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October 8, 2015

**VIA ELECTRONIC MAIL AND
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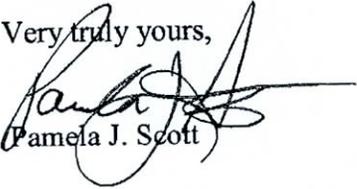
Donna Nickerson, Secretary
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

Re: Application for Approval of the 2016 Program for the Procurement
of Solar Renewable Energy Credits

Dear Secretary Nickerson:

Enclosed please find Delmarva Power & Light Company's ("Delmarva") Application for Approval of the 2016 Program for the Procurement of Solar Renewable Energy Credits. We are also making a payment of \$150.00 as the filing fee for this Application. As noted in the Petition, Delmarva respectfully requests that this Application be heard by the Commission on an expedited basis.

Should you have any questions or require any additional information, please do not hesitate to contact me.

Very truly yours,

Pamela J. Scott

Enclosures

cc: Glenn Moore (w/enclosures)
William Swink (w/enclosures)

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER AND LIGHT) PSC DOCKET NO. 15-_____
COMPANY FOR APPROVAL OF THE 2016)
PROGRAM FOR THE PROCUREMENT OF)
SOLAR RENEWABLE ENERGY CREDITS)

**DELMARVA POWER AND LIGHT COMPANY'S APPLICATION FOR
APPROVAL OF THE 2016 PROGRAM FOR THE PROCUREMENT
OF SOLAR RENEWABLE ENERGY CREDITS**

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Dated: October 8, 2015

Delmarva Power & Light Company (“Delmarva Power” or “Delmarva”), through its undersigned counsel, hereby submits this application (the “Application”) pursuant to 26 *Del. C.* § 351 *et seq.* for approval by the Delaware Public Service Commission (the “Commission”) of the attached 2016 Program for the Procurement of Solar Renewable Energy Credits (the “2016 Program”). The 2016 Program was developed by the Renewable Energy Taskforce, of which Delmarva Power is a member.¹ In support of this Application, Delmarva Power states as follows:

I. Legislative Background

1. In 2007, the Governor approved and signed into law the Renewable Energy Portfolio Standards Act, 26 *Del. C.* §§ 351-364, (“REPSA”), the purpose of which was to “establish a market for electricity from [renewable energy resources] in Delaware, and to lower the cost to consumers of electricity from these resources.” 26 *Del. C.* §351(c). REPSA also recognized that having a market for renewable energy resources in Delaware would benefit the State through “improved regional and local air quality, improved public health, increased electric supply diversity, increased protection against price volatility and supply disruption, improved transmission and distribution performance, and new economic development opportunities.” 26 *Del. C.* §351(b).

2. In furtherance of these goals, REPSA requires retail electricity suppliers, such as Delmarva Power, to purchase energy from Eligible Energy Resources (as that term is defined in REPSA) to meet a portion of their annual retail load². Beginning with compliance year 2010,

¹ As the only current electric supplier participating in the SREC auction process, Delmarva is submitting the 2015 Program to the Commission for approval. However, the 2015 Program is presented by and supported by the Renewable Energy Taskforce.

² REPSA was further amended in July of 2011 to provide: “[b]eginning with compliance year 2012, commission-regulated electric companies shall be responsible for procuring RECs, SRECs and any other attribute needed to

REPSA sets forth the minimum percentage of retail energy sales to end-users that must come from Eligible Energy Resources, including solar photovoltaics. 26 Del. C. §354(a). The percentage of retail energy to be supplied from Eligible Energy Resources increases over time, reaching a requirement of 25% in 2025. *Id.*

3. REPSA was amended in 2010 to require the formation of the Renewable Energy Taskforce (the “Taskforce”) for the purpose of “making recommendations about the establishment of trading mechanisms and other structures to support the growth of renewable energy markets in Delaware.” 26 Del. C. §360(d). The Taskforce was required to include the following members: (i) four appointments by the Secretary of DNREC; (ii) one appointment by the Public Service Commission; (iii) one appointment by Delmarva Power & Light; (iv) one appointment by the Delaware Electric Cooperative; (v) one appointment by municipal electric companies; (vi) one appointment by the Sustainable Energy utility (“SEU”); (vii) one appointment by the Delaware Public Advocate; and (viii) one appointment by the Delaware Solar Energy Coalition. 26 Del. C. §360(d)(1).

4. The Taskforce was charged with making recommendations about and reporting on, *inter alia*, the following:

- a. Establishing a balanced market mechanism for Renewable Energy Credit (“REC”) and Solar Renewable Energy Credit (“SREC”) trading;
- b. Establishing REC and SREC aggregation mechanisms and other devices to encourage the deployment of solar energy technologies in Delaware with the least

comply with subsection (a) of this Section with respect to all energy delivered to such companies' end use customers". 26 Del. C. §354(c). As such, Delmarva Power is the only Commission regulated electric supplier responsible for REPSA compliance for its entire distribution load.

impact on retail electricity suppliers, municipal electric companies and rural electric cooperatives;

- c. Minimizing the cost for complying with REPSA;
- d. Establishing revenue certainty for appropriate investment in solar renewable energy technologies, including consideration of long-term contracts and auction mechanisms;
- e. Establishing mechanisms to maximize in-state solar renewable energy generation and local manufacturing; and
- f. Ensuring that residential, commercial and utility scale photovoltaic and solar thermal systems of various sizes are financially viable and cost-effective instruments in Delaware.

II. The Pilot Program and Evaluation of the Pilot Program

5. Following its formation and after meeting for almost a year, the Taskforce developed a Pilot Program for the Procurement of Solar Renewable Energy Credits (the "Pilot Program"). The Pilot Program was designed as a 1-year program to be re-evaluated each year to determine whether it was effectively meeting the goals of REPSA.

6. The application for the Pilot Program was filed with the Commission on September 11, 2011, and approved, with modifications, by Order No. 8075, dated November 8, 2011. On December 20, 2011, the Commission issued its Final Findings, Opinion and Order No. 8093 (the "2011 Commission Order"), setting forth the reasons for its approval of the Pilot Program with modifications.

7. In accordance with the 2011 Commission Order, the Commission retained Meister Consultants Group ("Meister") to evaluate the Pilot Program. Meister produced a report

on August 3, 2012 (the “Meister Report”) whereby Meister concluded that the solicitation under the Pilot Program was well subscribed, with each of the program tiers being oversubscribed by at least 2 to 1. Based upon feedback from subscribers as well as its own analysis, Meister identified potential modifications to the Pilot Program to reduce ratepayer impact and create a more competitive solicitation. The Taskforce considered the findings in the Meister Report in developing the 2013 SREC Procurement Program (the “2013 Program”).

III. The 2013 SREC Procurement Program and Evaluation of the 2013 Program

8. On November 20, 2012, Delmarva filed an application with the Commission seeking approval of the 2013 Program. The Commission held an evidentiary hearing on January 22, 2013, and approved the 2013 Program with certain modifications (Order No. 8281). On September 10, 2013, the Commission issued its Final Findings, Opinion and Order No. 8450 (the “2013 Commission Order”) setting forth the reasons for its approval of the 2013 Program with modifications.

9. The 2013 Commission Order provided for the Commission to retain a consultant to review the 2013 Program (Order No. 8450, ¶33). The Commission retained New Energy Opportunities, Inc. and LaCapra Associates, Inc. (the “Consultants”) to evaluate the 2013 Program.

10. The Consultants produced a report on August 7, 2013, revised November 20, 2013 (“Consultants’ Report”), finding that: (a) Delmarva should continue to make long term purchases of SRECs from existing projects but should consider removing tiers for the next solicitation; (b) Delmarva should continue to purchase some amount of SRECs on the spot market; (c) Delmarva should maintain the competitive bidding process for all tiers but improve outreach to and education of prospective participants, especially homeowners and non-industry

participants; and (d) consideration should be given to making changes to the SREC Transfer Agreement to avoid a large amount of bidding ties and to reduce or eliminate any incentive for bidders to bid \$0 for the first seven (7) years of the contract. Overall, the Consultants concluded that the 2013 Program was conducted fairly and in a professional manner, and that the redesign of the Program to include competitive bidding and provide that owners of existing projects could be eligible bidders resulted in lower costs which ultimately benefitted ratepayers.

IV. The 2014 SREC Procurement Program

11. On January 27, 2014, Delmarva filed an application with the Commission seeking approval of the 2014 SREC Procurement Program ("2014 Program"). The Commission held an evidentiary hearing on April 15, 2014, and approved the 2014 Program as submitted (Order No. 8551). On September 9, 2014, the Commission issued its Findings of Fact, Conclusions of Law and Final Opinion in Order No. 8629 ("2014 Commission Order") setting forth the reasons for its approval of the 2014 Program.

V. The 2015 SREC Procurement Program

12. On December 9, 2014, Delmarva filed an application with the Commission seeking approval of the 2015 SREC Procurement Program ("2015 Program"). The 2015 Program differed from the 2014 Program in several ways. First, the total number of solicitation SRECs to be acquired through the auction from existing and new projects was increased by 3,000. Second, an upset price for bids was established and Delmarva was given the authority to reject any and all bids above a price determined by Delmarva. In addition, bids in multiple tiers were not permitted but if a tier was undersubscribed (due to insufficient bids or rejected bids), bids from other tiers could win those SRECs. Finally, while the twenty year term for contracts was retained, the price was revised to be the bid price for the first 10 years and a fixed price of

\$35 per SREC for the last 10 years. The Commission held an evidentiary hearing on March 3, 2015, and approved the 2015 Program as submitted (Order No. 8717). On July 21, 2015, the Commission issued its Findings of Fact, Conclusions of Law and Final Opinion in Order No. 8764 (“2015 Commission Order”) setting forth the reasons for its approval of the 2015 Program.

VI. The 2016 Program

13. Since the approval of the Pilot Program, the 2013 Program, the 2014 Program and the 2015 Program (collectively, the “SREC Programs”), the Taskforce has continued to meet to evaluate the results of the SREC Programs and to develop a plan for procurement of SRECs in subsequent years. In developing the 2016 SREC Procurement Program (“2016 Program”) being presented to the Commission in this Application, the Taskforce considered a wide range of information and feedback, including the guidance set forth in the 2015 Commission Order, and further discussions that took place during the Taskforce’s meetings.

14. The purpose of the 2016 Program is to continue the goals of the SREC Programs of creating a market for SRECs in Delaware, and providing a mechanism for the procurement of SRECs to ensure that retail electricity suppliers meet the requirements set forth in REPSA. The key aspects of the 2016 Program and the ways in which it differs from the 2015 Program are highlighted below. The 2016 Program, including attachments, is attached hereto as **Exhibit “A”**. A blackline showing changes made to the 2016 Program from the 2015 Program is attached hereto as **Exhibit “B”**. Delmarva’s Report in support of the 2016 Program which addresses the manner in which the 2016 Program was structured is attached hereto as **Exhibit “C”**.

A. Term of the 2016 Program

15. Like the 2015 Program, the 2016 Program will cover only one (1) year, the 2016 compliance year. (Ex. A at p. 5).

B. Public Competitive Bidding Administered by the SEU

16. Consistent with the 2015 Program, the 2016 Program will utilize a public solicitation for SRECs for different categories of solar generators based on their capacity. (Ex. A at p. 6). As with the 2015 Program, the SEU will administer all aspects of the bid process for each utility that decides to participate in the 2016 Program. It is also anticipated that the SEU will use InClima, Inc. for any auctions held for the 2016 Program. (Ex. A at p. 6).⁴ The use of the SEU to fulfill this role allows one central entity to manage the program, but also allows the SEU to take advantage of its banking rights under REPSA as the SEU will procure the SRECs from various solar generators and resell them to participating utilities. Delmarva has found the SEU to be effective in the SREC Programs and anticipates the same for the 2016 Program.

C. Procurement of SRECs from 5 Tiers of Solar Generators

17. The 2016 Program will procure SRECs from five (5) different tiers of solar generators. (Ex. A at p. 8). Three (3) tiers fall under the category of New Systems while two (2) tiers fall under the category of Existing Systems. The five (5) tiers are as follows:

⁴ Recovery of the SEU's costs is not addressed in this Application and will be dealt with in separate proceedings.

GENERATION UNIT TIER DESIGNATIONS

<u>New Systems⁵</u>	
<u>Tier</u>	<u>Nameplate Rating</u> (DC at STC)
N-1	Less than or equal to 25 kW
N-2	Greater than 25 kW but less than or equal to 200 kW
N-3	Greater than 200 kW but less than or equal to 2 MW
<u>Existing Systems⁶</u>	
<u>Tier</u>	<u>Nameplate Rating</u> (DC at STC)
E-1	Less than or equal to 25 kW
E-2	Greater than 25 kW but less than or equal to 2 MW

(Ex. A. at p. 8). Like the 2015 Program, Tiers N-1, E-1 and E-2 will be combined for solicitation purposes only. All five tiers will continue to be competitively bid. (Ex. A at p. 19).

18. Each Owner⁷ is only required to submit an application in one tier. (Ex. A at p. 19). However, in the event that a Tier is undersubscribed, bids from other Tiers can be accepted to secure the necessary SRECs to fill that Tier. Provided these stated minimums are met, the SEU will accept for each Tier the lowest bid prices for that Tier. (Ex. A at p. 20).

19. Based on Delmarva Power's forecasted load, it intends to procure a minimum of 9,000 SRECs and up to a maximum of 15,000 SRECs through the long term auction, as follows:

- Tiers N-1, E-1, E-2 – 4,400 SRECs

⁵ Eligible New Systems are systems with final interconnection approval after the first date of the preceding auction process (i.e., April 13, 2015, for compliance year 2016).

⁶ Eligible Existing Systems are systems with final interconnection approval before the first date of the preceding auction process.

⁷ Capitalized terms used herein but not defined shall have the meaning given to them in the 2016 Program.

- Tier N-2 – 2,300 SRECs
- Tier N-3 – 2,300 SRECs

Upon conclusion of the fulfillment of 9,000 SRECS, Delmarva Power may procure up to 6,000 additional SRECs through the auction, regardless of Tier, using the least expensive SRECs from New Systems and Existing Systems. (Ex. A. at pp. 21-22).

D. Standard Transfer Agreements and Other Requirements

20. Each Owner who is successful in having their bid selected will enter into a standard form Transfer Agreement with the SEU. (Ex. A at Appendix A). The form of the Transfer Agreement is largely the same as the one used for the 2015 Program, and has been modified only to take into account changes in the 2016 Program.

21. Each Transfer Agreement will have a term of twenty (20) years. (Ex. A at p. 12). For the first ten (10) years of the Agreement, the SREC price will be the accepted bid price. (Ex. A at p. 14). For the remaining ten (10) years of the Agreement, the SREC price will be fixed at \$35 per SREC. (Ex. A at p. 14).

22. As with the 2015 Program, the Transfer Agreement will impose certain contract minimums and maximums, depending on tier. In each bid, regardless of tier, the Owner will provide an Estimated SREC Quantity. The quantity of SRECs delivered to the SEU in any year is limited to 110% of the Estimated SREC Quantity, which amount shall be the Contract Maximum. (Ex. A at p. 13). In addition, for any Tier N-3 or Tier E-2 project with a nameplate rating of 500kw or greater, the Owner shall be subject to a Minimum Annual Quantity. (Ex. A at p. 14). Each Owner subject to a Minimum Annual Quantity must deliver to the SEU SRECs equal to no less than 80% of its Estimated SREC Quantity. (Ex. A at p. 14).

E. Public Interest

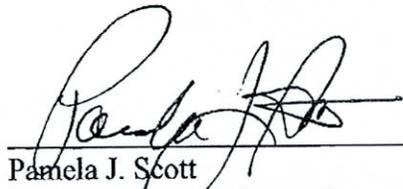
23. The primary differences between the 2015 Program and the 2016 Program are: (1) an increase in the authorized number of SRECs to be purchased through the long term auction; and (2) a reduction in the breakpoints for kW for Tiers N-1, N-2, E-1 and E-2 from 30 kW to 25.kW Accordingly, the Taskforce believes that the 2016 Program improves upon the results achieved through the 2015 Program in that it ensures the lowest SREC price (and, therefore, customer impact) while continuing to create a market for SRECs at all levels of generation. Delmarva submits that the 2016 Program, with the proposed changes, is in the public interest.

VII. Request for Expedition and Approval

24. In order to begin the public bidding contemplated by the 2016 Program, Delmarva Power respectfully requests that this Application be handled on an expedited basis such that it can be presented to the Commission no later than November of 2015.

25. Accordingly, because Delmarva Power and the Taskforce believe the 2016 Program satisfies the goals set forth by REPSA and improves upon the 2015 Program, and, as demonstrated above, is in the public interest, Delmarva Power respectfully requests that the Commission approve the 2016 Program attached as Exhibit "A".

WHEREFORE, for the foregoing reasons, Delmarva Power respectfully requests that the 2016 Program be approved.



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Dated: October 8, 2015

EXHIBIT "A"

2016 PROGRAM OUTLINE AND FORM OF TRANSFER AGREEMENT

STATE OF DELAWARE

2016 PROGRAM

FOR THE PROCUREMENT OF

SOLAR RENEWABLE ENERGY CREDITS

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**STATE OF DELAWARE
2015 PROGRAM
FOR THE PROCUREMENT OF
SOLAR RENEWABLE ENERGY CREDITS**

1. Statutory Background

The Delaware Renewable Energy Portfolio Standards Act (as amended, “**REPSA**“) requires retail electricity suppliers operating in the State of Delaware to purchase energy from “**Eligible Energy Resources**” meet a portion of their retail load.¹ For the 2016 compliance year (beginning June 1, 2016), retail electricity suppliers must purchase at least 14.50% of their retail load in Delaware from renewable resources.² That requirement increases incrementally each subsequent compliance year, up to 25% for the 2025 compliance year. The cost of procuring renewable energy to satisfy the requirements of REPSA is passed through to customers.

REPSA was amended in 2007 to require that a certain portion of each retail electricity supplier’s renewable energy requirement be satisfied with energy from solar technologies. The 2010 amendments to REPSA established a solar set aside of 1.00% for the 2015 compliance year, which increases incrementally to 3.50% for the 2025 compliance year. For 2026 and future compliance years, the Delaware Public Service Commission (“**DPSC**“) will establish solar set-asides at levels at least equal to the 2025 set-aside.

To encourage the development of new renewable energy generation, REPSA mandates that no more than 1% of the renewable energy purchase requirement can be satisfied by purchases from renewable energy generation resources (each, a “**Generation Unit**“) that were in commercial

¹ Eligible Energy Resources are defined to include those that produce solar photovoltaic or solar thermal energy, wind energy, ocean energy, geothermal energy or energy from fuel cells powered by renewable fuels. Also included are biogas, small-scale hydroelectric, biomass and certain qualifying landfill gas recovery projects. Eligible Energy Resources do not include waste-to-energy facilities, incinerators or generating resources fueled by fossil-fuel waste products.

² REPSA was amended in July of 2011 to provide: “[b]eginning with compliance year 2012, commission-regulated electric companies shall be responsible for procuring RECs, SRECs and any other attributes needed to comply with subsection (a) of this section with respect to all energy delivered to such companies’ end use customers.” 26 Del. C. §354(e) Accordingly, Delmarva Power & Light Company (“**Delmarva**“) is now responsible for REPSA compliance for its entire delivery load.

operation prior to January 1, 1998. For the 2026 and subsequent compliance years, no such pre-existing Generation Units will be eligible to satisfy any portion of the REPSA requirement.

