid can be facilitated through net metering programs supported by SP and SL&P. Any customer of the utilities is eligible for a net metering agreement. This allows the utility customers to consume electricity in the traditional way, as it is required, to produce electricity that can be used at the source of production and to allow surplus energy to flow onto the grid to be used elsewhere and credited to the producer. This system allows for installations without the need for on-site storage facilities. The Solar Co-op has partnerships with three building owners that have net metering agreements with SP. The Solar Co-op has partnerships with two building owners that have net metering agreements with SL&P. Further details are provided in section 4.6.

Virtual Net Metering – Net metering is allowed for customers producing and consuming electricity from their own renewable energy facility. Virtual net metering allows for renewable energy produced at a single location to be consumed by multiple customers at other locations on the same grid. As an example, a PV installation could be owned by a group of home owners, situated along a road side, connected to the utility grid at a single site and consumed by those neighbourhood homes. The credit for energy produced would be shown on the utility bill of each of the shareholders. The advantage of a virtual net metering system is that the renewable energy installation could be located at the most effective site and used by various consumers. The virtual net metering agreement that SL&P has in place for the Renewable Rides project allows the electrical production to be located at Radiance Cohousing and to then be credited to car charging stations at five different locations in Saskatoon. The car charging stations are operated by Saskatoon Car Share Co-op. There is a formal agreement between the Solar Co-op and the Saskatoon Car Share Co-op under which the Car Share Co-op pays the Solar Co-op a lease fee.

Dividends – As of the date of this Offering Document there have been no dividends declared by the Solar Co-op. Before the Solar Co-op is able to declare and pay out patronage dividends, the co-op must have enough accumulated retained earnings to set aside a general reserve that is equal to a

minimum of 1% of the co-op's total assets. The Solar Co-op currently has a deficit which will have to be reduced before the co-op will be able to accumulate retained earnings. Once the Solar Co-op has reduced its deficit, and established the required general reserve, the co-op will then be able to allocate profits earned from the production of electricity to Class B preferred shareholders by way of a patronage dividend. Patronage dividends will be declared at the discretion of the Solar Co-op's Board of Directors. Up to this point, proceeds from operations have been invested in further solar installations. See section 7 of the Solar Co-op's Bylaws.

Other Relevant Information

Topic	Comment
Originality of the products and services	The Solar Co-op was the first solar co-op to form in Saskatchewan, and is the only solar co-op serving the Saskatoon region.
Description of any research and development and activities	Photovoltaic electricity production is a well proven technology. Monitoring of installations will provide further information for the use of the co-op. The Solar Co-op has partnered with the City of Saskatoon, SES and Saskatchewan Polytechnic in a solar research project in Saskatoon.
List of legislation that must be complied with and legal authorizations that must be obtained	The Solar Co-op is subject to The Co-operatives Act, 1996 (the Act) and The Co-operatives Regulations, 1998. Many installations require a building permit and a net metering agreement with the SL&P or SP.
All revenue for the first 4 years ending March 31, 2019 from leases of PV systems.	All energy produced was used by our partners where installations are located with total revenue for the co-op of \$21,469.
Estimated revenue for the one year period ending March 31, 2020	All energy produced will be used by our partners where installations are located with total revenue for the co-op anticipated to be approximately \$28,000.
Estimated revenue for the three year period following March 31, 2019 to March 31, 2022	The completion of 6 projects will provide revenue estimated to increase from the current annual amount to \$35,000 by March 31, 2022 with a total revenue over the 3 year period in excess of \$100,000. It is anticipated that additional installations will be completed that will generate annual revenue of approximately \$45,000, with total revenue of \$70,000 by March 31, 2022. Changes to the net metering program will not have any impact on five of the existing projects since they are subject to long term net metering agreements that will remain unchanged. The sixth project – the Renewable Rides virtual net metering project which expires in December of 2020 – could be impacted by changes to net metering that SL&P is currently examining.

