

NCMPA1
STANDARD PURCHASE OFFER FOR
RENEWABLE ENERGY CERTIFICATES (“RECs”)

North Carolina Municipal Power Agency Number 1 (“NCMPA1”) and its 19 member municipalities have developed a renewable energy generation program for their retail electric customers as part of the renewable energy requirement under North Carolina’s Renewable Energy and Energy Efficiency Portfolio Standard (“REPS”) legislation enacted in 2007. As part of its REPS compliance program, NCMPA1 plans to purchase RECs from qualifying renewable energy facilities. A REC represents the renewable attribute of renewable energy generation which has a value to NCMPA1 apart from the value of the energy itself (regardless of source). For compliance purposes, a REC is equivalent to one megawatt hour (1,000 kWh’s) of renewable energy.

Customers of NCMPA1 municipalities have expressed an interest in investing in small renewable energy generators, such as solar photovoltaic, wind turbines and small hydroelectric, and selling the RECs associated with that generation to NCMPA1. Because of this interest, NCMPA1 has established a standard offer for the purchase of RECs from renewable energy generation projects. The provisions of the program are detailed on the following pages.

If you are interested in entering into an agreement to sell RECs to NCMPA1, your municipal utility can facilitate the process. The municipal utility will review the interconnection requirements and power purchase agreements with you at the time you express an interest in interconnecting your proposed qualifying renewable energy facility with the municipal utility’s distribution system.

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- All offers to sell RECs to NCMPA1 under this Standard Purchase Offer must be associated with a Power Purchase Agreement with NCMPA1 that has a 5, 10, or 15 year term.
- REC Prices will be set at the current Standard Purchase Offer Fixed Long-term Rate associated with the same term in the Power Purchase Agreement.
- The owner of each renewable generation energy facility must register the facility and receive the approval of the North Carolina Utilities Commission (“NCUC”) as a certified renewable energy facility in accordance with NCUC Rule R8-66, and must provide the required annual reports to the NCUC.
- The owner of each renewable energy facility must also certify that its renewable energy generation facility is a “new renewable energy facility,” as defined by the Renewable Energy and Energy Efficiency Portfolio Standard legislation (Session Law 2007-397) enacted by the North Carolina General Assembly in 2007, and that it was placed in service after January 1, 2007.
- The owner of each renewable energy facility must be either a NCMPA1 municipality or a retail electric customer of a NCMPA1 municipality, and the facility must be interconnected with the distribution system of a NCMPA1 municipality.
- RECs purchased must be generated after January 1, 2008, and may be purchased up to 3 years after generation.
- The Standard Purchase Offer for General RECs will be limited to a maximum of 2,000 RECs per year. Projects greater than 2,000 RECs per year are not eligible for this Standard Purchase Offer and owners of such projects should contact Andrew Fusco, at (919) 760-6219, for information as to NCMPA1’s interest in a separate REC Purchase Agreement.
- The Standard Purchase Offer for Solar RECs will be limited to a maximum capacity of 200 KW (approximately 350 RECs per year). Projects greater than 200 kW are not eligible for this Standard Purchase Offer and owners of such projects should contact Andrew Fusco, at (919) 760-6219, for information as to NCMPA1’s interest in a separate REC Purchase Agreement.
- REC pricing will be reviewed at least annually by July 1st, and is subject to change as determined by NCMPA1.
- NCMPA1’s renewable energy generation program and this standard offer may close at any time based on NCMPA1’s need for RECs.

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	<u>Fixed Long-term Rate</u>		
	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>
General REC Price¹	\$2.00	\$3.00	\$4.00
Solar REC Price¹	\$60.00	\$60.00	\$60.00

¹ Effective January 1, 2011.