When it enacted REPSA, the Delaware General Assembly acknowledged that “the benefits of electricity from renewable energy resources accrue to the public at large, and that electric suppliers and consumers share an obligation to develop a minimum level of these resources in the electricity supply portfolio of the state.”³ It therefore directed the DPSC to “establish, maintain or participate in a market-based renewable energy tracking system to facilitate the creation and transfer of renewable energy credits among retail electricity suppliers.”⁴

2. Solar Renewable Energy Credits

2.1 General

To implement the mandate of REPSA, the DPSC adopted regulations that recognize the creation, and facilitate the tracking through PJM Interconnection’s Generation Attributes Tracking System (“*GATS*”), of renewable energy credits (each, a “*REC*”). A REC is a tradable instrument that represents the non-price characteristics (*e.g.*, fuel type, geographic location, emissions and vintage) of electric energy derived from an Eligible Energy Resource.⁵ One REC is equivalent to such characteristics associated with 1 megawatt-hour (“*MWh*”) of energy derived from such a resource. A solar renewable energy credit (an “*SREC*”) represents the same non-price characteristics of 1 MWh of energy derived from an Eligible Energy Resource that generates electric energy using solar photovoltaic technology.

RECs and SRECs are created upon the generation of electricity by an Eligible Energy Resource and the registration of such REC or SREC within GATS. Each owner of an Eligible

³ 26 *Del. C.* § 351(b). The benefits recognized by the General Assembly include “improved regional and local air quality, improved public health, increased electric supply diversity, increased protection against price volatility and supply disruption, improved transmission and distribution performance, and new economic development opportunities.” *Id.*

⁴ *Id.* § 359(a).

⁵ A REC does not include any emission reduction credits or allowances required to comply with any necessary permits for Generation Units.

Energy Resource is entitled to one REC or SREC, as applicable, for each MWh of energy generated by the resource. Such owners must therefore have an account within the GATS or have arranged with another entity that has such an account to act on its behalf.

2.2 Banking of SRECs

Once a REC or SREC is created, it continues to exist for three (3) years or until it is retired to satisfy the requirements of REPSA. Such three-year period is tolled during any period that a REC or SREC is held by the Delaware Sustainable Energy Utility (the “*SEU*”).

2.3 Bonus for Use of In-State Equipment or Workforce

Generation Units sited in Delaware are entitled to a 10% bonus on REC and SREC production if: (a) 50% or more of the cost of the renewable energy equipment comprising the Generation Unit (including mounting components) is manufactured in Delaware (the “*Delaware Equipment Bonus*”); or (b) the Generation Unit is constructed and/or installed either with a workforce at least 75% of whom are Delaware residents or by a company that employs at least 75% Delaware residents (the “*Delaware Workforce Bonus*”). Generation Units that meet both criteria are entitled to an aggregate 20% bonus. Satisfaction of these criteria must be certified by the DPSC.⁶

3. The Delaware Renewable Energy Taskforce

The 2010 amendments to REPSA established the Renewable Energy Taskforce (the “*Taskforce*”) to make “recommendations about the establishment of trading mechanisms and other structures to support the growth of renewable energy markets in Delaware.”⁷ The Taskforce was

⁶ Eligibility for the Delaware Equipment Bonus and the Delaware Workforce Bonus shall be determined solely by the DPSC.

⁷ *Id.* § 360(d). The Taskforce is comprised of 11 members representing a broad cross-section of entities interested in and concerned with the implementation of renewable energy policy in Delaware. The 2010 amendment to REPSA stipulates that the Taskforce be made up of: (a) four appointments by the Secretary of the Delaware Department of Natural Resources and Environmental Control, including one from the renewable energy research and development industry, one from the local renewable energy manufacturing industry and one from an environmental advocacy organization; (b) one appointment by the DPSC; (c) one appointment by Delmarva

directed to find ways to increase deployment of solar generation and enhance the market for SRECs. Its responsibilities include making recommendations about the following:

- establishing a balanced market mechanism for REC and SREC trading;
- establishing REC and SREC aggregation mechanisms and other devices to encourage the deployment of solar energy technologies in Delaware with the least impact on retail electricity suppliers, municipal electric companies and rural electric cooperatives;
- minimizing the cost for complying with REPSA;
- establishing revenue certainty for appropriate investment in solar renewable energy technologies, including consideration of long-term contracts and auction mechanisms;
- establishing mechanisms to maximize in-state solar renewable energy generation and local manufacturing; and
- ensuring that residential, commercial and utility scale photovoltaic and solar thermal systems of various sizes are financially viable and cost-effective instruments in Delaware.

4. The SREC Pilot Program

In 2010, the Taskforce appointed a special subcommittee to consider and make recommendations regarding the SREC procurement process. That subcommittee met on numerous occasions over several months and evaluated a variety of alternative approaches to SREC procurement in an effort to reach a consensus on a comprehensive program designed to meet the objectives set forth in REPSA with respect to the development of solar generation resources. Based on the subcommittee's work, the Taskforce recommended for approval to the DPSC a statewide pilot program for the 2011 compliance year (the "*SREC Procurement Pilot Program*") to encourage solar development in the State of Delaware while minimizing costs for owners, developers, aggregators, consumers and other participants in the SREC market in Delaware. The

Power & Light Company; (d) one appointment by the Delaware Electric Cooperative; (e) one appointment by municipal electric companies; (f) one appointment by the SEU; (g) one appointment by the Delaware Public Advocate; and (h) one appointment by the Delaware Solar Energy Coalition. *Id.* § 360(d)(1).

DPSC approved the SREC Procurement Pilot Program with minor modifications pursuant to Order No. 8093, dated December 20, 2011.

5. The 2013 SREC Procurement Program

Following successful implementation of the SREC Procurement Pilot Program (“Pilot Program”), the Taskforce recommended for approval to the DPSC of a statewide program for 2013 (the “*2013 SREC Procurement Program*”). The 2013 SREC Procurement Program continued the goals of the Pilot Program of creating a market for SRECs in Delaware and providing a mechanism for the procurement of SRECs to ensure that the requirements of REPSA are met. The 2013 SREC Procurement Program (“2013 Program”) was based on five (5) tiers of SRECs, all competitively bid, with the intent of procuring a total of 7,000 SRECs plus an additional 1,000 SRECs through purchases on the spot market. The DPSC approved the 2013 SREC Procurement Program on January 22, 2013, pursuant to Order No. 8281. Thereafter, by Order No. 8450, dated September 10, 2013, the DPSC issued its Findings of Fact, Conclusions of Law and Final Opinion in Support of Order No. 8281. In doing so, the DPSC found that the 2013 SREC Procurement Program was in the public interest and met the criteria of REPSA. The DPSC also accepted DPSC Staff’s recommendation that an independent consultant be hired to evaluate the 2013 SREC Procurement Program. An evaluation was performed by New Energy Opportunities, Inc. and LaCapra Associates, Inc. (the “Consultants”) which issued its report dated August 7, 2013, revised September 20, 2013 (“Consultants’ Report”). The Consultants’ Report concluded that the 2013 Program was conducted fairly and in a professional manner and that the changes which were implemented to provide for competitive bidding and the inclusion of owners of existing projects as eligible bidders, resulted in lower overall costs to ratepayers.

6. **The 2014 SREC Procurement Program**

Based upon its review of the results of the 2013 Program and a review of the Consultants' Report, the Taskforce recommended for approval to the DPSC of a statewide program for the 2014 compliance year (the "*2014 SREC Procurement Program*"). The 2014 SREC Procurement Program ("2014 Program") continued the goals of Pilot Program and 2013 Program with some refinements. The 2014 Program was based on five tiers of SRECs, all competitively bid, with the intent of procuring 7,000 SRECs plus an additional 1,000 SRECs through purchases on the spot market. The DPSC approved the 2014 SREC Procurement Program on April 15, 2014 pursuant to Order No. 8551. Thereafter, by Order No. 8629, dated September 9, 2014, the DPSC issued its Findings of Fact, Conclusions of Law, and Opinion in Support of Order No. 8551. In doing so, the DPSC found that the 2014 SREC Procurement Program was in the public interest and met the criteria of REPSA.

7. **The 2015 SREC Procurement Program**

Based upon its review of the results of the 2014 Program, the Taskforce recommended for approval to the DPSC of a statewide program for the 2015 Compliance year (the "*2015 SREC Procurement Program*"). The 2015 SREC Procurement Program ("2015 Program") confirmed the goals of the Pilot Program, the 2013 Program and the 2014 Program, with some modifications. The 2015 Program continued to be based on five tiers of SRECs, all competitively bid, but with the intent of procuring a minimum of 9,000 SRECs and up to a total of 12,000 SRECs through the auction process. The 2015 Program also established an Alternative Compliance Payment of \$400 and permitted Delmarva to establish an upset price for the purchase of SRECs and provided that bids received above these amounts could be rejected by Delmarva. The DPSC approved the 2015 SREC Procurement Program on March 3, 2015 pursuant to Order No. 8717. Thereafter, by Order No. 8764, dated July 21, 2015, the DPSC issued its Findings of Fact, Conclusions of Law and

Opinion in Support of Order No. 8717. In doing so, the DPSC found that the 2015 SREC Procurement Program was in the public interest and met the criteria of REPSA.

8. Program Administration; Eligibility

8.1 Public Solicitations

The Taskforce believes that the procurement of SRECs by retail electricity suppliers⁸ operating in the State of Delaware should be implemented through public solicitations, managed by the SEU.⁹ Solicitations under the Pilot Program, the 2013 Program, the 2014 Program and the 2015 Program were managed by the SEU and the Taskforce has approved the use of the SEU for the 2016 SREC Procurement Program.¹⁰ The solicitations will be for SRECs and other environmental attributes¹¹ created by the Eligible Energy Resources, but will not cover the energy output of the resources. Upon receipt and evaluation of the applications received in response to each solicitation, the SEU will award bids and execute agreements based on the criteria set forth in this 2016 SREC Procurement Program.

8.2 Owner Qualifications

To apply as an owner (an “*Owner*”) of an Eligible Energy Resource pursuant to the 2016 SREC Procurement Program, the applicant must own, lease, control or be the direct assignee of all

⁸ In 2011, the statute was amended so that RPS obligations were assigned to only commission-regulated electric companies. 26 *Del. C.* §354.

⁹ The SEU will use a third party (the “*SREC Procurement Agent*”) to perform some or all of its duties with respect to the 2015 SREC Procurement Program, including conducting solicitations, evaluating bids and executing agreements on behalf of the SEU. The SREC Procurement Agent for the 2015 SREC Procurement Program will be InClimate, Inc. InClimate, Inc. is a spinoff of SRECTrade and was established solely to operate utility and public agency renewable procurement programs. InClimate, Inc. will be operated by Kevin Quilliam who oversaw the SREC auctions for the Pilot Program, the 2013 Program and the 2014 Program.

¹⁰ As with the Pilot Program, the 2013 Program, the 2014 Program and the 2015 Program the recovery of costs incurred by the SEU will be dealt with in separate proceedings.

¹¹ In addition to SRECs, environmental attributes include those attributes created from the Generation Unit’s generation of electricity from solar energy in contrast with the generation of electricity using nuclear or fossil fuels or other traditional resources, such as emission credits, carbon credits, air quality credits, green credits, carbon tax credits, emissions reduction credits, greenhouse gas credits, certificates, tags, offsets, allowances and similar products, rights, claims or benefits, whether now existing or arising in the future. However, environmental attributes do not include tax credits other than carbon tax credits.

of the SRECs created by such resource.¹² Any party participating in the 2016 SREC Procurement Program may submit an application jointly with an entity that has executed agreements¹³ to control the SRECs produced by two or more Eligible Energy Resources (such entity, an “*Owner Representative*”).

An Owner that is qualified to submit an application on its own behalf may, at its option, elect to designate an Owner Representative. Affiliates of retail electricity suppliers are permitted to participate in the 2016 SREC Procurement Program as Owners or Owner Representatives (as long as they satisfy the applicable requirements for being an Owner or Owner Representative).

8.3 Eligible Projects

To qualify for participation in the 2016 SREC Procurement Program, a Generation Unit must: (a) qualify as a “Solar Photovoltaic Energy Resource” in accordance with the DPSC rules; and (b) be eligible for certification as an Eligible Energy Resource under REPSA.

In order to increase the likelihood that a wide variety of residential and commercial projects have an opportunity to participate in the 2016 SREC Procurement Program, the Taskforce has determined to continue with the distinct tiers of Generation Units (based on their date of interconnection approval and nameplate capacity) that had been established for the 2015 Program, with one minor modification for which different pricing, bid rules and other contract terms and conditions will apply. The tiers are as follows:

¹² An Owner need not have been awarded SREC Transfer Agreements with respect to its Eligible Energy Resources.

¹³ An Owner Representative need not have been awarded SREC Transfer Agreements with respect to its Eligible Energy Resources. It need only have executed agreements with Owners of two or more such resources.

GENERATION UNIT TIER DESIGNATIONS

<u>New Systems</u> ¹⁴	
<u>Tier</u>	<u>Nameplate Rating</u> (DC at STC)
N-1	Less than or equal to 25 kW
N-2	Greater than 25 kW but less than or equal to 200 kW
N-3	Greater than 200 kW but less than or equal to 2 MW
<u>Existing Systems</u> ¹⁵	
<u>Tier</u>	<u>Nameplate Rating</u> (DC at STC)
E-1	Less than or equal to 25 kW
E-2	Greater than 25 kW but less than or equal to 2 MW

The capacity of a Generation Unit and its applicable tier will be based on the aggregate nameplate rating of all solar arrays: (a) that are located on the same parcel of land (as established by the local taxing authority) or share a single utility interconnection point; and (b) for which applications are submitted for the same compliance year.¹⁶

8.4 Ongoing Program Evaluation

The Taskforce will evaluate the 2016 SREC Procurement Program on a periodic basis to consider whether any changes or modifications are necessary or advisable. Any changes or modifications to the program (e.g., the allocation of SRECs among the different tiers) would be prospective only and executed SREC Transfer Agreements (as defined below) would not be

¹⁴ Eligible “*New Systems*” are systems with final interconnection approval after the first date of the preceding auction process (i.e., April 13, 2015 for compliance year 2016).

¹⁵ Eligible “*Existing Systems*” are systems with final interconnection approval before the first date of the preceding auction process. New Systems and Existing Systems may be referred to individually as a “system” or collectively as “systems” throughout.

¹⁶ An Owner may, at its discretion, include additional solar arrays at other locations, in which case the capacity of such arrays will be aggregated for purposes of determining the capacity and tier of such project.

affected. Any material changes to the 2016 SREC Procurement Program would be subject to approval of the appropriate regulatory bodies.

9. Bid Applications

9.1 General Requirements

Each Owner must submit, or designate its Owner Representative to submit, a completed bid application (and only one such bid application)¹⁷ for each Generation Unit for which it intends to participate in the 2016 SREC Procurement Program. However, for New Systems that are an addition to or expansion of Existing Systems, a separate application may be submitted for both the New System and the Existing System provided that the New System has a separate meter from the Existing System installed in accordance with the requirements of Section 9.7. The application is an on-line application which is located and is to be completed on the SEU's website at www.SRECDelaware.com. The application must include, among other things: a description of the Generation Unit, including its location, the types of solar panels being used and its nameplate rating (at STC);¹⁸ and

- if the Owner elects to designate an Owner Representative, the identity of the Owner Representative must be provided.

In addition, each bid application must be accompanied by:

- the appropriate deposit; and
- an analysis of the estimated annual energy output using PVWatts Solar PV Energy Calculator or such other modeling technique as may be acceptable to the SEU.

¹⁷ A Generation Unit may not be included in more than one bid application in any single solicitation. If such unit is not awarded an SREC Transfer Agreement as a result of such solicitation, the Owner is free to submit an application for such unit pursuant to any future solicitation.

¹⁸ The equipment description contained in the application is not binding on an Owner or an Owner Representative, provided that: (a) except as expressly permitted in accordance herewith, the nameplate rating (at STC) of any substitute equipment may not vary from that described in the original application by more than 5% for Tier 1 or Tier 2 projects, or 2.5% for Tier 3 projects; and (b) in no event will the substitution of different equipment affect the Estimated SREC Quantity contained in the original application.

Once an Owner's bid is accepted, it must submit a standard form agreement to sell SRECs to the SEU (an "*SREC Transfer Agreement*") executed by the Owner and, if necessary or elected, an Owner Representative.

9.2 Estimated Output

Each application to sell SRECs pursuant to the 2016 SREC Procurement Program must include a binding estimate of: (a) the annual energy output of the Eligible Energy Resource, as determined using PVWatts Solar PV Energy Calculator or such other modeling technique as may be acceptable to the SEU; and (b) the annual SREC production levels (such estimate of the SREC production levels, the "*Estimated SREC Quantity*"). The estimates for energy output and SREC production levels shall be subject to an annual degradation factor of 0.5%.

For Eligible Energy Resources claiming a bonus based on the use of Delaware-sourced equipment and/or an in-state workforce (as described in Section 2.3 above), the application must include a statement that it intends to qualify for the Delaware-sourced equipment and/or in-state workforce bonus and the binding SREC output estimate for such resources should include any such SREC bonus.¹⁹ Failure to claim a bonus at the time an application is submitted will disqualify a project from being entitled to the bonus, regardless of whether Delaware-sourced equipment or an in-state workforce is later employed.

9.2 Bid Deposit

Each application to participate in the 2016 SREC Procurement Program must be accompanied by a bid deposit in an amount equal to \$100 per kW (DC) of the nameplate rating (at STC) of the Eligible Energy Resource; provided that the bid deposit will be waived for qualifying projects that provide a copy of their DPSC certification as an Eligible Energy Resource along with their bid application. All bid deposits must be in the form of an acceptable letter of credit, cash or

¹⁹ The "bonus" SRECs are not actually credited to retail electricity suppliers until they retire the SRECs to which the bonus applies. However, under the terms of the SREC Transfer Agreements, as long as the Owner provides evidence that the DPSC has certified that the Eligible Energy Resource qualifies for the bonus, payment for the SRECs will include the bonus amount.

a bid bond²⁰ and will be held by the SEU on behalf of the participating retail electricity suppliers.

The bid deposits will be returned or released promptly upon: (a) rejection of an application; or (b) termination of an SREC Transfer Agreement based on the imposition by the interconnecting utility of a charge other than a standard interconnection fee (as described in Section 9.4 below). In addition, if an Owner claims in its application that a project will be entitled to the Delaware Equipment Bonus or the Delaware Workforce Bonus and such project is not certified by the DPSC as being eligible for either such "claimed" bonus, the SEU has the option to declare that the bid deposit will be forfeited and the SREC Transfer Agreement will be terminated. Otherwise, the bid deposit will be returned upon completion and commencement of operation of the Generation Unit on or prior to the Guaranteed On-Line Date (as defined in Section 9.5 below) and the posting of performance credit support (as described in Section 9.9 below). For Generation Units that commence operation after such date, the bid deposit will be used to pay delay liquidated damages (as described in Section 9.5 below) and the balance, if any, will be returned to the Owner promptly after the commencement of operation and the posting of performance credit support (as described in Section 9.9 below). Bid deposits will not earn interest.