Item 4.2

The co-operative's short term objectives are:

- to continue leasing existing renewable energy production systems to generate revenue;
- to raise capital as outlined in this offering document to expand production facilities;

to enter into additional lease agreements and construct additional PV systems based on funds available.

Item 4.3

The legal structure of the co-operative is that of a consumer co-operative incorporated in Saskatchewan in accordance with the Co-operatives Act, 1996.

Item 4.4

See Appendix A-2 for copies of the Articles of Incorporation and Corporate Bylaws of the SES Solar Co-operative Ltd.

Item 4.5

The Solar Co-op is in the early development stage and has engaged in renewable energy production operations. Six solar photovoltaic power production installation sites are currently operating.

Item 4.6

The key terms of all material agreements and contracts to which the co-operative is currently a party are related to renewable energy installations in operation and are summarized as follows:

1. SL&P co-owns a PV installation with the Solar Co-op at the Landfill Gas Generation Station (LGGs) in Saskatoon.

The Solar Co-op entered into a Memorandum of Agreement with the City of Saskatoon (CoS) effective January 14, 2016 to design, construct and commission a photovoltaic co-generation system at the LGGs. The Solar Co-op owns a 13.8 kW solar electric generator costing \$33,577, being part of an installation providing electricity to the SL&P LGGs at Dundonald Ave. & Valley Rd. in Saskatoon. A similar array is owned by SL&P and a further tracking array is owned by Saskatchewan Polytechnic. The installation was created in partnership as a demonstration site and data derived from the operations is available for use by the partners and others for analysis of PV efficiencies. Revenue is provided to the Solar Co-op from CoS for the electricity produced by the Solar Co-op portion of the installation at the site.

2. Shift Development Inc. hosts a solar installation at 220-20th St.W., Saskatoon.

An agreement was signed with Shift on September 21, 2015 for the Solar Co-op to design, install, insure, maintain and repair a 28 kW solar generator on the rooftop of 220-20th St.W., Saskatoon. The 27.45 kW solar generator was installed on the roof of the office building known as The Two Twenty at a cost of \$64,254.

3. Montgomery Agencies Ltd. hosts a solar installation at 615 Haskamp St., Saskatoon.

An agreement was signed with Montgomery Agencies on December 21, 2016 for the Solar Co-op to design, install, insure, maintain and repair a 22 kW solar generator on the rooftop of 615 Haskamp St., Saskatoon. The four bay warehouse had a 22.4 kW solar generator roof mounted at a total cost of \$53,937.

4. Radiance Cohousing hosts a solar installation at 475 Ave. L S. in Saskatoon.

An agreement was signed with Saskatchewan Environmental Society Inc. on February 1, 2018 for the Solar Co-op to design, install, insure, maintain and repair a solar generator with installed cost not to exceed \$100,000 on the rooftop of Radiance Cohousing located at 475 Avenue L S., Saskatoon. This project is being used to produce electricity distributed by a virtual net metering arrangement with SL&P to power electric vehicles. This is part of a demonstration project involving 9 organizations headed up by SES. The Solar Co-op also has a participant's agreement with SES setting out the commitments of the parties including the acquisition by the Solar Co-op of the PV assets being used in the project. A 37.8 kW solar electric generator was installed on the roof of Radiance. The project is funded in part by the federal government through Western Economic Diversification Canada. SES is the owner and project manager of the entire project. The Solar Co-op and SES have a contract

wherein the PV assets are turned over to the Solar Co-op no later than September 30, 2020. We now expect the transfer of ownership to take place in April 2020. The Solar Co-op originally invested \$50,000 in the Renewable Rides Project. After receipt of a net metering rebate, the net cost of this project to the Solar Co-op will be \$30,000 plus \$2,331 for a rooftop bird screen. At the termination of the demonstration project the Solar Co-op will have options on the continued use of the solar installation and will be required to contract a consumer for the use of the electricity produced.