10. SREC Transfer Agreements

In order to minimize transaction costs, the SEU will enter into standard form SREC Transfer Agreements with Owners and, if elected by such Owners, the Owner Representatives. The SEU will countersign each SREC Transfer Agreement promptly upon determining that the associated application and bid qualify for selection pursuant to the pending solicitation (the date of signing by the SEU, the "*Execution Date*"). Each SREC Transfer Agreement will include:

²⁰ A bid bond must be in the form of American Institute of Architects (AIA) Form 310. In addition, any applicant that provides a bid bond as bid security will be required to replace such bond with a deposit in the form of a letter of credit or cash no later than 10 days after the SEU provides notice that its bid application has been granted.

- the Owner's agreement to maintain the Generation Unit as an Eligible Energy Resource;
- an acknowledgment by the Owner and, if applicable, the Owner Representative that: (a) the SEU and retail electricity suppliers have the right to inspect the Generation Unit (which right may be assigned to qualified third parties); and (b) the SEU has the right to resell the SRECs in any market where they are eligible to be traded, including states other than Delaware; and
- if the Owner is designating an Owner Representative, the appointment of the Owner Representative as the Owner's exclusive agent to manage SRECs within GATS on the Owner's behalf.

The form of the SREC Transfer Agreement is appended hereto as Appendix A. Some of the principal terms and conditions of the SREC Transfer Agreement are described in this Section 9.

10.1 Term of Agreement

All SREC Transfer Agreements will have a term of twenty (20) years. The term will commence as follows:

- For New Systems or Existing Systems for which the Operation Date is prior to thirty (30) days following the close of the solicitation, the term of the Agreement shall commence on June 1, 2016.
- For New Systems or Existing Systems for which the Operation Date is not thirty (30) days prior to the close of the solicitation, the term of the Agreement shall commence on the Operation Date regardless of when the Agreement is executed by the Owner or Owner Representative.
- Under either scenario, the date on which the term of the Agreement begins is the "**Commencement Date**", regardless of when the Agreement is signed by the Owner or Owner Representative. If the Owner or Owner Representative does not sign the Agreement until after the Commencement Date, they forfeit the right to compensation for any SRECs created prior to the Commencement Date.

10.2 SREC Quantity

Pursuant to each SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative, will be obligated to transfer (by providing permission to move the System to the SEU's GATS account) and sell to the SEU, and the SEU will be obligated to purchase and pay for, all of the SRECs produced at the Generation Unit up to the Contract Maximum (as defined below).

To facilitate more efficient management and accounting for SREC procurement, and to maximize opportunities for the largest possible group of Owners to participate in the 2016 SREC Procurement Program, the quantity of SRECs that may be delivered pursuant to any SREC Transfer Agreement during any annual period will be limited to 110% of the Estimated SREC Quantity for such period (such amount, the "*Contract Maximum*"). All SRECs delivered pursuant to an SREC Transfer Agreement must be created based on the output of the Generation Unit that is the subject of that Agreement. In the event a Tier N-1, Tier N-2 or Tier E-1 project produces SRECs in excess of the Contract Maximum, the SEU will have the option to elect whether or not to purchase any or all of the surplus SRECs. If it exercises that option, the sale of any such excess SRECs will be subject to the same terms, conditions and pricing applicable to other SREC purchases under the SREC Transfer Agreement. In the event a Tier N-3 or Tier E-2 project produces SRECs in excess of the Contract Maximum, or if the SEU declines to purchase, or purchases only a portion of, the excess SRECs produced by a Tier N-1, Tier N-2 or Tier E-1 project, the SEU will transfer any such excess SRECs back to the Owner, who will have the right to sell such excess SRECs in any manner it deems appropriate.

For Tier N-3 and Tier E-2 projects that have a nameplate rating of 500 kW or greater, the Owner and, if applicable, the Owner Representative, will be obligated to sell to the SEU, for each annual period, a quantity of SRECs equal to no less than 80% of the Estimated SREC Quantity for such period (the "*Minimum Annual Quantity*").

The Estimated SREC Quantity may not be amended unless the Owner reduces the capacity of a Generation Unit either to avoid or minimize any interconnection fees or charges sought to be imposed by the interconnecting utility (as described in Section 9.4 below) or to allow the Generation Unit to fit within a pending solicitation (as described in Sections 10.1 and 10.2 below).

10.3 Pricing

All New Systems and Existing Systems will be required to submit bids which will be evaluated and selected based on the lowest bid prices. Owners are required to submit bids only in their applicable Tier. For the 2016 SREC Procurement Program, the SREC price during the first ten (10) years of the term of the SREC Transfer Agreements will be the bid price, and the SREC price for the last ten (10) years of the SREC Transfer Agreements will be fixed at \$35 per SREC.

10.4 Utility Interconnections

If, based on an Owner's interconnection application, the interconnecting utility proposes to assess any fee or charge (other than a standard interconnection application fee), the Owner may, within ten (10) days of notice of such fee or charge by the interconnecting utility, either reduce the capacity of the Generation Unit to avoid or minimize such fee or charge or terminate the SREC Transfer Agreement. In order to take advantage of this right, each Owner must submit a complete interconnection application (Step 1) to the interconnecting utility no later than one hundred twenty (120) days after the Execution Date.

If an Owner reduces the capacity of a Generation Unit to avoid or minimize an interconnection charge, the Estimated SREC Quantity will be reduced by the same percentage and any excess deposit will be returned to the Owner.²¹ If an Owner elects to terminate the SREC Transfer Agreement based on the imposition of an interconnection fee or charge, the entire deposit will be returned.

10.5. Guaranteed On-Line Date; Delay Liquidated Damages

All projects must commence operation no later than twelve (12) months after the Commencement Date (the "*Guaranteed On-Line Date*"); provided that the Guaranteed On-Line

²¹ A reduction in capacity to avoid or minimize an interconnection charge will not affect pricing under the SREC Transfer Agreement, regardless of whether the reduced capacity would have qualified the project to submit an application for a lower tier.

Date will be subject to extension to the extent reasonably necessary based on: (a) events beyond the reasonable control of the Owner (*i.e.*, force majeure as defined in the SREC Transfer Agreement); or (b) the failure by the interconnecting utility to complete the interconnection (provided that the Owner or, if applicable, the Owner Representative shall have submitted a timely and complete interconnection application to the interconnecting utility). In no event will the Guaranteed On-Line Date be extended for more than one (1) additional year.

For any Generation Unit that fails to meet its Guaranteed On-Line Date, the Owner and, if applicable, the Owner Representative will be liable to pay liquidated damages for each full or partial day of delay. The amount of such damages will be equal to 1/30th of the deposit amount. In the event a Generation Unit is not operational within thirty (30) days of its Guaranteed On-Line Date, the SEU will have the right to terminate the SREC Transfer Agreement.

10.6 Payment

All projects will be paid on a monthly basis. Each Owner will stipulate in the SREC Transfer Agreement whether payment is to be made to the Owner or, if applicable, the Owner Representative. Payment will be based on the number of SRECs transferred to and registered in the SEU's GATS account during the relevant billing period.

10.7 Metering

All Tier N-1, N-2, E-1 and E-2 Projects must install either a revenue-grade meter on site or revenue-grade online monitoring. All Tier N-3 Projects must install revenue-grade online monitoring.

10.8 Conditions Precedent

The SEU's purchase obligations under each SREC Transfer Agreement will be conditioned on: (a) the Owner providing evidence that it has received a certification number from the DPSC confirming that the referenced Generation Unit qualifies as an Eligible Energy Resource; and (b)

for Generation Units that are eligible in accordance with GATS rules and procedures, the Owner executing an agreement to move the generator to the SEU's GATS account. For projects claiming a bonus based on the use of Delaware-sourced equipment or an in-state workforce (as described in Section 2.3 above), the SEU's obligations will also be subject to delivery of confirmation from the DPSC that the resource qualifies for the claimed bonus (which confirmation may be delivered within thirty (30) days of the commencement of operation of the resource).

10.9 Performance Credit Support

Pursuant to the terms of each SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative, will grant the SEU a security interest in all of the SRECs (up to the Contract Maximum) generated by the project to secure their respective obligations under the agreements, including the obligation to deliver and sell the SREC output of the project.

To secure their obligations to deliver the Minimum Annual Quantity, Owners or Owner Representatives of Tier N-3 or Tier E-2 projects with a nameplate rating of 500 kW or greater will also be required to provide supplemental credit support in the form of cash, a letter of credit or other collateral acceptable to the SEU. For each of the first ten (10) years of the SREC Transfer Agreement, such supplemental credit support shall be in an amount equal to five percent (5%) of the value (at the applicable price set forth in the SREC Transfer Agreement) of the first-year Estimated SREC Quantity; for each year thereafter, it shall be in an amount equal to ten percent (10%) of the value of the Estimated SREC Quantity for the 10th year of the Agreement. The supplemental credit support must be replenished to the required level in the event any portion of the credit support is drawn or used.

10.10 Project Maintenance; Inspections

Owners and, if applicable, Owner Representatives will be responsible for maintaining Generation Units so that they remain Eligible Energy Resources and are able to produce their

respective Estimated SREC Quantities. Owners and Owner Representatives must notify the SEU of any substantive changes to the operational characteristics of the Generation Unit.²²

The SEU will have the right to physically inspect Generation Units to verify compliance with the terms of their applicable SREC Transfer Agreements. The SEU may delegate that right to the SREC Procurement Agent, any retail electricity suppliers or any other qualified third parties.

10.11 Excused Performance

Owners will be excused from any delay in performance or failure to perform under an SREC Transfer Agreement caused by conditions beyond their reasonable control (*i.e.*, force majeure as defined in the SREC Transfer Agreement); provided that such relief shall be limited to the amount of time the condition exists that caused the delay but in no event greater than a period of one (1) year for any single force majeure event.

10.12 Default Provisions

Pursuant to the SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative will be in default if:

- the full SREC output of a Generation Unit (up to the Contact Maximum) is not made available to the SEU within the timeframe required ; or
- for a Tier N-3 or Tier E-2 project with a nameplate rating of 500 kW or greater, the project fails to generate the Minimum Annual Quantity during any annual period and the Owner fails to pay applicable damages (as described in Section 6.13 below) within thirty (30) days after the end of such annual period; or
- the required credit support is not maintained.

In addition, an Owner Representative will be in default under an SREC Transfer Agreement if it fails to qualify as an Owner Representative under the terms of the 2016 SREC Procurement Program and such failure is not cured within thirty (30) days of notice of such failure.

²² Owners and Owner Representatives are also required to provide the SEU with copies of any notice(s) submitted to the DPSC pursuant to 26 *Del.Admin. C.* § 3008(3.1.8) and any additional correspondence related to such notice(s).

10.13 Remedies

Upon a breach or default by an Owner or an Owner Representative under an SREC Transfer Agreement, the SEU will be entitled to all of its remedies at law and in equity, including specific performance of and/or termination of this Agreement. Upon a breach or default by the SEU under an SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative, will be entitled to their respective remedies at law and in equity. Equitable remedies will include specific performance of the Agreement.

In the event the SEU terminates an SREC Transfer Agreement based on a failure or refusal to sell the SREC output of the Eligible Energy Resource to the SEU, the SEU may recover damages calculated based on the difference, if positive, between the price for SRECs under the SREC Transfer Agreement and the cost to replace such SRECs in the market.

If a Tier N-3 or Tier E-2 project with a nameplate rating of 500 kW or greater fails to produce the Minimum Annual Quantity of SRECs during any annual period, the Owner will owe damages equal to the amount of the shortfall, multiplied by the difference, if positive, between: (a) the lower of the prevailing market price of SRECs (as reasonably determined by the SEU) or the amount of the "Alternative Compliance Payment" (as defined in REPSA) for the year in which such shortfall occurs; and (b) the price for SRECs under the SREC Transfer Agreement. Such damages shall be due and payable no later than thirty (30) days after the end of the annual period to which they apply. Payment of such damages will be the Owner's sole liability for the failure to deliver the Minimum Annual Quantity.

10.14 Replacement of Owner Representative

An Owner may remove its Owner Representative at any time and for any reason (or no reason) in its sole and absolute discretion.

11. Bid Awards

Promptly upon receipt of an application to sell SRECs from an Owner Representative or Owner in response to a solicitation issued pursuant to the 2016 SREC Procurement Program, the SEU will review the application to verify whether it is complete and complies with all applicable procedures. Partial or incomplete applications will be rejected. Any and all bids above a determined price, as established by Delmarva Power, and bids above the Alternative Compliance Payment of \$400, will be rejected. In addition, owners of Existing Systems who default on their bids by not signing a contract will be prohibited from bidding in a subsequent long term auction.

11.1 Competitive Solicitations

All projects will be required to submit price bids in competitive solicitations. A given system is only allowed to bid into one (1) auction and one (1) tier per year.

The price bid for each project must be for a fixed dollar amount, which amount cannot escalate or otherwise vary during the initial ten (10) year period of the term of the Agreement. The SEU will award SREC Transfer Agreements to such projects with the lowest price bids in each solicitation. If Tier N-1 and/or Tier N-2 have losing bids that are lower priced than winning bids for Tier N-3, such bids will be applied to Tier N-3 in order to minimize the weighted average bid price of Tier N-3. Bids from Tier N-3 will not be applied to Tier N-1 or Tier N-2, and bids from Tier N-2 will not be applied to Tier N-1. Provided these stated minimums are met, the SEU will accept for each Tier the lowest bid prices.

If any Tier is undersubscribed because of insufficient bids or rejected bids, bids from any other Tiers can win those SRECs. The SEU will announce all solicitations for competitively priced bids at least thirty (30) days in advance of the bid date.

11.2 Bidding Ties

If there are multiple bids at the same price that would cause a competitive solicitation to be oversubscribed (a “*Bidding Tie*”), the SEU will first select all applicants that claimed the Delaware Equipment Bonus and the Delaware Workforce Bonus. If this causes the solicitation to still be oversubscribed, a lottery will be held among only applicants that claimed the Delaware Equipment Bonus and Delaware Workforce Bonus. If there is still a Bidding Tie after awarding all applicants that claimed the Delaware Equipment Bonus and Delaware Workforce Bonus, the SEU will give each applicant involved in the Bidding Tie for such tier a 5-day period to reduce its price bid and will then evaluate any revised bids submitted by the applicants involved in such Bidding Tie. The SEU will then award one or more SREC Transfer Agreements to some or all of the applicants involved in such Bidding Tie as follows:

- first, if any such applicant submits a reduced price bid, to such applicant(s) on the basis of the lowest price bid until: (a) the pending solicitation is fully subscribed or only a *de minimis* portion of such solicitation (as determined by the participating retail electricity suppliers) remains unsubscribed; (b) the next highest price bid would cause the pending solicitation to be oversubscribed; or (c) there is a Bidding Tie with respect to the remaining bids; and
- second, if after completion of the first step, the pending solicitation is not fully subscribed and there is a Bidding Tie with respect to the remaining bids, the SEU will award SREC Transfer Agreements based on a lottery among the remaining applicants involved in such Bidding Tie that claimed the Delaware Equipment Bonus or the Delaware Workforce Bonus; and
- third, if after completion of the second step, the pending solicitation is not fully subscribed and there is a Bidding Tie with respect to the remaining bids, the SEU will award SREC Transfer Agreements based on a lottery among remaining applicants involved in such Bidding Tie that claimed neither the Delaware Equipment Bonus nor the Delaware Workforce Bonus.

If a project selected based on bid price or by lottery would cause the pending solicitation to be oversubscribed, the SEU will give the applicant the option to reduce the capacity of the Generation Unit to the remaining balance of the pending solicitation. If the applicant elects not to reduce the capacity of the Generation Unit, its bid application will be rejected and the solicitation

will continue until the pending solicitation is fully subscribed or only a *de minimis* portion of the solicitation (as determined by the participating retail electricity suppliers) remains unsubscribed. If the applicant elects to reduce the capacity of the Generation Unit so that it fits within a pending solicitation, the Estimated SREC Quantity will be reduced by an equal percentage. In addition, if such reduction qualifies the project for a lower tier, the original form of SREC Transfer Agreement will be terminated and replaced with the form of agreement applicable to the lower tier. In such case, the reduced capacity of the Generation Unit will be reallocated from the tier originally bid to such lower tier and any excess deposit will be returned to the Owner.

Partial fill systems will be allowed to bid the rest of the system in future procurements, but the second bid will have to be in a tier size that reflects the cumulative system size. Systems that obtain multiple bids will first transfer SRECs at the lowest price each year.

For system additions, the bid must be in a tier size that reflects the cumulative system size. Systems that obtain multiple bids will first transfer SRECs at the lowest price each year.

12. Solicitation for 2015 Compliance Year

12.1 Resource Allocation

Based on forecasted load, the SREC solicitations for the 2015 compliance year will be for up to 12,000 SRECs, which will be allocated as follows:

- Tiers N-1, E-1, E-2 – 4,400 SRECs
- Tier N-2 – 2,300 SRECs
- Tier N-3 – 2,300 SRECs

Upon conclusion of the fulfillment of the 9,000 SRECs, Delmarva Power may procure up to 6,000 SRECs through the auction, regardless of Tier, using the least expensive SRECs from New Systems or Existing Systems.

APPENDIX A

Form of SREC Transfer Agreement

**SOLAR RENEWABLE ENERGY CREDIT
TRANSFER AGREEMENT**

DELAWARE RENEWABLE ENERGY PORTFOLIO STANDARDS ACT

2016 SREC PROCUREMENT PROGRAM

**SOLAR RENEWABLE ENERGY CREDIT TRANSFER AGREEMENT
DELAWARE RENEWABLE ENERGY PROGRAM**

2014 SREC PROCUREMENT PROGRAM

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**SOLAR RENEWABLE ENERGY CREDIT TRANSFER AGREEMENT
DELAWARE RENEWABLE ENERGY PROGRAM**

2015 SREC PROCUREMENT PROGRAM

This Agreement, made this ____ day of _____, _____, pertains to the sale and transfer by the Owner (as identified below) of solar renewable energy credits created by a solar power project (as described in more detail below, the "**Project**")¹ to SEU One, LLC (or any successor organization thereto, the "**SEU**").

**PART I
PROJECT AND OWNER INFORMATION**

A. Owner:²

- Name of entity: _____
- Street address: _____
- City, state and zip code: _____
- Attention: _____
- Email address: _____
- Tax ID Number/SS Number: _____
- Owner's other Eligible Energy Resources:³ _____
- Owner GATS Account No.:⁴ _____

B. Owner Representative (if one is designated):

- Name of entity: _____
- Street address: _____
- City, state and zip code: _____

¹ A Project may be located at multiple locations, provided that the same legal entity owns, leases, controls or is the direct assignee of all of the SRECs created by the entire Project.

² The Owner is the legal entity that owns, leases, controls or is the direct assignee of all of the SRECs created by the Project.

³ Required only if: (a) the Project has a nameplate capacity of less than 100 kW; and (b) no Owner Representative is designated.

⁴ If the Owner has not established a GATS account as of the Bid Date, it must provide the SEU with such account number promptly after the account is established.

- Attention: _____
- Email address: _____
- Tax ID Number/SS Number: _____
- Other Eligible Energy Resources: _____

C. Payee (check one):

- Owner
- Owner Representative

D. Project:

- Street address:⁵ _____
(or parcel number if property does not have street address)
- City, state and zip code: _____
- Nameplate capacity: _____ kW⁶
- Tier designation (check one):
 - Tier N-1 Project (New system, less than or equal to 25 kW-DC)
 - Tier N-2 Project (New system, greater than 25 kW and less than or equal to 200 kW-DC)
 - Tier N-3 Project (New system, greater than 200 kW and less than or equal to 2,000 kW-DC)
 - Tier E-1 Project (Existing system, less than or equal to 25 kW-DC)
 - Tier E-2 Project (Existing system, greater than 25 kW and less than or equal to 2,000 kW-DC)
- Operational status (check one):
 - Project under development as of Bid Date

⁵ If the Project is located at multiple locations, the street address or parcel number for each location must be provided. A separate page may be attached if necessary.

⁶ All capacity (kW) references are to the nameplate rating of the Generation Unit (DC at STC), as designated by the solar module manufacturer.

- Operation Date has occurred as of Bid Date
Operation Date: _____
- Purchase Obligation Date (check one):
 - June 1, ____
 - First day of the month following project certification by DPSC as Eligible Energy Resource
- Utility interconnection:

_____ Interconnecting Utility
- SREC credits (check if applicable):
 - The Project qualifies for a 10% credit on SREC output (if applicable, the “*Delaware Equipment Bonus*”) because the Project is sited in the State of Delaware and a minimum of 50% of the cost of renewable energy equipment, inclusive of mounting components, is manufactured in Delaware.
 - The Project qualifies for a 10% credit on SREC output (if applicable, the “*Delaware Workforce Bonus*”) because the Project is sited in the State of Delaware and is or will be constructed and/or installed either with a workforce at least 75% of whom are Delaware residents or by a company that employs at least 75% Delaware residents.
- Energy and SREC output

Estimated first year total energy output: _____ kWh (exclusive of any bonuses described below)

Estimated first year total SREC output _____ SRECs (exclusive of any bonuses described below)

Delaware Equipment Bonus: _____ SRECs
(10% of total SREC output, if applicable)

Delaware Workforce Bonus: _____ SRECs
(10% of total SREC output, if applicable)

Estimated SREC Quantity (first year) _____ SRECs

E. Bid information:

- Date of receipt of Owner's application: _____
[To be filled in by the SEU]
- Bid Price: \$ _____ / SREC (for first 10 Contract Years)

PART II
TERMS AND CONDITIONS

Section 2.1 Purchase and Sale of SRECs.

2.1.1 Sale. The Owner agrees to sell and deliver to the SEU all SRECs created by the Project (the "**Project SRECs**"), up to the Maximum Annual Quantity. The sale and delivery of SRECs pursuant to this Agreement shall be deemed to occur in the State of Delaware. The Owner acknowledges and agrees that the SEU intends to resell the Project SRECs to retail electric suppliers in Delaware.

2.1.2 Excess SRECs.

- (a) If a Tier N-1 or N-2 Project or a Tier E-1 Project creates any Excess Amount during any Contract Year, the SEU shall, no later than thirty (30) days after the end of such Contract Year, notify the Owner whether or not it will purchase all or any portion of such Excess Amount. Failure by the SEU to notify the Owner of such election within such time period shall be deemed an election by the SEU to not purchase the Excess Amount or any portion thereof for such Contract Year. In the event that the SEU does not purchase any portion of the Excess Amount created by a Tier N-1 or N-2 Project or a Tier E-1 Project for any Contract Year, the SEU shall promptly transfer such SRECs to the GATS account of the Owner or, to any other GATS account they specify. The SEU will also hold the SRECs in the SEU GATS account for the Owner if they so desire.
- (b) If a Tier N-3 Project or Tier E-2 Project creates any Excess Amount during any Contract Year: (a) the SEU shall have no right to purchase any such Excess Amount; (b) the Owner shall be free to use or sell such SRECs as it deems appropriate; and (c) the SEU shall promptly re-transfer such SRECs to the GATS account of the Owner or to any other GATS account they specify. The SEU will also hold the SRECs in the SEU GATS account for the Owner if they so desire.

2.1.3 GATS Registration. The Owner or, if one is designated, the Owner Representative, shall be responsible for transferring the Project SRECs to the SEU by

executing all required documents to move the Project generator to the GATS account of the SEU.

2.1.4 Term of Purchase.

- (a) If the Operation Date of the Project did not occur prior to the Bid Date, the SEU's obligation to purchase SRECs (the "***Purchase Obligation Date***") shall commence as of the later of June 1, 2016, or the first day of the month after the Project is certified as an Eligible Energy Resource by the DPSC.
- (b) If the Operation Date of the Project occurred prior to the Bid Date, the SEU's obligation to purchase SRECs shall commence as of June 1, 2016.
- (c) Under either scenario described in Subsections (a) or (b) of this Section, the date on which the term of the Agreement begins will be the Commencement Date.
- (d) The SEU's obligation to purchase SRECs shall continue from the Commencement Date for a period of twenty (20) years.

2.1.5 Project SRECs. The Owner shall not be entitled to transfer or sell any SRECs other than Project SRECs pursuant to this Agreement. All Project SRECs shall be free and clear of any liens, taxes, claims, security interests or other encumbrances other than as provided for in Section 5.2 of this Agreement.

Section 2.2 Operational Matters.

2.2.1 Interconnection.

- (a) The Owner shall be solely responsible for interconnecting the Project to the electric transmission or distribution system of the Interconnecting Utility. In order to invoke its rights under this Section 2.2.1 (b)-(d), the Owner shall submit a complete interconnection application (Step 1) to the Interconnecting Utility no later than one hundred twenty (120) days after the Execution Date.
- (b) If the Interconnecting Utility notifies the Owner that there will be a fee or charge (other than a standard interconnection application fee) required to interconnect the Project, the Owner may, within ten (10) days of such notice, elect to: (i) reduce the capacity of the Project to avoid or minimize such fee or charge; or (ii) terminate this Agreement.
- (c) If the Owner elects to reduce the capacity of the Project pursuant to Section 2.2.1(b), it shall provide the SEU with written notice specifying the reduced nameplate capacity of the Project and upon such election,

the Estimated SREC Quantity (first year) shall be deemed to be reduced by the same percentage as the reduction in the nameplate capacity. Promptly upon receipt of such election, the SEU shall return or release any excess Bid Deposit to the Owner.

- (d) If the Owner elects to terminate this Agreement pursuant to Section 2.2.1(b), it shall provide the SEU with written notice of termination promptly upon receipt of such election; the SEU shall thereafter return or release the entire Bid Deposit to the Owner.

2.2.2 Project Development. Unless the Project is operational as of the Execution Date, the Owner shall exercise all commercially reasonable efforts to complete construction of the Project, including obtaining all approvals of Governmental Authorities required in connection therewith.

2.2.3 Operation and Maintenance. The Owner shall operate and maintain the Project to ensure that it remains qualified as an Eligible Energy Resource at all times during the term of this Agreement.

2.2.4 Changes to Operational Characteristics. The Owner and, if one is designated, the Owner Representative, shall promptly notify the SEU of any substantive changes to the operational characteristics of the Project, including providing the SREC Procurements Administrator with copies of any notices submitted to the DPSC pursuant to 26 Del. Admin C. § 3008(3.1.8) and any correspondence relating to any such notices.

2.2.5 Metering. The Owner shall: (a) install, operate, maintain and calibrate (as necessary) the Required Meter for the Project; (b) provide the SEU with a detailed description of the Required Meter (including meter ID, pulse radio, channels, etc., if any); (c) provide not less than ten (10) days advance notice of any testing or calibration of the Required Meter; and (d) deliver to the SEU copies of all test results of Required Meters promptly upon the completion of any such test. The SEU shall have the right to test any Required Meter and, if such meter is determined to be operating outside industry standards, to require the Owner to re-calibrate such meter, at the Owner's cost.

2.2.6 Inspection. The Owner shall permit the SEU and its designees to inspect the Project at any time during normal business hours to verify the Owner's compliance with the terms of this Agreement; *provided, however*, that the Owner shall not be responsible for the cost of any such inspection.

Section 2.3 Conditions.

2.3.1 Certification as an Eligible Energy Resource. The SEU's obligation to purchase Project SRECs is subject to the Project being certified as an Eligible Energy Resource by the DPSC.

2.3.2 Approval to Operate. The SEU's obligation to purchase Project SRECs is subject to the Owner's receipt of an approval to operate the Project from the Interconnecting Utility.

2.3.3 GATS Registration. The SEU's obligation to purchase Project SRECs is subject to the Owner's completion of all requirements to move the Project generator to the SEU's GATS account.

2.3.4 Certifications. The Owner shall deliver to the SEU, promptly upon receipt thereof: (a) a copy of the DPSC certification of the Project as an Eligible Energy Resource; (b) the Owner's GATS account number and a copy of the Owner's GATS registration if an Existing System is already registered in GATS, or the required documentation to allow the SEU to register the New System in the SEU GATS account. If the Project is designated as being eligible for the Delaware Equipment Bonus and/or the Delaware Workforce Bonus in Part I, the Owner shall provide the SEU with a copy of the DPSC certification that the Project qualifies for such credit(s) no later than thirty (30) days after the Operation Date.

Section 2.4 Purchase Price and Payment Terms.

2.4.1 Purchase Price.

- (a) The Purchase Price for Project SRECs created during Contract Years 1 through 10 will be the bid price set forth in the application submitted for such Project.
- (b) For all Projects, the Purchase Price for Project SRECs created during Contract Years 11 through 20 shall be \$35 per SREC.

2.4.2 SREC Bonus. If the Delaware Equipment Bonus or the Delaware Workforce Bonus is specified in Part I and the DPSC certify that the Project qualifies for either such bonus, payment of the Purchase Price will be based on the number of Project SRECs plus an additional ten percent (10%). If the Delaware Equipment Bonus and the Delaware Workforce Bonus is specified in Part I and the DPSC certify that the Project qualifies for both such bonuses, payment of the Purchase Price will be based on the number of Project SRECs plus an additional twenty percent (20%). Under either scenario, the bonus will be paid during the entire twenty (20) year term of the Agreement.

2.4.3 Payment. Subject to the limitations set forth in this Agreement, for all Projects, the SEU shall pay the Payee for Project SRECs no later than thirty (30) days after the end of the calendar month in which such SRECs were originally registered in the GATS account of the SEU. The Program Administrator shall have the right to make payments hereunder by wire transfer or ACH direct deposit. In the event the Program Administrator elects to make payment by wire transfer, Owner shall be responsible for providing the Program Administrator with account information and wiring instructions to facilitate such transfers.

2.4.4 Limitations.

- (a) The SEU shall not be obligated to pay for any SRECs in excess of the sum of: (i) the Maximum Annual Quantity; plus (ii) if applicable, any portion of the Excess Amount which it has elected to purchase pursuant to Section 2.1.2(a).
- (b) The SEU may withhold payment of any amounts disputed in good faith.

2.4.5 Payment Errors. In the event that any Party becomes aware of any payment error (whether such error was in the form of an underpayment or overpayment), such Party shall notify the other Parties in writing of such error and the Party required to make payment shall do so within thirty (30) days of such notification; *provided, however*, that no payment adjustment shall be required unless the foregoing notice is delivered within eleven (11) months of the date of the original payment.

Section 2.5 Completion Guarantee.

2.5.1 Guaranteed On-Line Date. The Owner shall cause the Operation Date to occur no later than the date which is 365 days after the Commencement Date (such date, the "***Guaranteed On-Line Date***"), *provided, however*, that the Guaranteed On-Line Date shall be extended for up to 365 days due to: (a) a Force Majeure event; or (b) the failure by the Interconnecting Utility to complete the interconnection after the Owner submits a timely and complete interconnection application in accordance with Section 2.2.1 of this Agreement.

2.5.2 Damages for Delayed Operation Date.

- (a) If the Operation Date does not occur by the Guaranteed On-Line Date, the Owner shall pay to the SEU, and if such amount is not paid, the SEU shall be entitled to draw against the Bid Deposit, an amount equal to 1/30 of the original Bid Deposit amount for each day (or portion thereof) of such delay, for up to thirty (30) days of delay.
- (b) If the Operation Date does not occur by the date which is 31 days after the Guaranteed On-Line Date, the SEU shall have the right to terminate this Agreement.

- (c) The remedies set forth in Sections 2.5.2(a) and 2.5.2(b) shall be the Owner's exclusive remedy based on a delay in achieving or a failure to achieve the Operation Date by the Guaranteed On-Line Date.
- (d) The Owner acknowledges and agrees that: (i) the SRECs being purchased by the SEU are for the benefit of certain retail electric suppliers operating in the State of Delaware; (ii) in the event the Operation Date does not occur by the Guaranteed On-Line Date, the damages to be suffered by the SEU and such electric suppliers would be difficult or impossible to determine with certainty; (iii) after taking into account the terms of this Agreement and all relevant circumstances as of the date hereof, the damages set forth in Section 2.5.2(a) represent reasonable and genuine estimates of such damages; and (iv) such damages are not intended to and do not constitute a penalty.

Section 2.6 Representations, Warranties and Acknowledgements.

2.6.1 Representations and Warranties of Owner. The Owner hereby represents and warrants to the SEU as follows:

- (a) unless it is an individual, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is duly authorized and qualified to do business therein, in Delaware and in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary;
- (b) it is not in violation of any Applicable Law in any manner that would reasonably be expected to affect its performance under this Agreement;
- (c) there are no legal, administrative or arbitral proceedings or actions, controversies or investigations, now pending or to its knowledge threatened against it which, if adversely determined, could reasonably be expected to affect its performance under this Agreement;
- (d) none of the execution, delivery or performance of this Agreement conflict with or result in a violation of the terms of its charter or by-laws or any agreement by which it is bound;
- (e) the execution, delivery and performance of this Agreement have been duly authorized by all requisite action;
- (f) this Agreement has been duly and validly executed and delivered by it and, when executed and delivered by the SEU, will constitute its legal, valid and binding obligation enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating

to the enforcement of creditors' rights generally and by general equitable principles;

- (g) it has rights in, and good title to the Collateral, and has full power and authority to grant to the SEU the security interest in the Collateral and to execute, deliver and perform its obligations in accordance with the terms of this Agreement without the consent or approval of any other Person other than any consent or approval that has been obtained;
- (h) the security interest granted by the Owner to the SEU pursuant to Section 5.2.1 constitutes a valid, legal and, upon the filing of the financing statements referred to in Section 5.2.2, a first-priority perfected security interest in all the Collateral granted by the Owner as security for the Secured Obligations;
- (i) the Project is an Eligible Energy Resource as defined by REPSA and will obtain all necessary approvals, regulatory or otherwise, to perform the obligations set forth herein;
- (j) the information set forth in Part I is true and accurate in all respects;
- (k) the Owner has received no supplemental funding from public sources other than the funding, if any, identified in Part I;
- (l) to the extent bidding in Tiers N-1, N-2 or N-3 all major components of the Project are or will be new and unused and are being or will be used for the first time in the Project; and
- (m) if a New System, its completed System Interconnection Application's acceptance date with the Interconnecting Utility will be after the first date of the preceding compliance year's auction process.

2.6.2 Acknowledgements by Owner. The Owner hereby acknowledges and agrees that:

- (a) the SEU has executed this Agreement and is purchasing Project SRECs for the benefit of certain retail electricity suppliers operating in the State of Delaware;
- (b) in executing and performing this Agreement, the SEU is acting on behalf of such suppliers;
- (c) such suppliers are third party beneficiaries of this Agreement who are entitled to directly enforce the terms hereof; and
- (d) the SEU may appoint a third-party (the "**Contracting Agent**") to perform any or all of the obligations and responsibilities of the SEU pursuant to

this Agreement and, in such event, the Owner shall recognize the authority of the Contracting Agent to perform such obligations and responsibilities.

2.6.3 Acknowledgement by SEU. The SEU acknowledges and agrees that it is not entitled to any portion of the energy output, capacity or ancillary services from the Project pursuant to this Agreement.

Section 2.7 Change in Estimated SREC Quantity. An Owner may not modify the Estimated SREC Quantity except as expressly permitted hereunder.

Section 2.8 Default and Remedies.

2.8.1 Events of Default. Each of the following shall constitute an “*Event of Default*” with respect to a Party:

- (a) such Party fails to pay when due any amount owed pursuant to this Agreement (other than an amount disputed in good faith) for a period of five (5) days following receipt of notice of such failure;
- (b) any representation or warranty of such Party made pursuant to this Agreement shall have been incorrect when made and shall remain incorrect thirty (30) days after notice thereof;
- (c) with respect to the Owner and, if one is designated, the Owner Representative: (i) the Bid Deposit or, if applicable, the Supplemental Credit Support is not maintained or the issuer thereof repudiates its obligations thereunder; or (ii) the lien required pursuant to Section 5.2 ceases to be a perfected, first priority security interest;
- (d) with respect to the Owner and, if one is designated, the Owner Representative, the nameplate rating of the Project varies from that set forth in Part I by more than: (i) 5% for a Tier N-1 Project, a Tier N-2 Project, a Tier E-1 Project, a Tier N-3 Project with a nameplate rating less than 500 kW or a Tier E-2 Project with a nameplate rating less than 500 kW; or (ii) 2.5% for a Tier N-3 Project with a nameplate rating of 500 kW or greater or a Tier E-2 Project with a nameplate rating of 500 kW or greater, except that bids that were granted partial fill may submit a new system size at the time they accept the partial fill;
- (e) with respect to the Owner and, if one is designated, the Owner Representative, any Project SRECs (up to the Maximum Annual Quantity and, if applicable, any portion of any Excess Amount that the SEU elects to purchase pursuant to Section 2.1.2(a)) are not transferred to the SEU;

- (f) with respect to the Owner and, if one is designated, the Owner Representative, the Project shall have been designated in Part I as eligible for the Delaware Equipment Bonus or the Delaware Workforce Bonus and the DPSC shall have failed to certify the Project as eligible for any such designated credit within thirty (30) days after the Operation Date;
- (g) with respect to the Owner Representative (but not the Owner), either: (i) any representation or warranty of the Owner Representative made pursuant to Part III shall have been incorrect when made and shall remain incorrect thirty (30) days after notice thereof; or (ii) the Owner Representative fails to perform any obligation pursuant to Part III for a period of 30 days following receipt of notice of such failure;
- (h) such Party fails to perform any other obligation pursuant to this Agreement for a period of thirty (30) days following receipt of notice of such failure; or
- (i) a proceeding is instituted against such Party seeking to adjudicate it as bankrupt or insolvent and such proceeding is not dismissed within sixty (60) days of filing; such Party makes a general assignment for the benefit of its creditors; a receiver is appointed on account of the insolvency of such Party; such Party files a petition seeking to take advantage of any Applicable Law relating to bankruptcy, insolvency, reorganization, winding up or composition or readjustment of debts; or such Party is unable to pay its debts when due or as they mature.