5. Ness Core Ventures Inc. hosts a solar installation at the festival site at Ness Creek, SK. An agreement was signed with Ness on May 17, 2018 for the Solar Co-op to design, install, insure, maintain and repair a 40 kW solar generator at the recreation site located at SE 33-56-6 W3rd RM of Big River No. 555, Saskatchewan. A 44.88 kW solar array was installed in the months that followed with full operation by October 2018 at a cost of \$81,500.

6. Wolf Willow Cohousing hosts a solar installation at 920-17th St.W., Saskatoon. An agreement was signed with Wolf Willow on September 24, 2018 for the Solar Co-op to design, install, insure, maintain and repair a 30 kW solar electric generator at the cohousing complex at 920-17th St.W., Saskatoon. After consultation with Wolf Willow, a 36 kilowatt solar system was installed. Final commissioning at Wolf Willow was completed on August 30, 2019 at a cost of \$100,110. The SPNMP grant of \$20,000 (now administered by the Ministry of Environment) for which the project qualifies has not yet been received and is anticipated by February 29, 2020. This will bring the net cost for the Solar Co-op for the project to \$80,110.

One further agreement is in the process of being completed. Details available at time of the offering are as follows:

7. CNH Industrial Canada, Ltd. (CNHi) to host a solar installation at 1000 – 71 Street East Saskatoon. Meetings are ongoing to finalize details for a PV system of up to 400 kilowatts to be constructed and leased to CNHi wherein the entire electrical production will be utilized at the CNHi manufacturing facility. The cost will be determined by use of available funds through a request for proposal (RFP) from solar contractors. The target dates for finalizing the project are; lease agreement – March 1, 2020, RFP – May 1, 2020, construction complete – September 30, 2020.

The obligations of the Solar Co-op for ongoing maintenance and repair are the same for all installations being the regular cleaning of panels to maximize efficiency as seen fit and the repair or replacement of any defective components of the system. Cleaning will be conducted by volunteers and repairs will be arranged with contractors. Warranties and insurance are expected to cover most repairs required. In the project financial analysis 10% of revenue is allotted to repair costs.

Each of the agreements signed with Shift Developments Inc., Montgomery Agencies Ltd., Ness Core Ventures Ltd., and Wolf Willow Cohousing are agreements to lease solar equipment for a term of 25 years. The lessees have the ability to renew the agreement at the end of the lease term or purchase the equipment. Lease payments will be due on a regular basis and are variable. The lease payment covers the cost of the excess electricity produced and not used by the lessee during that period.

The costs of installations stated do not include GST.

Item A-4 OTHER INFORMATION.

Information with respect to access to copies of available material agreements and contracts can be found in the Appendix under Item A-4.

Item 4.7

The co-operative's financial statements are included in the Appendix A-3 FINANCIAL STATEMENTS.

You should also consider seeking advice of an accountant about the information in the financial statements.

Fiscal year end: March 31

Item 5. USE OF FUNDS

Item 5.1 - Source and use of funds to October 31, 2019

The source of funds accumulated by the Solar Co-op came through the initial crowd funding campaign where 45 individuals provided \$1,000 each, with another 45 contributors providing \$1,000 each for a total of \$90,000 and the provision of funds by Saskatchewan Environmental Society in the amount of \$50,000 that was provided to SES by Affinity Credit Union as prize money for the success in the crowd funding campaign "Business for Good Social Venture Challenge". The first share offering of the Solar Co-op raised \$285,000. Revenues from operating PV systems have provided income to the co-op in the amount of \$37,633. These funds have been used to purchase PV systems installed in Saskatchewan, predominantly within the City of Saskatoon. Another source of funds is a rebate on net metering contracts provided by SP whereby a grant in the amount of 20% of installed cost to a limit of \$20,000 is provided. As of November 1, 2019 the grant has been discontinued so will not be receivable on future net metering projects. These grants are accounted for as reductions in cost of installations and not as revenue. The projects have each been selected by the board of directors based on suitability of location, property owner partner and occupant consumption to ensure that a long term successful agreement is possible. The projects were pursued by the board members and at times overlapped. The first project agreement was with SL&P but the first installation was completed with Shift Development at the Two Twenty, an office building on 20th Street West in Saskatoon. Following is a list of the first six Solar Co-op installations, including partner, location, cost, capacity, current price of electricity and estimated annual future production based on actual past production.