2.8.2 General Remedies.

- (a) Upon the occurrence of an Event of Default by the Owner, the SEU shall be entitled to: (i) exercise any remedies described in this Agreement which, unless specified to be exclusive, shall be deemed non-exclusive; (ii) exercise any remedies available at law or in equity, including specific performance, termination of this Agreement, and/or recovery of damages equal to the incremental cost of replacing the expected SREC output of the Project for the remaining term of this Agreement (based on a reasonable forecast of the market price for SRECs, as determined by an independent expert designated by the SEU); and/or (iii) suspend its performance hereunder.
- (b) Upon the occurrence of an Event of Default by the Owner Representative pursuant to Section 2.8.1(g), the Owner and/or the SEU shall be entitled to: (i) remove such Owner Representative as a Party to this Agreement by delivery of written notice to such Owner Representative and the other Party and, if necessary, replace such Owner Representative; and (iii) exercise any remedies available at law or in

equity, including specific performance; *provided, however*, that neither the Owner nor the SEU may terminate this Agreement based on such an Event of Default by the Owner Representative.

- (c) Upon the occurrence of an Event of Default by the SEU, the Owner shall be entitled to: (i) exercise any remedies described in this Agreement which, unless specified to be exclusive, shall be deemed non-exclusive; (ii) exercise any remedies available at law or in equity, including specific performance or termination of this Agreement and recovery of damages equal to the difference, if positive, between the Purchase Price under this Agreement and the market price for SRECs in Delaware for the remaining term of this Agreement (based on a reasonable forecast of the market price for SRECs, as determined by an independent expert designated by the Owner); and/or (iii) suspend its performance hereunder. During any such suspension, the Owner and, if one is designated, the Owner Representative, shall have the right to transfer and sell Project SRECs to one or more third parties in order to mitigate its damages hereunder.

2.8.3 Specific Remedies.

- (a) Upon the occurrence of an Event of Default described in Section 2.8.1(f), the SEU may terminate this Agreement and recover damages equal to the remaining balance of the Bid Deposit. Payment or forfeiture of such amount shall be the exclusive liability of the Owner in such event.
- (b) The Owner and, if one is designated, the Owner Representative, acknowledges and agrees that: (i) in the event not all Project SRECs are transferred to the SEU or the Project fails to qualify for the Delaware Workforce Bonus after the SEU allots a portion of its procurement for SREC credits, the damages to be suffered by the SEU and certain retail electricity suppliers would be difficult or impossible to determine with certainty; (ii) after taking into account the terms of this Agreement and all relevant circumstances as of the date hereof, the damages set forth in Section 2.8.3(a) represent reasonable and genuine estimates of such damages; and (iii) such damages are not intended to and do not constitute a penalty.

2.8.4 Limitations of Liability.

- (a) Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages by statute, in tort or contract, or otherwise.

- (b) Except to the extent provided otherwise in this Agreement, the Owner Representative shall not be liable for a breach or default by the Owner.

Section 2.9 Force Majeure.

2.9.1 Excused Performance. Notwithstanding any other provision of this Agreement, a Party shall be excused from performance hereunder (other than payment of amount due) to the extent it is unable to perform due to a Force Majeure event.

2.9.2 Conditions. A Party claiming Force Majeure shall: (a) have the burden of proving the existence and consequences of a Force Majeure event; and (b) exercise all commercially reasonable efforts to resume performance as soon as reasonably practicable. The suspension of performance due to a Force Majeure shall be of no greater scope and of no longer duration than is required by such Force Majeure.

2.9.3 Notification. A Party affected by a Force Majeure event shall: (a) provide prompt written notice of such Force Majeure event to the other Party (in no event later than five (5) days after the occurrence of such Force Majeure event), which notice shall include a description of the Force Majeure event and its effect on performance under this Agreement, and an estimate of the expected duration of such Party's inability to perform due to the Force Majeure; (b) keep the other Party reasonably apprised of efforts to address, and mitigate the impact of, the Force Majeure event; and (c) provide prompt notice to the other Party as soon as it is able to resume performance.

2.9.4 No Term Extension. In no event will any delay or failure of performance caused by a Force Majeure extend the term of this Agreement.

2.9.5 Extended Force Majeure. In the event that the Owner suffers a Force Majeure event that prevents it from performing hereunder for a period of one (1) year or more, the SEU may, by written notice, terminate this Agreement without liability to the Owner.

**PART III
OWNER REPRESENTATIVE**

The provisions of this Part III shall apply only if an Owner Representative is designated in Paragraph B of Part I.

Section 3.1 Agency Appointment. Subject to the Owner's rights to terminate or replace the Owner Representative pursuant to Section 3.3, the Owner hereby appoints the Owner Representative as the Owner's exclusive agent to manage, control, transfer, deposit and register the Project SRECs pursuant to the terms of this Agreement.

Section 3.2 Agency Responsibility. The Owner Representative shall be responsible for managing, controlling, transferring, depositing and registering the Project SRECs on behalf of the Owner within GATS pursuant to the terms of this Agreement. If the Owner has designated

the Owner Representative as the Payee, the Owner Representative shall accept all payments hereunder as agent for, and on behalf of, the Owner.

Section 3.3 Termination or Replacement of Owner Representative.

3.3.1 Right to Terminate or Replace. The Owner may, at its discretion, terminate and/or replace the Owner Representative at any time and for any reason (or no reason), *provided, however,* that: (a) the Owner shall immediately notify the SEU of such termination or replacement; and (b) any replacement Owner Representative shall execute a counterpart of this Agreement and agree to be bound by the terms hereof.

3.3.2 Effect of Termination or Replacement. Immediately upon receipt by the SEU of written notice in accordance herewith from the Owner that an Owner Representative is being terminated or replaced, such Owner Representative shall be deemed to no longer be a Party to this Agreement. Termination or replacement of the Owner Representative shall not affect any other contractual arrangements between the Owner and the Owner Representative.

3.3.3 Replacement Owner Representative.

- (a) Immediately upon receipt by the SEU of: (i) written notice in accordance herewith from the Owner that it has designated a replacement Owner Representative; and (ii) an executed counterpart of this Agreement, signed by such replacement Owner Representative, such replacement Owner Representative shall be deemed to be a Party to this Agreement.

Section 3.4 Representations and Warranties of Owner Representative. The Owner Representative hereby represents and warrants to the SEU as follows:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is duly authorized and qualified to do business therein, in Delaware and in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary;
- (b) it is not in violation of any Applicable Law in any manner that would reasonably be expected to affect its performance under this Agreement;
- (c) there are no legal, administrative or arbitral proceedings or actions, controversies or investigations, now pending or to its knowledge threatened against it which, if adversely determined, could reasonably be expected to affect its performance under this Agreement;

- (d) none of the execution, delivery or performance of this Agreement conflict with or result in a violation of the terms of its charter or by-laws or any agreement by which it is bound;
- (e) the execution, delivery and performance of this Agreement have been duly authorized by all requisite action;
- (f) this Agreement has been duly and validly executed and delivered by it and, when executed and delivered by the Owner and the SEU, will constitute its legal, valid and binding obligation enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles;
- (g) the description of the Project set forth in Part I is true and accurate in all respects; and
- (h) it owns, leases, controls or is the direct assignee of all of the SRECs created by the Project and at least one other Eligible Energy Resource.

Section 3.5 Continuing Eligibility. The Owner Representative shall, at all times during the term of this Agreement, own, lease, control or be the direct assignee of all of the SRECs created by the Project and at least one other Eligible Energy Resource.

PART IV MINIMUM ANNUAL QUANTITY

The provisions of this Part IV shall apply only if the Project is designated as a Tier N-3 Project with a nameplate rating of 500 kW or greater or a Tier E-2 Project with a nameplate rating of 500 kW or greater in Paragraph D of Part I.

Section 4.1 Guaranteed Quantity.

4.1.1 Minimum Annual Quantity. During each Contact Year, the Owner shall transfer Project SRECs in an amount equal to no less than eighty percent (80%) of the Annual Contract Quantity (such amount, the "*Minimum Annual Quantity*").

4.1.2 Exclusive Remedy.

- (a) If, during any Contact Year, the Owner fails to transfer the Minimum Annual Quantity of Project SRECs to the SEU, the Owner shall pay the SEU damages equal to the product of: (i) the difference between the Minimum Annual Quantity and the quantity of Project SRECs delivered during such Contact Year; and (ii) the difference, if positive, between (A) the lesser of the prevailing market price of SRECs as reasonably

determined by the SEU, and the applicable Alternative Compliance Payment and (B) the applicable price for Project SRECs under this Agreement. Payment of such amount shall be the exclusive liability of the Owner for any such failure with respect to any Contract Year.

- (b) The Owner and, if one is designated, the Owner Representative acknowledge and agree that: (i) the Project SRECs are for the benefit of certain retail electric suppliers operating in the State of Delaware; (ii) if the Project produces less than the Minimum Annual Quantity during any Contract Year, the damages to be suffered by the SEU and such electric suppliers would be difficult or impossible to determine with certainty; (iii) after taking into account the terms of this Agreement and all relevant circumstances as of the date hereof, the damages set forth in Section 4.1.2(a) represent reasonable and genuine estimates of such damages; and (iv) such damages are not intended to and do not constitute a penalty.

Section 4.2 Supplemental Credit Support.

4.2.1 Obligation to Maintain. The Owner shall at all times maintain credit support (the "***Supplemental Credit Support***") in the following amounts:

- (a) during the first ten (10) Contract Years, five percent (5%) of the value of the Annual Contract Quantity for the first Contract Year; and
- (b) during the second ten (10) Contract Years, ten percent (10%) of the value of the Annual Contract Quantity for the eleventh Contract Year.

4.2.2 Form of Supplemental Credit Support. The Supplemental Credit Support shall be in the form of cash, a letter of credit or other collateral acceptable to the SEU.

4.2.3 Obligation to Replenish. If the SEU draws on the Supplemental Credit Support, the Owner must replenish such Supplemental Credit Support to the required level within three (3) Business Days.

PART V CREDIT SUPPORT

Section 5.1 Bid Deposit.

5.1.1 Posting of Deposit. Unless the Project is designated as an "Operating Project" in Paragraph D of Part I (in which case no Bid Deposit was provided), the Owner shall cause the Bid Deposit to remain in effect during the term of this Agreement for the benefit of the SEU. No interest shall be owed with respect to a Bid Deposit.

5.1.2 Return or Release of Deposit. Unless the Bid Deposit has been returned or released pursuant to Section 2.2.1(d), the SEU shall return or release any remaining

balance of the Bid Deposit promptly after: (a) it receives written verification that the DPSC has certified the Project as an Eligible Energy Resource; (b) if the Project is a Tier N-3 Project with a nameplate rating of 500 kW or greater or a Tier E-2 Project with a nameplate rating of 500 kW or greater, the Owner provides the Supplemental Credit Support; and (c) the Owner has executed any documentation reasonably necessary to perfect the security interest described in Section 5.2.

5.1.3 Application of Deposit. The SEU shall be entitled to call on and/or apply the Bid Deposit as provided pursuant to this Agreement.

Section 5.2 Security Interest.

5.2.1 Grant.

- (a) As security for the performance by the Owner of its obligations under this Agreement (the “*Secured Obligations*”), the Owner hereby grants to the SEU a first-priority security interest, lien and pledge in and to all of the Owner’s right, title and interest in and to all Project SRECs, whether now existing or hereafter arising, the GATS account of the Owner, and all proceeds of any of the foregoing (collectively, the “*Collateral*”).
- (b) The SEU’s security interest in and to the Collateral and the SEU’s rights and the Owner’s obligations hereunder, shall be absolute and unconditional irrespective of: (i) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the terms governing the Secured Obligations; (ii) any exchange, release or non-perfection of any Collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for any and all of the Secured Obligations; or (iii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Owner in respect of the Secured Obligations or this Agreement.

5.2.2 Filing and Perfection.

- (a) The SEU is hereby authorized to file one or more financing statements, continuation statements and/or any other documents required for the purpose of perfecting, confirming, continuing, enforcing or protecting the SEU’s security interest in the Collateral, with or without the signature of the Owner, naming the Owner as “debtor” and the SEU as “secured party.”
- (b) The Owner, at its sole cost and expense, shall execute, acknowledge, deliver and cause to be duly filed any and all consents, instruments, certificates and documents and take any and all actions as the SEU may,

at any time and from time to time, reasonably request in order to perfect, preserve and protect the SEU's security interest in and to the Collateral and the rights and remedies created hereby.

5.2.3 Remedy. Upon the occurrence of an Event of Default by the Owner, the SEU may take any lawful action that it deems necessary or appropriate to protect or realize upon its security interest in the Collateral or any part thereof, or exercise any other or additional rights or remedies exercisable by a secured party under the UCC or under any other Applicable Law, including selling the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange or broker's board or elsewhere, at such price or prices and on such other terms as the SEU may deem commercially reasonable in accordance with the UCC and as permitted by Applicable Law.

PART VI DEFINITIONS; RULES OF CONSTRUCTION

Section 6.1 Definitions. The following capitalized terms have the following meanings when used in this Agreement:

"Affiliate" means, with respect to any Person, another Person that controls, is under the control of, or is under common control with, such Person. The term "control" (including the terms "controls", "under the control of" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management of the policies of a person or entity, whether through ownership interest, by contract or otherwise.

"Agreement" means this Solar Renewable Energy Credit Transfer Agreement between the Owner, the SEU and, if one is designated, the Owner Representative.

"Alternative Compliance Payment" has the meaning set forth in the REPSA.

"Annual Contract Quantity" means: (a) for the first Contract Year, the Estimated SREC Quantity; and (b) for each subsequent Contract Year, 99.5% of the Annual Contract Quantity in effect for the immediately preceding Contract Year.

"Applicable Law" means any law, statute, treaty, code, ordinance, regulation, certificate, order, license, permit or other binding requirement of any Governmental Authority now in effect or hereafter enacted, amendment to any of the foregoing, interpretations of any of the foregoing by a Governmental Authority having jurisdiction and any judicial, administrative, arbitral or regulatory decree, judgment, injunction, writ, order, award or like action applicable to any Party.

"Bid Date" shall mean the date specified as such in Paragraph E of Part I.

“Bid Deposit” means a deposit in the amount of \$100 per kW of the nameplate rating (DC at STC as designated by the solar module manufacturer) of the Project, in the form of a bid bond, letter of credit or cash.

“Business Day” means any calendar day that is not a Saturday, a Sunday or a state or federal holiday on which banks in Delaware are permitted or authorized to close.

“Code” means the U.S. Internal Revenue Code of 1986, including applicable rules and regulations promulgated thereunder, as amended from time to time.

“Collateral” has the meaning set forth in Section 5.2.1(a).

“Commencement Date” means the date as specified in Section 2.1.3(c).

“Contract Year” means each 12-month period commencing on the Purchase Obligation Date and each anniversary thereof.

“Contracting Agent” has the meaning set forth in Section 2.6.2.

“DC” means direct current electric energy.

“Delaware Equipment Bonus” has the meaning set forth in Paragraph D of Part I.

“Delaware Workforce Bonus” has the meaning set forth in Paragraph D of Part I.

“DPSC” means the Delaware Public Service Commission or any successor agency.

“Eligible Energy Resource” has the same meaning set forth in REPSA.

“Environmental Attribute” means any attribute of an environmental or similar nature (including all Generation Attributes) that is created or otherwise arises from the Project’s generation of electricity from solar energy in contrast with the generation of electricity using nuclear or fossil fuels or other traditional resources, excluding: (a) any such attribute not legally capable of being transferred to the SEU; and (b) Tax Credits. Forms of Environmental Attributes include any and all environmental air quality credits, green credits, carbon credits, carbon tax credits, emissions reduction credits, greenhouse gas credits, certificates, tags, offsets, allowances, or similar products, rights, claims or benefits, howsoever entitled. Environmental Attributes include those currently existing (such as SRECs) or arising during the term of this Agreement under local, state, regional, federal or international legislation or regulation relevant to the avoidance of any emission or to the promotion of renewable energy under any governmental, regulatory or voluntary programs, including the United Nations Framework Convention on Climate Change and related Kyoto Protocol or other programs, laws, or regulations involving or administered by the Clean Air Markets Division or other division or branch of the U.S. Environmental Protection Agency or any successor administrator or other federal agency or department, or any local, state, regional, or federal entity given jurisdiction over a program, or any voluntary program, involving transferability of, or credit or reporting rights or other rights or benefits for, attributes of an environmental or similar nature.

“Estimated SREC Quantity” means the quantity of SRECs designated in Paragraph D of Part I, as such quantity may be reduced pursuant to the terms of this Agreement.

“Event of Default” has the meaning set forth in Section 2.8.1.

“Excess Amount” means, with respect to the SRECs created by the Project during any Contract Year, any such SRECs in excess of the Maximum Annual Quantity.

“Execution Date” means the date this Agreement is signed by the SEU, as designated on the signature page of the counterpart executed by the SEU.

“Existing System” means a system with final interconnection approval before the first date of the preceding auction process (i.e. April 13, 2015 for compliance year 2016).

“Force Majeure” means an event or circumstance that prevents a Party from performing its obligations in accordance with the terms of this Agreement, which event or circumstance is not within the reasonable control, or the result of negligence, of such Party, including acts of God; unusually severe actions of the elements such as floods, inundation, landslides, earthquake, lightning, hurricanes, or tornadoes; unusually severe weather; terrorism; war (whether or not declared); sabotage, acts or threats of terrorism, riots or public disorders; national or regional strikes or labor disputes; delay in delivery of equipment comprising the Project so long as such equipment was ordered within 90 days of the Execution Date; and actions or failures to act of any Governmental Authority (including the failure to issue permits); *provided, however*, that Force Majeure shall not include: (a) any strike or labor dispute by any employees or the Owner or any other employees of contractors employed at the Project and aimed at the Owner or such contractor(s); (ii) changes in, or that otherwise affect, the price of SRECs; or (iii) equipment failure, unless caused by a circumstance that would otherwise constitute a Force Majeure.

“GATS” means the generation attribute tracking system used by PJM Interconnection, LLC to facilitate the transfer of SRECs.

“Generation Attribute” means any characteristic of the solar energy output of the Project other than energy, capacity or Tax Credits, including the Project’s generation source, geographic location, emission credits, carbon credits, vintage and eligibility for a renewable energy portfolio standard or comparable standard or program, including “generation attributes” as defined in REPSA.

“Governmental Authority” means any federal, state, local or municipal government, or quasi-governmental, regulatory or administrative agency, commission, court, tribunal or other body or authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory, taxing or other binding jurisdiction, authority or power, including PJM, GATS and NERC.

“Guaranteed On-Line Date” has the meaning set forth in Section 2.5.1.

“Interconnecting Utility” means the Person that owns the electric transmission or distribution system with which the Project is directly interconnected.

“kW” means 1 kilowatt of electric power.

“Maximum Annual Quantity” means, for each Contract Year, 110% of the Annual Contract Quantity.

“Minimum Annual Quantity” has the meaning set forth in Section 4.1.1.

“MWh” means 1 megawatt hour of electric energy.

“New System” means a system with final interconnection approval after the first date of the preceding auction process (i.e. May 5, 2014 for compliance year 2015).

“Operation Date” means the date on which the Project commences generating electricity.

“Owner” means the Person identified as such in Paragraph A of Part I.

“Owner Representative” means the Person, if any identified as such in Paragraph B of Part I.

“Party” means each of the Owner, the SEU and, if one is designated, the Owner Representative.

“Payee” means the Owner or the Owner Representative, as designated in Paragraph C of Part I.

“Person” means any natural person, corporation, limited liability company, general partnership, limited partnership, proprietorship, other business organization, trust, union, association or Governmental Authority.

“PJM” means PJM Interconnection, LLC or any successor organization thereto.

“Project” has the meaning set forth in the introductory paragraph of this Agreement, as such Project is described further in Paragraph D of Part I.

“Project SRECs” has the meaning set forth in Section 2.1.1.

“Purchase Obligation Date” means the date as of which the SEU is obligated to purchase SRECs hereunder as specified in Section 2.1.4(a) or 2.1.4(b).

“Purchase Price” means, with respect to any Contract Year, the amount per Project SREC to be paid by the SEU in accordance with Section 2.4.1.

“**REPSA**” means the Delaware Renewable Energy Portfolio Standards Act (26 Del. C. §§ 351 *et seq.*), as amended, and the implementing rules and regulations thereunder.

“**Required Meter**” means: (a) for all Tier N-1, N-2, E-1 and E-2 Projects, either a revenue-grade meter on site or revenue-grade online monitoring; and (b) for any Tier N-3 Project, revenue-grade online monitoring.

“**Secured Obligations**” has the meaning set forth in Section 5.2.1(a).

“**SEU**” has the meaning set forth in the introductory paragraph of this Agreement.

“**SREC**” means a tradable instrument which represents or is associated with 1 MWh of electric energy derived from an Eligible Energy Resource that generates electric energy using solar photovoltaic technology and which qualifies as a “Renewable Energy Credit” under REPSA, together with any Environmental Attributes associated with such energy or the generation thereof.

“**STC**” means standards test conditions, which are: (a) internal cell temperature of 25° C; and (b) irradiance of 1,000 watts per square meter with an air mass 1.5 spectrum.

“**Supplemental Credit Support**” has the meaning set forth in Section 4.2.1.

“**Tier N-1 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier N-2 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier N-3 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier E-1 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier E-2 Project**” has the meaning set forth in Paragraph D of Part I.

“**UCC**” means the Uniform Commercial Code as in effect in the State of Delaware.

Section 6.2 Rules of Construction. The following rules of construction shall apply when interpreting the terms of this Agreement:

- (a) references to “Parts,” “Sections,” or “Exhibits” shall be to Parts, Sections or Exhibits of this Agreement unless expressly provided otherwise;
- (b) each Exhibit to this Agreement shall be deemed to be incorporated herein by reference as if such Exhibit were set forth in its entirety herein;
- (c) the terms “herein,” “hereby,” “hereunder,” “hereof” and terms of similar import in this Agreement refer to the Agreement as a whole and not to

any particular subdivision unless expressly so limited and the term “this Section” refers only to the Section hereof in which such words occur;

- (d) use of the words “include” or “including” or similar words shall be interpreted as “including but not limited to” or “including, without limitation”;
- (e) any reference to any Applicable Law shall be deemed to refer to that law as it may be amended from time to time;
- (f) the headings appearing in this Agreement are for convenience only, do not constitute any part of this Agreement and shall be disregarded in construing the language contained herein; and
- (g) no term of this Agreement shall be construed in favor of, or against, a Party as a consequence of one Party having had a greater role in the preparation or drafting of this Agreement, but shall be construed as if the language were mutually drafted by both Parties with full assistance of counsel.

PART VII GENERAL PROVISIONS

Section 7.1 Notices. Any notices, requests, consents or other communications required or authorized to be given by one Party to another Party pursuant to this Agreement shall be in writing. Such communications directed to the Owner or, if one is designated, the Owner Representative, shall be addressed as set forth in Part I. Communications directed to the SEU shall be addressed as set forth below. Any Party may update its address for notice by providing written notice in accordance herewith. Written notices, requests, consents and other communications shall be deemed to have been received on the Business Day following the day on which it was delivered. Notwithstanding the foregoing, in the event the SEU establishes an on-line web site for certain routine communications pursuant to this Agreement, notice of such routine matters shall be permitted in accordance with procedures established by the SEU.

SEU:

[Contract Administrator]

Section 7.2 Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed, enforced and performed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law.

Section 7.3 Dispute Resolution. All disputes arising between or among the Parties pursuant to this Agreement shall be submitted to neutral, non-binding mediation. If the Parties to such dispute are unable to agree upon a mutually acceptable mediator, each such Party shall designate a mediator and those mediators shall agree on a single, neutral mediator to conduct

the mediation. All costs of the neutral mediator shall be shared equally by the Parties. If the Parties are unable to resolve a dispute within 30 days of the dispute being submitted to mediation, any Party to the dispute shall be entitled to initiate litigation in a court of competent jurisdiction.

Section 7.4 Jurisdiction and Venue. THE PARTIES AGREE THAT JURISDICTION AND VENUE IN ANY ACTION BROUGHT BY ANY PARTY PURSUANT TO THIS AGREEMENT SHALL PROPERLY (AND EXCLUSIVELY) LIE IN ANY FEDERAL OR STATE COURT LOCATED IN NEW CASTLE COUNTY, DELAWARE. BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT FOR ITSELF AND IN RESPECT OF ITS PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY IRREVOCABLY AGREES THAT VENUE WOULD BE PROPER IN ANY SUCH COURT, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF SUCH ACTION.

Section 7.5 Service of Process. Each Party: (a) irrevocably waives personal service of process in any litigation relating to this Agreement; and (b) irrevocably consents to service of process in any action or proceeding arising out of, or relating to, this Agreement by the mailing of copies thereof by registered mail, postage prepaid, such service to become effective 10 days after such mailing; *provided, however,* that nothing in this Section 7.5 shall affect the right of a Party to serve process in any other manner permitted by Applicable Law.

Section 7.6 Waiver of Right to Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND AS SEPARATELY BARGAINED-FOR CONSIDERATION, EACH PARTY HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY CLAIM ARISING OUT OF, OR RELATING TO, THIS AGREEMENT.

Section 7.7 Records. Each Party shall keep and maintain complete and accurate records and all other data reasonably necessary for the proper administration of this Agreement. Any Party shall provide such records and data to another Party within 15 days of a written request for such information. All such records and data shall be retained by each Party for at least 3 years following the year in which such records were created.

Section 7.8 Assignment.

7.8.1 Restrictions. Except as permitted pursuant to Section 7.8.2, neither the Owner nor the Owner Representative may assign this Agreement or any portion thereof or delegate any of its duties hereunder except where otherwise provided in this Agreement, without the prior written consent of the SEU, such consent not to be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, the Owner may not sell, assign, convey, dispose of or otherwise transfer the Project without assigning this Agreement to the purchaser, assignee or transferee.

7.8.2 Permitted Assignments. The Owner may assign this Agreement without the consent of the SEU: (a) in connection with any financing of the Project, which

financing shall be at the Owner's sole expense; or (b) to a purchaser or transferee of the Project provided all the requirements of the Section 7.8.2 are met. With respect to any permitted assignment of this Agreement: (i) the assigning Party shall provide at least thirty (30) days prior notice of any such assignment, which notice shall include the name of, and contact information for, the assignee; (ii) the assignee shall expressly assume the assignor's obligations hereunder pursuant to an agreement in form and substance reasonably acceptable to the non-assigning Party; and (iii) no such assignment shall relieve the assignor of its obligations hereunder in the event of a default by the assignee.

7.8.3 Consent to Assignment. Upon or prior to a permitted assignment in connection with a financing of the Project, the SEU agrees to execute a written consent in a form reasonably acceptable to the SEU. If such written consent is not requested, the Owner shall notify the SEU of any such assignment to its secured lender(s) no later than thirty (30) days after such assignment.

7.8.4 Binding Effect. This Agreement, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

Section 7.9 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to a Party upon any breach or default by the other Party shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

Section 7.10 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture, or partnership between or among any of the Parties or to impose any partnership obligation or liability upon any Party.

Section 7.11 Survival of Obligations. Applicable provisions of this Agreement shall continue in effect after expiration or termination of this Agreement, including early termination, to the extent necessary to enforce or complete the duties, obligations and responsibilities of the Parties arising prior to such expiration or termination, including to provide for final billings and adjustments related to the period prior to termination and payment of any money owed pursuant to this Agreement.

Section 7.12 Severability. In the event any of the terms, covenants, or conditions of this Agreement, its Exhibits or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants and conditions of the Agreement shall remain in full force and effect.

Section 7.13 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties and supersedes all previous and collateral agreements or understandings with respect to the subject matter hereof.

Section 7.14 Amendments. Amendments to the terms of this Agreement (including any Exhibit hereto) shall only be effective if made in writing and signed by the Parties.

Section 7.15 Headings. Captions and headings used in this Agreement are for ease of reference only and do not constitute a part of this Agreement.

Section 7.16 Counterparts. This Agreement and any amendment hereto may be executed in two or more counterparts, all of which taken together shall constitute a single agreement.

Section 7.17 Further Assurances. Each of the parties hereto agree to cooperate with the other and to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other party, which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.

Section 7.18 Electronic Signatures. The parties hereto have agreed to conduct this transaction by electronic means, therefore, the affixing of an electronic signature to this Agreement evidences the intent of the parties to conduct this transaction electronically and no party may therefore deny the legal effect or enforceability of this Agreement solely because their signatures hereto are in electronic form.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above referenced.

Owner:

[Name of Owner]

By: _____

Owner Representative:

[Name of Owner Representative]

By: _____

SEU One, LLC

By: _____

Date: _____

EXHIBIT "B"

BLACKLINE SHOWING CHANGES TO 2016 PROGRAM FROM 2015 PROGRAM

STATE OF DELAWARE

20152016 PROGRAM

FOR THE PROCUREMENT OF

SOLAR RENEWABLE ENERGY CREDITS

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<i>Delmarva</i>	1	<i>SEU</i>	3
<i>DPSC</i>	1	<i>SREC</i>	2
<i>Eligible Energy Resources</i>	1	<i>SREC Procurement Agent</i>	6
<i>Estimated SREC Quantity</i>	10	<i>SREC Procurement Pilot Program</i>	4
<i>Execution Date</i>	12	<i>SREC Transfer Agreement</i>	10
<i>GATS</i>	2	<i>Taskforce</i>	3
<i>Generation Unit</i>	1	<i>2013 SREC Procurement Program</i>	5
<i>Guaranteed On-Line Date</i>	15	<i>2014 SREC Procurement Program</i>	6
<i>Minimum Annual Quantity</i>	14	<i>2015 SREC Procurement Program</i>	6
		<u><i>2016 SREC Procurement Program</i></u>	<u>6</u>

APPENDICES

Appendix A Form of SREC Transfer Agreement

STATE OF DELAWARE
2015 PROGRAM
FOR THE PROCUREMENT OF
SOLAR RENEWABLE ENERGY CREDITS

1. **Statutory Background**

The Delaware Renewable Energy Portfolio Standards Act (as amended, “REPSA”) requires retail electricity suppliers operating in the State of Delaware to purchase energy from “*Eligible Energy Resources*” meet a portion of their retail load.¹ For the ~~2015~~2016 compliance year (beginning June 1, ~~2015~~2016), retail electricity suppliers must purchase at least ~~13.0~~14.50% of their retail load in Delaware from renewable resources.² That requirement increases incrementally each subsequent compliance year, up to 25% for the 2025 compliance year. The cost of procuring renewable energy to satisfy the requirements of REPSA is passed through to customers.

REPSA was amended in 2007 to require that a certain portion of each retail electricity supplier’s renewable energy requirement be satisfied with energy from solar technologies. The 2010 amendments to REPSA established a solar set aside of 1.00% for the 2015 compliance year, which increases incrementally to 3.50% for the 2025 compliance year. For 2026 and future compliance years, the Delaware Public Service Commission (“DPSC”) will establish solar set-asides at levels at least equal to the 2025 set-aside.

To encourage the development of new renewable energy generation, REPSA mandates that no more than 1% of the renewable energy purchase requirement can be satisfied by purchases from

¹ Eligible Energy Resources are defined to include those that produce solar photovoltaic or solar thermal energy, wind energy, ocean energy, geothermal energy or energy from fuel cells powered by renewable fuels. Also included are biogas, small-scale hydroelectric, biomass and certain qualifying landfill gas recovery projects. Eligible Energy Resources do not include waste-to-energy facilities, incinerators or generating resources fueled by fossil-fuel waste products.

² REPSA was amended in July of 2011 to provide: “[b]eginning with compliance year 2012, commission-regulated electric companies shall be responsible for procuring RECs, SRECs and any other attributes needed to comply with subsection (a) of this section with respect to all energy delivered to such companies’ end use customers.” 26 Del. C. §354(e) Accordingly, Delmarva Power & Light Company (“Delmarva”) is now responsible for REPSA compliance for its entire delivery load.

renewable energy generation resources (each, a “*Generation Unit*”) that were in commercial operation prior to January 1, 1998. For the 2026 and subsequent compliance years, no such pre-existing Generation Units will be eligible to satisfy any portion of the REPSA requirement.

When it enacted REPSA, the Delaware General Assembly acknowledged that “the benefits of electricity from renewable energy resources accrue to the public at large, and that electric suppliers and consumers share an obligation to develop a minimum level of these resources in the electricity supply portfolio of the state.”³ It therefore directed the DPSC to “establish, maintain or participate in a market-based renewable energy tracking system to facilitate the creation and transfer of renewable energy credits among retail electricity suppliers.”⁴

2. Solar Renewable Energy Credits

2.1 General

To implement the mandate of REPSA, the DPSC adopted regulations that recognize the creation, and facilitate the tracking through PJM Interconnection’s Generation Attributes Tracking System (“*GATS*”), of renewable energy credits (each, a “*REC*”). A REC is a tradable instrument that represents the non-price characteristics (*e.g.*, fuel type, geographic location, emissions and vintage) of electric energy derived from an Eligible Energy Resource.⁵ One REC is equivalent to such characteristics associated with 1 megawatt-hour (“*MWh*”) of energy derived from such a resource. A solar renewable energy credit (an “*SREC*”) represents the same non-price characteristics of 1 MWh of energy derived from an Eligible Energy Resource that generates electric energy using solar photovoltaic technology.

³ 26 Del. C. § 351(b). The benefits recognized by the General Assembly include “improved regional and local air quality, improved public health, increased electric supply diversity, increased protection against price volatility and supply disruption, improved transmission and distribution performance, and new economic development opportunities.” *Id.*

⁴ *Id.* § 359(a).

⁵ A REC does not include any emission reduction credits or allowances required to comply with any necessary permits for Generation Units.

RECs and SRECs are created upon the generation of electricity by an Eligible Energy Resource and the registration of such REC or SREC within GATS. Each owner of an Eligible Energy Resource is entitled to one REC or SREC, as applicable, for each MWh of energy generated by the resource. Such owners must therefore have an account within the GATS or have arranged with another entity that has such an account to act on its behalf.

2.2 Banking of SRECs

Once a REC or SREC is created, it continues to exist for three (3) years or until it is retired to satisfy the requirements of REPSA. Such three-year period is tolled during any period that a REC or SREC is held by the Delaware Sustainable Energy Utility (the “*SEU*”).

2.3 Bonus for Use of In-State Equipment or Workforce

Generation Units sited in Delaware are entitled to a 10% bonus on REC and SREC production if: (a) 50% or more of the cost of the renewable energy equipment comprising the Generation Unit (including mounting components) is manufactured in Delaware (the “*Delaware Equipment Bonus*”); or (b) the Generation Unit is constructed and/or installed either with a workforce at least 75% of whom are Delaware residents or by a company that employs at least 75% Delaware residents (the “*Delaware Workforce Bonus*”). Generation Units that meet both criteria are entitled to an aggregate 20% bonus. Satisfaction of these criteria must be certified by the DPSC.⁶

3. The Delaware Renewable Energy Taskforce

The 2010 amendments to REPSA established the Renewable Energy Taskforce (the “*Taskforce*”) to make “recommendations about the establishment of trading mechanisms and other

⁶ Eligibility for the Delaware Equipment Bonus and the Delaware Workforce Bonus shall be determined solely by the DPSC.

structures to support the growth of renewable energy markets in Delaware.⁷ The Taskforce was directed to find ways to increase deployment of solar generation and enhance the market for SRECs. Its responsibilities include making recommendations about the following:

- establishing a balanced market mechanism for REC and SREC trading;
- establishing REC and SREC aggregation mechanisms and other devices to encourage the deployment of solar energy technologies in Delaware with the least impact on retail electricity suppliers, municipal electric companies and rural electric cooperatives;
- minimizing the cost for complying with REPSA;
- establishing revenue certainty for appropriate investment in solar renewable energy technologies, including consideration of long-term contracts and auction mechanisms;
- establishing mechanisms to maximize in-state solar renewable energy generation and local manufacturing; and
- ensuring that residential, commercial and utility scale photovoltaic and solar thermal systems of various sizes are financially viable and cost-effective instruments in Delaware.

4. The SREC Pilot Program

In 2010, the Taskforce appointed a special subcommittee to consider and make recommendations regarding the SREC procurement process. That subcommittee met on numerous occasions over several months and evaluated a variety of alternative approaches to SREC procurement in an effort to reach a consensus on a comprehensive program designed to meet the objectives set forth in REPSA with respect to the development of solar generation resources.

⁷ *Id.* § 360(d). The Taskforce is comprised of 11 members representing a broad cross-section of entities interested in and concerned with the implementation of renewable energy policy in Delaware. The 2010 amendment to REPSA stipulates that the Taskforce be made up of: (a) four appointments by the Secretary of the Delaware Department of Natural Resources and Environmental Control, including one from the renewable energy research and development industry, one from the local renewable energy manufacturing industry and one from an environmental advocacy organization; (b) one appointment by the DPSC; (c) one appointment by Delmarva Power & Light Company; (d) one appointment by the Delaware Electric Cooperative; (e) one appointment by municipal electric companies; (f) one appointment by the SEU; (g) one appointment by the Delaware Public Advocate; and (h) one appointment by the Delaware Solar Energy Coalition. *Id.* § 360(d)(1).

Based on the subcommittee's work, the Taskforce recommended for approval to the DPSC a statewide pilot program for the 2011 compliance year (the "*SREC Procurement Pilot Program*") to encourage solar development in the State of Delaware while minimizing costs for owners, developers, aggregators, consumers and other participants in the SREC market in Delaware. The DPSC approved the SREC Procurement Pilot Program with minor modifications pursuant to Order No. 8093, dated December 20, 2011.

5. **The 2013 SREC Procurement Program**

Following successful implementation of the SREC Procurement Pilot Program ("Pilot Program"), the Taskforce recommended for approval to the DPSC of a statewide program for 2013 (the "*2013 SREC Procurement Program*"). The 2013 SREC Procurement Program continued the goals of the Pilot Program of creating a market for SRECs in Delaware and providing a mechanism for the procurement of SRECs to ensure that the requirements of REPSA are met. The 2013 SREC Procurement Program ("2013 Program") was based on five (5) tiers of SRECs, all competitively bid, with the intent of procuring a total of 7,000 SRECs plus an additional 1,000 SRECs through purchases on the spot market. The DPSC approved the 2013 SREC Procurement Program on January 22, 2013, pursuant to Order No. 8281. Thereafter, by Order No. 8450, dated September 10, 2013, the DPSC issued its Findings of Fact, Conclusions of Law and Final Opinion in Support of Order No. 8281. In doing so, the DPSC found that the 2013 SREC Procurement Program was in the public interest and met the criteria of REPSA. The DPSC also accepted DPSC Staff's recommendation that an independent consultant be hired to evaluate the 2013 SREC Procurement Program. An evaluation was performed by New Energy Opportunities, Inc. and LaCapra Associates, Inc. (the "Consultants") which issued its report dated August 7, 2013, revised September 20, 2013 ("Consultants' Report"). The Consultants' Report concluded that the 2013 Program was conducted fairly and in a professional manner and that the changes which were

implemented to provide for competitive bidding and the inclusion of owners of existing projects as eligible bidders, resulted in lower overall costs to ratepayers.