#	Partner	Location	Cost	Productive Capacity	Date Active	Current Price / kWh	Estimated Annual Production
1	Saskatoon Light & Power (SL&P)	Landfill Gas Generation Station	\$33,577	13.8 kW	17-02-01	.144	17,845 kWh
2	Shift Development Inc.	220-20 th St.W. Saskatoon	\$64,254	27.45 kW	16-06-26	.15	30,584 kWh
3	Montgomery Agencies Ltd.	615 Haskamp St. Saskatoon	\$53,937	22.4 kW	18-04-01	.15	23,645 kWh
4	Saskatchewan Environmental Society & Radiance Cohousing	475 Ave. L S. Saskatoon	\$30,000	37.8 kW	18-11-09	.15	41,500 kWh
5	Ness Core Ventures	Ness Creek by Big River, SK	\$81,500	44.88 kW	18-11-27	.137	44,667 kWh
6	Wolf Willow Cohousing	920-17 th St.W. Saskatoon	\$80,110*	36 kW	19-08-30	.15	39,524 kWh

*After receipt for the SPNMP grant of \$20,000 is applied.

Item 5.2 – Use of funds from this distribution

	Minimum Offering Amount	Maximum Offering Amount
Class B Shares	\$47,500	\$712,500
Total funds from this distribution	\$47,500	\$712,500

All of the funds of the Solar Co-op, now on hand or to be raised through share offering, will be used for the purchase of renewable energy production equipment to be installed for the generation of electricity and to pay general and administrative expenses, as well as marketing and offering expenses to be incurred. To date the operation and management of the Solar Co-op have been provided by volunteers, predominantly the board of directors. In the future as the co-op grows there will be a need for other costs to be incurred for required services and these will be paid by revenue. The proceeds of the productive capacity may be distributed to the co-op members by way of dividends as determined by the board of directors in accordance with the Solar Co-op bylaws.

Until the minimum offering has been met, the funds cannot be used by the Solar Co-op and will be held in trust.

No funds will be paid directly or indirectly to any promoter, director or officer of the co-operative. Funds may be used to pay debt. That debt will have been incurred on a short term basis to finance installations that are proceeding. Any debt that has been incurred is supported by cash on hand or by payment for installations ongoing. Contracted services outside of the realm of director responsibilities may be paid to members of the board of directors for those services.

Item 6. **PREVIOUS DISTRIBUTIONS**

There has been one previous distribution in which the co-operative or each promoter, director or officer of the co-operative has been involved in Saskatchewan in the past five years. That distribution was the initial offering by the Solar Co-op dated May 1, 2016 whereby 300 Class B shares for \$285,000 were sold.

Item 7. **COMPENSATION PAID**

There are no commissions, fees or any other amounts related to sale of shares expected to be paid by the co-operative to any promoter, director or officer under this distribution.

Item 8. RISK FACTORS

Item 8.1 - There are risk factors inherent in investing in the co-operative's business.