6. **The 2014 SREC Procurement Program**

Based upon its review of the results of the 2013 Program and a review of the Consultants' Report, the Taskforce recommended for approval to the DPSC of a statewide program for the 2014 compliance year (the "*2014 SREC Procurement Program*"). The 2014 SREC Procurement Program ("2014 Program") continued the goals of Pilot Program and 2013 Program with some refinements. The 2014 Program was based on five tiers of SRECs, all competitively bid, with the intent of procuring 7,000 SRECs plus an additional 1,000 SRECs through purchases on the spot market. The DPSC approved the 2014 SREC Procurement Program on April 15, 2014 pursuant to Order No. 8551. Thereafter, by Order No. 8629, dated September 9, 2014, the DPSC issued its Findings of Fact, Conclusions of Law, and Opinion in Support of Order No. 8551. In doing so, the DPSC found that the 2014 SREC Procurement Program was in the public interest and met the criteria of REPSA.

7. **The 2015 SREC Procurement Program**

Based upon its review of the results of the 2014 Program, the Taskforce recommended for approval to the DPSC of a statewide program for the 2015 Compliance year (the "2015 SREC Procurement Program"). The 2015 SREC Procurement Program ("2015 Program") confirmed the goals of the Pilot Program, the 2013 Program and the 2014 Program, with some modifications. The 2015 Program continued to be based on five tiers of SRECs, all competitively bid, but with the intent of procuring a minimum of 9,000 SRECs and up to a total of 12,000 SRECs through the auction process. The 2015 Program also established an Alternative Compliance Payment of \$400

and permitted Delmarva to establish an upset price for the purchase of SRECs and provided that bids received above these amounts could be rejected by Delmarva. The DPSC approved the 2015 SREC Procurement Program on March 3, 2015 pursuant to Order No. 8717. Thereafter, by Order No. 8764, dated July 21, 2015, the DPSC issued its Findings of Fact, Conclusions of Law and Opinion in Support of Order No. 8717. In doing so, the DPSC found that the 2015 SREC Procurement Program was in the public interest and met the criteria of REPSA.

8. Program Administration; Eligibility

78.1 Public Solicitations

The Taskforce believes that the procurement of SRECs by retail electricity suppliers⁸ operating in the State of Delaware should be implemented through public solicitations, managed by the SEU.⁹ Solicitations under the Pilot Program, the 2013 Program, ~~and the 2014 Program~~ and the 2015 Program were managed by the SEU and the Taskforce has approved the use of the SEU for the ~~2015~~2016 SREC Procurement Program.¹⁰ The solicitations will be for SRECs and other environmental attributes¹¹ created by the Eligible Energy Resources, but will not cover the energy output of the resources. Upon receipt and evaluation of the applications received in response to

⁸ In 2011, the statute was amended so that RPS obligations were assigned to only commission-regulated electric companies. 26 Del. C. §354.

⁹ The SEU will use a third party (the "*SREC Procurement Agent*") to perform some or all of its duties with respect to the 2015 SREC Procurement Program, including conducting solicitations, evaluating bids and executing agreements on behalf of the SEU. The SREC Procurement Agent for the 2015 SREC Procurement Program will be InClimate, Inc. InClimate, Inc. is a spinoff of SRECTrade and was established solely to operate utility and public agency renewable procurement programs. InClimate, Inc. will be operated by Kevin Quilliam who oversaw the SREC auctions for the Pilot Program, the 2013 Program and the 2014 Program.

¹⁰ As with the Pilot Program, the 2013 Program ~~and the 2014 Program~~, and the 2015 Program the recovery of costs incurred by the SEU will be dealt with in separate proceedings.

¹¹ In addition to SRECs, environmental attributes include those attributes created from the Generation Unit's generation of electricity from solar energy in contrast with the generation of electricity using nuclear or fossil fuels or other traditional resources, such as emission credits, carbon credits, air quality credits, green credits, carbon tax credits, emissions reduction credits, greenhouse gas credits, certificates, tags, offsets, allowances and similar products, rights, claims or benefits, whether now existing or arising in the future. However, environmental attributes do not include tax credits other than carbon tax credits.

each solicitation, the SEU will award bids and execute agreements based on the criteria set forth in this ~~2015~~2016 SREC Procurement Program.

78.2 Owner Qualifications

To apply as an owner (an "*Owner*") of an Eligible Energy Resource pursuant to the ~~2015~~2016 SREC Procurement Program, the applicant must own, lease, control or be the direct assignee of all of the SRECs created by such resource.¹² Any party participating in the ~~2015~~2016 SREC Procurement Program may submit an application jointly with an entity that has executed agreements¹³ to control the SRECs produced by two or more Eligible Energy Resources (such entity, an "*Owner Representative*").

An Owner that is qualified to submit an application on its own behalf may, at its option, elect to designate an Owner Representative. Affiliates of retail electricity suppliers are permitted to participate in the ~~2015~~2016 SREC Procurement Program as Owners or Owner Representatives (as long as they satisfy the applicable requirements for being an Owner or Owner Representative).

78.3 Eligible Projects

To qualify for participation in the ~~2015~~2016 SREC Procurement Program, a Generation Unit must: (a) qualify as a "Solar Photovoltaic Energy Resource" in accordance with the DPSC rules; and (b) be eligible for certification as an Eligible Energy Resource under REPSA.

In order to increase the likelihood that a wide variety of residential and commercial projects have an opportunity to participate in the ~~2015~~2016 SREC Procurement Program, the Taskforce has determined to continue with the distinct tiers of Generation Units (based on their date of interconnection approval and nameplate capacity) that had been established for the ~~2014~~2015

¹² An Owner need not have been awarded SREC Transfer Agreements with respect to its Eligible Energy Resources.

¹³ An Owner Representative need not have been awarded SREC Transfer Agreements with respect to its Eligible Energy Resources. It need only have executed agreements with Owners of two or more such resources.

Program, with one minor modification for which different pricing, bid rules and other contract terms and conditions will apply. The tiers are as follows:

GENERATION UNIT TIER DESIGNATIONS

<u>New Systems¹⁴</u>	
<u>Tier</u>	<u>Nameplate Rating</u> (DC at STC)
N-1	Less than or equal to <u>3025</u> kW
N-2	Greater than <u>3025</u> kW but less than or equal to 200 kW
N-3	Greater than 200 kW but less than or equal to 2 MW
<u>Existing Systems¹⁵</u>	
<u>Tier</u>	<u>Nameplate Rating</u> (DC at STC)
E-1	Less than or equal to <u>3025</u> kW
E-2	Greater than <u>3025</u> kW but less than or equal to 2 MW

The capacity of a Generation Unit and its applicable tier will be based on the aggregate nameplate rating of all solar arrays: (a) that are located on the same parcel of land (as established by the local taxing authority) or share a single utility interconnection point; and (b) for which applications are submitted for the same compliance year.¹⁶

78.4 Ongoing Program Evaluation

The Taskforce will evaluate the 20152016 SREC Procurement Program on a periodic basis to consider whether any changes or modifications are necessary or advisable. Any changes or

¹⁴ Eligible "New Systems" are systems with final interconnection approval after the first date of the preceding auction process (i.e., ~~May 5, 2014~~ April 13, 2015 for compliance year 20152016).

¹⁵ Eligible "Existing Systems" are systems with final interconnection approval before the first date of the preceding auction process. New Systems and Existing Systems may be referred to individually as a "system" or collectively as "systems" throughout.

¹⁶ An Owner may, at its discretion, include additional solar arrays at other locations, in which case the capacity of such arrays will be aggregated for purposes of determining the capacity and tier of such project.

modifications to the program (e.g., the allocation of SRECs among the different tiers) would be prospective only and executed SREC Transfer Agreements (as defined below) would not be affected. Any material changes to the ~~2015~~2016 SREC Procurement Program would be subject to approval of the appropriate regulatory bodies.

89. Bid Applications

89.1 General Requirements

Each Owner must submit, or designate its Owner Representative to submit, a completed bid application (and only one such bid application)¹⁷ for each Generation Unit for which it intends to participate in the ~~2015~~2016 SREC Procurement Program. However, for New Systems that are an addition to or expansion of Existing Systems, a separate application may be submitted for both the New System and the Existing System provided that the New System has a separate meter from the Existing System installed in accordance with the requirements of Section 9.7. The application is an on-line application which is located and is to be completed on the SEU's website at www.SRECDelaware.com. The application must include, among other things: a description of the Generation Unit, including its location, the types of solar panels being used and its nameplate rating (at STC);¹⁸ and

- if the Owner elects to designate an Owner Representative, the identity of the Owner Representative must be provided.

In addition, each bid application must be accompanied by:

¹⁷ A Generation Unit may not be included in more than one bid application in any single solicitation. If such unit is not awarded an SREC Transfer Agreement as a result of such solicitation, the Owner is free to submit an application for such unit pursuant to any future solicitation.

¹⁸ The equipment description contained in the application is not binding on an Owner or an Owner Representative, provided that: (a) except as expressly permitted in accordance herewith, the nameplate rating (at STC) of any substitute equipment may not vary from that described in the original application by more than 5% for Tier 1 or Tier 2 projects, or 2.5% for Tier 3 projects; and (b) in no event will the substitution of different equipment affect the Estimated SREC Quantity contained in the original application.

- the appropriate deposit; and
- an analysis of the estimated annual energy output using PVWatts Solar PV Energy Calculator or such other modeling technique as may be acceptable to the SEU.

Once an Owner's bid is accepted, it must submit a standard form agreement to sell SRECs to the SEU (an "*SREC Transfer Agreement*") executed by the Owner and, if necessary or elected, an Owner Representative.

8.2 9.2 Estimated Output

Each application to sell SRECs pursuant to the ~~2015~~2016 SREC Procurement Program must include a binding estimate of: (a) the annual energy output of the Eligible Energy Resource, as determined using PVWatts Solar PV Energy Calculator or such other modeling technique as may be acceptable to the SEU; and (b) the annual SREC production levels (such estimate of the SREC production levels, the "*Estimated SREC Quantity*"). The estimates for energy output and SREC production levels shall be subject to an annual degradation factor of 0.5%.

For Eligible Energy Resources claiming a bonus based on the use of Delaware-sourced equipment and/or an in-state workforce (as described in Section 2.3 above), the application must include a statement that it intends to qualify for the Delaware-sourced equipment and/or in-state workforce bonus and the binding SREC output estimate for such resources should include any such SREC bonus.¹⁹ Failure to claim a bonus at the time an application is submitted will disqualify a project from being entitled to the bonus, regardless of whether Delaware-sourced equipment or an in-state workforce is later employed.

8.3 9.2 Bid Deposit

Each application to participate in the ~~2015~~2016 SREC Procurement Program must be accompanied by a bid deposit in an amount equal to \$100 per kW (DC) of the nameplate rating (at

¹⁹ The "bonus" SRECs are not actually credited to retail electricity suppliers until they retire the SRECs to which the bonus applies. However, under the terms of the SREC Transfer Agreements, as long as the Owner provides evidence that the DPSC has certified that the Eligible Energy Resource qualifies for the bonus, payment for the SRECs will include the bonus amount.

STC) of the Eligible Energy Resource; provided that the bid deposit will be waived for qualifying projects that provide a copy of their DPSC certification as an Eligible Energy Resource along with their bid application. All bid deposits must be in the form of an acceptable letter of credit, cash or a bid bond²⁰ and will be held by the SEU on behalf of the participating retail electricity suppliers.

The bid deposits will be returned or released promptly upon: (a) rejection of an application; or (b) termination of an SREC Transfer Agreement based on the imposition by the interconnecting utility of a charge other than a standard interconnection fee (as described in Section 9.4 below). In addition, if an Owner claims in its application that a project will be entitled to the Delaware Equipment Bonus or the Delaware Workforce Bonus and such project is not certified by the DPSC as being eligible for either such "claimed" bonus, the SEU has the option to declare that the bid deposit will be forfeited and the SREC Transfer Agreement will be terminated. Otherwise, the bid deposit will be returned upon completion and commencement of operation of the Generation Unit on or prior to the Guaranteed On-Line Date (as defined in Section 9.5 below) and the posting of performance credit support (as described in Section 9.9 below). For Generation Units that commence operation after such date, the bid deposit will be used to pay delay liquidated damages (as described in Section 9.5 below) and the balance, if any, will be returned to the Owner promptly after the commencement of operation and the posting of performance credit support (as described in Section 9.9 below). Bid deposits will not earn interest.

910. SREC Transfer Agreements

In order to minimize transaction costs, the SEU will enter into standard form SREC Transfer Agreements with Owners and, if elected by such Owners, the Owner Representatives.

²⁰ A bid bond must be in the form of American Institute of Architects (AIA) Form 310. In addition, any applicant that provides a bid bond as bid security will be required to replace such bond with a deposit in the form of a letter of credit or cash no later than 10 days after the SEU provides notice that its bid application has been granted.

The SEU will countersign each SREC Transfer Agreement promptly upon determining that the associated application and bid qualify for selection pursuant to the pending solicitation (the date of signing by the SEU, the "*Execution Date*"). Each SREC Transfer Agreement will include:

- the Owner's agreement to maintain the Generation Unit as an Eligible Energy Resource;
- an acknowledgment by the Owner and, if applicable, the Owner Representative that: (a) the SEU and retail electricity suppliers have the right to inspect the Generation Unit (which right may be assigned to qualified third parties); and (b) the SEU has the right to resell the SRECs in any market where they are eligible to be traded, including states other than Delaware; and
- if the Owner is designating an Owner Representative, the appointment of the Owner Representative as the Owner's exclusive agent to manage SRECs within GATS on the Owner's behalf.

The form of the SREC Transfer Agreement is appended hereto as Appendix A. Some of the principal terms and conditions of the SREC Transfer Agreement are described in this Section 9.

9-1 10.1 Term of Agreement

All SREC Transfer Agreements will have a term of twenty (20) years. The term will commence as follows:

- For New Systems or Existing Systems for which the Operation Date is prior to thirty (30) days following the close of the solicitation, the term of the Agreement shall commence on June 1, ~~2015~~-2016.
- For New Systems or Existing Systems for which the Operation Date is not thirty (30) days prior to the close of the solicitation, the term of the Agreement shall commence on the Operation Date regardless of when the Agreement is executed by the Owner or Owner Representative.

- Under either scenario, the date on which the term of the Agreement begins is the “**Commencement Date**”, regardless of when the Agreement is signed by the Owner or Owner Representative. If the Owner or Owner Representative does not sign the Agreement until after the Commencement Date, they forfeit the right to compensation for any SRECs created prior to the Commencement Date.

9.2 10.2 SREC Quantity

Pursuant to each SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative, will be obligated to transfer (by providing permission to move the System to the SEU’s GATS account) and sell to the SEU, and the SEU will be obligated to purchase and pay for, all of the SRECs produced at the Generation Unit up to the Contract Maximum (as defined below). To facilitate more efficient management and accounting for SREC procurement, and to maximize opportunities for the largest possible group of Owners to participate in the ~~2015~~2016 SREC Procurement Program, the quantity of SRECs that may be delivered pursuant to any SREC Transfer Agreement during any annual period will be limited to 110% of the Estimated SREC Quantity for such period (such amount, the “**Contract Maximum**”). All SRECs delivered pursuant to an SREC Transfer Agreement must be created based on the output of the Generation Unit that is the subject of that Agreement. In the event a Tier N-1, Tier N-2 or Tier E-1 project produces SRECs in excess of the Contract Maximum, the SEU will have the option to elect whether or not to purchase any or all of the surplus SRECs. If it exercises that option, the sale of any such excess SRECs will be subject to the same terms, conditions and pricing applicable to other SREC purchases under the SREC Transfer Agreement. In the event a Tier N-3 or Tier E-2 project produces SRECs in excess of the Contract Maximum, or if the SEU declines to purchase, or purchases only a portion of, the excess SRECs produced by a Tier N-1, Tier N-2 or Tier E-1 project, the SEU will transfer any such excess SRECs back to the Owner, who will have the right to sell such excess SRECs in any manner it deems appropriate.

For Tier N-3 and Tier E-2 projects that have a nameplate rating of 500 kW or greater, the Owner and, if applicable, the Owner Representative, will be obligated to sell to the SEU, for each annual period, a quantity of SRECs equal to no less than 80% of the Estimated SREC Quantity for such period (the "*Minimum Annual Quantity*").

The Estimated SREC Quantity may not be amended unless the Owner reduces the capacity of a Generation Unit either to avoid or minimize any interconnection fees or charges sought to be imposed by the interconnecting utility (as described in Section 9.4 below) or to allow the Generation Unit to fit within a pending solicitation (as described in Sections 10.1 and 10.2 below).

9.3 10.3 Pricing

All New Systems and Existing Systems will be required to submit bids which will be evaluated and selected based on the lowest bid prices. Owners are required to submit bids only in their applicable Tier. For the ~~2015~~2016 SREC Procurement Program, the SREC price during the first ten (10) years of the term of the SREC Transfer Agreements will be the bid price, and the SREC price for the last ten (10) years of the SREC Transfer Agreements will be fixed at \$35 per SREC.

9.4 10.4 Utility Interconnections

If, based on an Owner's interconnection application, the interconnecting utility proposes to assess any fee or charge (other than a standard interconnection application fee), the Owner may, within ten (10) days of notice of such fee or charge by the interconnecting utility, either reduce the capacity of the Generation Unit to avoid or minimize such fee or charge or terminate the SREC Transfer Agreement. In order to take advantage of this right, each Owner must submit a complete interconnection application (Step 1) to the interconnecting utility no later than one hundred twenty (120) days after the Execution Date.

If an Owner reduces the capacity of a Generation Unit to avoid or minimize an interconnection charge, the Estimated SREC Quantity will be reduced by the same percentage and any excess deposit will be returned to the Owner.²¹ If an Owner elects to terminate the SREC Transfer Agreement based on the imposition of an interconnection fee or charge, the entire deposit will be returned.

9-5 10.5. Guaranteed On-Line Date; Delay Liquidated Damages

All projects must commence operation no later than twelve (12) months after the Commencement Date (the "*Guaranteed On-Line Date*"); provided that the Guaranteed On-Line Date will be subject to extension to the extent reasonably necessary based on: (a) events beyond the reasonable control of the Owner (*i.e.*, force majeure as defined in the SREC Transfer Agreement); or (b) the failure by the interconnecting utility to complete the interconnection (provided that the Owner or, if applicable, the Owner Representative shall have submitted a timely and complete interconnection application to the interconnecting utility). In no event will the Guaranteed On-Line Date be extended for more than one (1) additional year.