Risk	Impact
Business Risk	
We have a limited operating history and our early stage and evolving business make it difficult to evaluate future business prospects, including whether we will maintain profitability in the future, and the risks and challenges we may encounter;	
The co-operative may not raise enough funds under this offering to accomplish its objectives;	
There is no market for the securities. Investors may not be able to transfer, sell or withdraw the shares;	
There is no guarantee that the securities will maintain their value. Investors could lose all their money;	
The co-operative is in the early development stage. If we are not able to establish marketing capabilities or enter into agreements with third parties to provide our services, we may not be able to generate revenue;	
We rely on third party distributors to complete our projects, and those distributors may not perform their obligations;	
Key positions in the co-op are held by volunteers. There is a risk of unreliability of volunteer resources;	
We may not be able to attract or retain key personnel with sufficient expertise, and we may be unable to attract, develop and retain employees required for the development and future success of the co-operative;	
We may be subject to risks related to our information technology systems, including the risk that we may be the subject of cyber-attack, the risk of privacy breach of stored data and the risk that we may be non-compliant with applicable privacy laws; and,	
We may be subject to growth-related risks including capacity constraints and pressure on our internal systems and controls.	
The financial viability of the Solar Co-op is dependent on key agreements with utilities that purchase power produced.	If there are substantial changes to terms of agreements or if those agreements are terminated other sources of revenue would have to be sought.
Industry Risk	
Industry regulation could alter.	This could require the Solar Co-op to modify purchase agreements.
Regulatory approval and permit are required.	These approvals and permits may not be able to be received by the Solar Co-op to complete projects.
Product obsolescence is possible due to potential advancements in technology.	The Solar Co-op may have to adopt new technologies as they become available.
Competition in power production fuel supply may affect rates paid for electricity.	This would affect revenue earned by the Solar Co-op leasing of electricity generating equipment.
Investment Risk	
Arbitrary determination of price of power produced due to unforeseen competition.	This would affect revenue earned by the Solar Co-op.
Sale restrictions of power produced.	This could force the Solar Co-op to seek other sources of revenue or means of distribution.

Item 9. REPORTING OBLIGATIONS

Item 9.1

Financial information of the Solar Co-op operations has been in the past and will be in the future made available. The audited annual financial statements are required to be provided to members upon request or made available to members at the co-op's annual general meeting. Interim reports may be provided for information purposes to update members on installation progress and production reporting.

Item 10. RESTRICTIONS ON RESALE

The securities you are purchasing are subject to resale restrictions. You may never be able to resell the securities. For details on these restrictions see Appendix A-2 BYLAWS, Section 6.

No transfer of a membership, membership share, or Class B Preferred Share is valid unless it is completed in accordance with the Articles.

If a member desires to dispose of their Class B Preferred Shares it is required that they do so by way of approval by the Solar Co-op Board of Directors for the sale of the shares to the co-op, upon which the co-op will have the shares available for sale to another member.

The following excerpt from Section 6 of the Solar Co-op Bylaws describes how shareholders may withdraw their membership and sell their shares.

Withdrawal of Membership

6.06 A member may withdraw their membership in the co-operative by giving the co-operative thirty (30) days notice of their intention to withdraw. The board or a person authorized by the board may, in writing, accept the member's withdrawal on shorter notice. A member may dispose of their share(s) by donating those share(s) to any person or approved corporation as per 6.01 Membership Qualification, but shall not be permitted to sell their share(s) to any other person, and shall not dispose of the same by any other means unless such disposition is approved by the directors. At the discretion of the Board, the co-operative may buy a share, including purchasing a member's share upon withdrawal, at any time.

Automatic Withdrawal – Death or Dissolution

6.07 An individual's membership in the co-operative is deemed to be withdrawn on their date of death. By ordinary resolution, the board may deem a body corporate's membership in the co-operative to be withdrawn if that body corporate has commenced dissolution proceedings or is dissolved by its corporate regulator.

Item 11. DATE AND CERTIFICATE

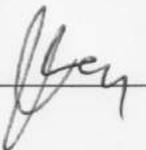
Item 11.1

On behalf of the co-operative, I certify that the statements made in this offering document are true.

Item 11.2

The authorized individual of the co-operative certifying this offering document.

Jeffrey J. Montgomery
Secretary of the Board of Directors
SES Solar Co-operative Ltd.



Date: March 1, 2020