For any Generation Unit that fails to meet its Guaranteed On-Line Date, the Owner and, if applicable, the Owner Representative will be liable to pay liquidated damages for each full or partial day of delay. The amount of such damages will be equal to 1/30th of the deposit amount. In the event a Generation Unit is not operational within thirty (30) days of its Guaranteed On-Line Date, the SEU will have the right to terminate the SREC Transfer Agreement.

9-6 10.6 Payment

All projects will be paid on a monthly basis. Each Owner will stipulate in the SREC Transfer Agreement whether payment is to be made to the Owner or, if applicable, the Owner

²¹ A reduction in capacity to avoid or minimize an interconnection charge will not affect pricing under the SREC Transfer Agreement, regardless of whether the reduced capacity would have qualified the project to submit an application for a lower tier.

Representative. Payment will be based on the number of SRECs transferred to and registered in the SEU's GATS account during the relevant billing period.

~~9.7~~ 10.7 Metering

All Tier N-1, N-2, E-1 and E-2 Projects must install either a revenue-grade meter on site or revenue-grade online monitoring. All Tier N-3 Projects must install revenue-grade online monitoring.

~~9.8~~ 10.8 Conditions Precedent

The SEU's purchase obligations under each SREC Transfer Agreement will be conditioned on: (a) the Owner providing evidence that it has received a certification number from the DPSC confirming that the referenced Generation Unit qualifies as an Eligible Energy Resource; and (b) for Generation Units that are eligible in accordance with GATS rules and procedures, the Owner executing an agreement to move the generator to the SEU's GATS account. For projects claiming a bonus based on the use of Delaware-sourced equipment or an in-state workforce (as described in Section 2.3 above), the SEU's obligations will also be subject to delivery of confirmation from the DPSC that the resource qualifies for the claimed bonus (which confirmation may be delivered within thirty (30) days of the commencement of operation of the resource).

~~9.9~~ 10.9 Performance Credit Support

Pursuant to the terms of each SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative, will grant the SEU a security interest in all of the SRECs (up to the Contract Maximum) generated by the project to secure their respective obligations under the agreements, including the obligation to deliver and sell the SREC output of the project.

To secure their obligations to deliver the Minimum Annual Quantity, Owners or Owner Representatives of Tier N-3 or Tier E-2 projects with a nameplate rating of 500 kW or greater will also be required to provide supplemental credit support in the form of cash, a letter of credit or

other collateral acceptable to the SEU. For each of the first ten (10) years of the SREC Transfer Agreement, such supplemental credit support shall be in an amount equal to five percent (5%) of the value (at the applicable price set forth in the SREC Transfer Agreement) of the first-year Estimated SREC Quantity; for each year thereafter, it shall be in an amount equal to ten percent (10%) of the value of the Estimated SREC Quantity for the 10th year of the Agreement. The supplemental credit support must be replenished to the required level in the event any portion of the credit support is drawn or used.

9.10 10.10 Project Maintenance; Inspections

Owners and, if applicable, Owner Representatives will be responsible for maintaining Generation Units so that they remain Eligible Energy Resources and are able to produce their respective Estimated SREC Quantities. Owners and Owner Representatives must notify the SEU of any substantive changes to the operational characteristics of the Generation Unit.²²

The SEU will have the right to physically inspect Generation Units to verify compliance with the terms of their applicable SREC Transfer Agreements. The SEU may delegate that right to the SREC Procurement Agent, any retail electricity suppliers or any other qualified third parties.

9.11 10.11 Excused Performance

Owners will be excused from any delay in performance or failure to perform under an SREC Transfer Agreement caused by conditions beyond their reasonable control (*i.e.*, force majeure as defined in the SREC Transfer Agreement); provided that such relief shall be limited to the amount of time the condition exists that caused the delay but in no event greater than a period of one (1) year for any single force majeure event.

²² Owners and Owner Representatives are also required to provide the SEU with copies of any notice(s) submitted to the DPSC pursuant to 26 *Del.Admin. C.* § 3008(3.1.8) and any additional correspondence related to such notice(s).

~~9.12~~ 10.12 Default Provisions

Pursuant to the SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative will be in default if:

- the full SREC output of a Generation Unit (up to the Contact Maximum) is not made available to the SEU within the timeframe required ; or
- for a Tier N-3 or Tier E-2 project with a nameplate rating of 500 kW or greater, the project fails to generate the Minimum Annual Quantity during any annual period and the Owner fails to pay applicable damages (as described in Section 6.13 below) within thirty (30) days after the end of such annual period; or
- the required credit support is not maintained.

In addition, an Owner Representative will be in default under an SREC Transfer Agreement if it fails to qualify as an Owner Representative under the terms of the ~~2015~~2016 SREC Procurement Program and such failure is not cured within thirty (30) days of notice of such failure.

~~9.13~~ 10.13 Remedies

Upon a breach or default by an Owner or an Owner Representative under an SREC Transfer Agreement, the SEU will be entitled to all of its remedies at law and in equity, including specific performance of and/or termination of this Agreement. Upon a breach or default by the SEU under an SREC Transfer Agreement, the Owner and, if applicable, the Owner Representative, will be entitled to their respective remedies at law and in equity. Equitable remedies will include specific performance of the Agreement.

In the event the SEU terminates an SREC Transfer Agreement based on a failure or refusal to sell the SREC output of the Eligible Energy Resource to the SEU, the SEU may recover damages calculated based on the difference, if positive, between the price for SRECs under the SREC Transfer Agreement and the cost to replace such SRECs in the market.

If a Tier N-3 or Tier E-2 project with a nameplate rating of 500 kW or greater fails to produce the Minimum Annual Quantity of SRECs during any annual period, the Owner will owe

damages equal to the amount of the shortfall, multiplied by the difference, if positive, between: (a) the lower of the prevailing market price of SRECs (as reasonably determined by the SEU) or the amount of the "Alternative Compliance Payment" (as defined in REPSA) for the year in which such shortfall occurs; and (b) the price for SRECs under the SREC Transfer Agreement. Such damages shall be due and payable no later than thirty (30) days after the end of the annual period to which they apply. Payment of such damages will be the Owner's sole liability for the failure to deliver the Minimum Annual Quantity.

~~9.14~~ 10.14 Replacement of Owner Representative

An Owner may remove its Owner Representative at any time and for any reason (or no reason) in its sole and absolute discretion.

~~10~~

11. Bid Awards

Promptly upon receipt of an application to sell SRECs from an Owner Representative or Owner in response to a solicitation issued pursuant to the ~~2015~~2016 SREC Procurement Program, the SEU will review the application to verify whether it is complete and complies with all applicable procedures. Partial or incomplete applications will be rejected. Any and all bids above a determined price, as established by Delmarva Power, and bids above the Alternative Compliance Payment of \$400, will be rejected. In addition, owners of Existing Systems who default on their bids by not signing a contract will be prohibited from bidding in a subsequent long term auction.

~~10~~11.1 Competitive Solicitations

All projects will be required to submit price bids in competitive solicitations. A given system is only allowed to bid into one (1) auction and one (1) tier per year.

The price bid for each project must be for a fixed dollar amount, which amount cannot escalate or otherwise vary during the initial ten (10) year period of the term of the Agreement. The

SEU will award SREC Transfer Agreements to such projects with the lowest price bids in each solicitation. If Tier N-1 and/or Tier N-2 have losing bids that are lower priced than winning bids for Tier N-3, such bids will be applied to Tier N-3 in order to minimize the weighted average bid price of Tier N-3. Bids from Tier N-3 will not be applied to Tier N-1 or Tier N-2, and bids from Tier N-2 will not be applied to Tier N-1. Provided these stated minimums are met, the SEU will accept for each Tier the lowest bid prices.

If any Tier is undersubscribed because of insufficient bids or rejected bids, bids from any other Tiers can win those SRECs. The SEU will announce all solicitations for competitively priced bids at least thirty (30) days in advance of the bid date.

4011.2 Bidding Ties

If there are multiple bids at the same price that would cause a competitive solicitation to be oversubscribed (a "**Bidding Tie**"), the SEU will first select all applicants that claimed the Delaware Equipment Bonus and the Delaware Workforce Bonus. If this causes the solicitation to still be oversubscribed, a lottery will be held among only applicants that claimed the Delaware Equipment Bonus and Delaware Workforce Bonus. If there is still a Bidding Tie after awarding all applicants that claimed the Delaware Equipment Bonus and Delaware Workforce Bonus, the SEU will give each applicant involved in the Bidding Tie for such tier a 5-day period to reduce its price bid and will then evaluate any revised bids submitted by the applicants involved in such Bidding Tie. The SEU will then award one or more SREC Transfer Agreements to some or all of the applicants involved in such Bidding Tie as follows:

- first, if any such applicant submits a reduced price bid, to such applicant(s) on the basis of the lowest price bid until: (a) the pending solicitation is fully subscribed or only a *de minimis* portion of such solicitation (as determined by the participating retail electricity suppliers) remains unsubscribed; (b) the next highest price bid would cause the pending solicitation to be oversubscribed; or (c) there is a Bidding Tie with respect to the remaining bids; and

- second, if after completion of the first step, the pending solicitation is not fully subscribed and there is a Bidding Tie with respect to the remaining bids, the SEU will award SREC Transfer Agreements based on a lottery among the remaining applicants involved in such Bidding Tie that claimed the Delaware Equipment Bonus or the Delaware Workforce Bonus; and
- third, if after completion of the second step, the pending solicitation is not fully subscribed and there is a Bidding Tie with respect to the remaining bids, the SEU will award SREC Transfer Agreements based on a lottery among remaining applicants involved in such Bidding Tie that claimed neither the Delaware Equipment Bonus nor the Delaware Workforce Bonus.

If a project selected based on bid price or by lottery would cause the pending solicitation to be oversubscribed, the SEU will give the applicant the option to reduce the capacity of the Generation Unit to the remaining balance of the pending solicitation. If the applicant elects not to reduce the capacity of the Generation Unit, its bid application will be rejected and the solicitation will continue until the pending solicitation is fully subscribed or only a *de minimis* portion of the solicitation (as determined by the participating retail electricity suppliers) remains unsubscribed. If the applicant elects to reduce the capacity of the Generation Unit so that it fits within a pending solicitation, the Estimated SREC Quantity will be reduced by an equal percentage. In addition, if such reduction qualifies the project for a lower tier, the original form of SREC Transfer Agreement will be terminated and replaced with the form of agreement applicable to the lower tier. In such case, the reduced capacity of the Generation Unit will be reallocated from the tier originally bid to such lower tier and any excess deposit will be returned to the Owner.

Partial fill systems will be allowed to bid the rest of the system in future procurements, but the second bid will have to be in a tier size that reflects the cumulative system size. Systems that obtain multiple bids will first transfer SRECs at the lowest price each year.

For system additions, the bid must be in a tier size that reflects the cumulative system size. Systems that obtain multiple bids will first transfer SRECs at the lowest price each year.

11.12. Solicitation for 2015 Compliance Year

11.12.1 Resource Allocation

Based on forecasted load, the SREC solicitations for the 2015 compliance year will be for up to 12,000 SRECs, which will be allocated as follows:

- Tiers N-1, E-1, E-2 – 4,400 SRECs
- Tier N-2 – 2,300 SRECs
- Tier N-3 – 2,300 SRECs

Upon conclusion of the fulfillment of the 9,000 SRECs, Delmarva Power may procure up to 36,000 SRECs through the auction, regardless of Tier, using the least expensive SRECs from New Systems or Existing Systems.

APPENDIX A

Form of SREC Transfer Agreement

**SOLAR RENEWABLE ENERGY CREDIT
TRANSFER AGREEMENT**

DELAWARE RENEWABLE ENERGY PORTFOLIO STANDARDS ACT

20152016 SREC PROCUREMENT PROGRAM

**SOLAR RENEWABLE ENERGY CREDIT TRANSFER AGREEMENT
DELAWARE RENEWABLE ENERGY PROGRAM**

2014 SREC PROCUREMENT PROGRAM

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**SOLAR RENEWABLE ENERGY CREDIT TRANSFER AGREEMENT
DELAWARE RENEWABLE ENERGY PROGRAM**

2015 SREC PROCUREMENT PROGRAM

This Agreement, made this ____ day of _____, _____, pertains to the sale and transfer by the Owner (as identified below) of solar renewable energy credits created by a solar power project (as described in more detail below, the "Project")¹ to SEU One, LLC (or any successor organization thereto, the "SEU").

**PART I
PROJECT AND OWNER INFORMATION**

A. Owner:²

- Name of entity: _____
- Street address: _____
- City, state and zip code: _____
- Attention: _____
- Email address: _____
- Tax ID Number/SS Number: _____
- Owner's other Eligible Energy Resources:³ _____
- Owner GATS Account No.:⁴ _____

B. Owner Representative (if one is designated):

- Name of entity: _____
- Street address: _____

¹ A Project may be located at multiple locations, provided that the same legal entity owns, leases, controls or is the direct assignee of all of the SRECs created by the entire Project.

² The Owner is the legal entity that owns, leases, controls or is the direct assignee of all of the SRECs created by the Project.

³ Required only if: (a) the Project has a nameplate capacity of less than 100 kW; and (b) no Owner Representative is designated.

⁴ If the Owner has not established a GATS account as of the Bid Date, it must provide the SEU with such account number promptly after the account is established.

- City, state and zip code: _____
- Attention: _____
- Email address: _____
- Tax ID Number/SS Number: _____
- Other Eligible Energy Resources: _____

C. Payee (check one):

- Owner
- Owner Representative

D. Project:

- Street address:⁵ _____
(or parcel number if property does not have street address)
- City, state and zip code: _____
- Nameplate capacity: _____ kW⁶
- Tier designation (check one):
 - Tier N-1 Project (New system, less than or equal to 3025 kW-DC)
 - Tier N-2 Project (New system, greater than 3025 kW and less than or equal to 200 kW-DC)
 - Tier N-3 Project (New system, greater than 200 kW and less than or equal to 2,000 kW-DC)
 - Tier E-1 Project (Existing system, less than or equal to 3025 kW-DC)
 - Tier E-2 Project (Existing system, greater than 3025 kW and less than or equal to 2,000 kW-DC)
- Operational status (check one):

⁵ If the Project is located at multiple locations, the street address or parcel number for each location must be provided. A separate page may be attached if necessary.

⁶ All capacity (kW) references are to the nameplate rating of the Generation Unit (DC at STC), as designated by the solar module manufacturer.

- Project under development as of Bid Date
- Operation Date has occurred as of Bid Date
Operation Date: _____
- Purchase Obligation Date (check one):
 - June 1, ____
 - First day of the month following project certification by DPSC as Eligible Energy Resource
- Utility interconnection:
_____ Interconnecting Utility
- SREC credits (check if applicable):
 - The Project qualifies for a 10% credit on SREC output (if applicable, the “*Delaware Equipment Bonus*”) because the Project is sited in the State of Delaware and a minimum of 50% of the cost of renewable energy equipment, inclusive of mounting components, is manufactured in Delaware.
 - The Project qualifies for a 10% credit on SREC output (if applicable, the “*Delaware Workforce Bonus*”) because the Project is sited in the State of Delaware and is or will be constructed and/or installed either with a workforce at least 75% of whom are Delaware residents or by a company that employs at least 75% Delaware residents.
- Energy and SREC output
 - Estimated first year total energy output: _____ kWh (exclusive of any bonuses described below)
 - Estimated first year total SREC output _____ SRECs (exclusive of any bonuses described below)
 - Delaware Equipment Bonus: _____ SRECs
(10% of total SREC output, if applicable)
 - Delaware Workforce Bonus: _____ SRECs
(10% of total SREC output, if applicable)
 - Estimated SREC Quantity (first year) _____ SRECs

E. Bid information:

- Date of receipt of Owner's application: _____
[To be filled in by the SEU]
- Bid Price: \$ _____ / SREC (for first 10 Contract Years)

**PART II
TERMS AND CONDITIONS**

Section 2.1 Purchase and Sale of SRECs.

2.1.1 Sale. The Owner agrees to sell and deliver to the SEU all SRECs created by the Project (the "**Project SRECs**"), up to the Maximum Annual Quantity. The sale and delivery of SRECs pursuant to this Agreement shall be deemed to occur in the State of Delaware. The Owner acknowledges and agrees that the SEU intends to resell the Project SRECs to retail electric suppliers in Delaware.

2.1.2 Excess SRECs.

- (a) If a Tier N-1 or N-2 Project or a Tier E-1 Project creates any Excess Amount during any Contract Year, the SEU shall, no later than thirty (30) days after the end of such Contract Year, notify the Owner whether or not it will purchase all or any portion of such Excess Amount. Failure by the SEU to notify the Owner of such election within such time period shall be deemed an election by the SEU to not purchase the Excess Amount or any portion thereof for such Contract Year. In the event that the SEU does not purchase any portion of the Excess Amount created by a Tier N-1 or N-2 Project or a Tier E-1 Project for any Contract Year, the SEU shall promptly transfer such SRECs to the GATS account of the Owner or, to any other GATS account they specify. The SEU will also hold the SRECs in the SEU GATS account for the Owner if they so desire.
- (b) If a Tier N-3 Project or Tier E-2 Project creates any Excess Amount during any Contract Year: (a) the SEU shall have no right to purchase any such Excess Amount; (b) the Owner shall be free to use or sell such SRECs as it deems appropriate; and (c) the SEU shall promptly re-transfer such SRECs to the GATS account of the Owner or to any other GATS account they specify. The SEU will also hold the SRECs in the SEU GATS account for the Owner if they so desire.

2.1.3 GATS Registration. The Owner or, if one is designated, the Owner Representative, shall be responsible for transferring the Project SRECs to the SEU by

executing all required documents to move the Project generator to the GATS account of the SEU.

2.1.4 Term of Purchase.

- (a) If the Operation Date of the Project did not occur prior to the Bid Date, the SEU's obligation to purchase SRECs (the "**Purchase Obligation Date**") shall commence as of the later of June 1, ~~2015~~2016, or the first day of the month after the Project is certified as an Eligible Energy Resource by the DPSC.
- (b) If the Operation Date of the Project occurred prior to the Bid Date, the SEU's obligation to purchase SRECs shall commence as of June 1, ~~2015~~2016.
- (c) Under either scenario described in Subsections (a) or (b) of this Section, the date on which the term of the Agreement begins will be the Commencement Date.
- (d) The SEU's obligation to purchase SRECs shall continue from the Commencement Date for a period of twenty (20) years.

2.1.5 Project SRECs. The Owner shall not be entitled to transfer or sell any SRECs other than Project SRECs pursuant to this Agreement. All Project SRECs shall be free and clear of any liens, taxes, claims, security interests or other encumbrances other than as provided for in Section 5.2 of this Agreement.

Section 2.2 Operational Matters.

2.2.1 Interconnection.

- (a) The Owner shall be solely responsible for interconnecting the Project to the electric transmission or distribution system of the Interconnecting Utility. In order to invoke its rights under this Section 2.2.1 (b)-(d), the Owner shall submit a complete interconnection application (Step 1) to the Interconnecting Utility no later than one hundred twenty (120) days after the Execution Date.
- (b) If the Interconnecting Utility notifies the Owner that there will be a fee or charge (other than a standard interconnection application fee) required to interconnect the Project, the Owner may, within ten (10) days of such notice, elect to: (i) reduce the capacity of the Project to avoid or minimize such fee or charge; or (ii) terminate this Agreement.
- (c) If the Owner elects to reduce the capacity of the Project pursuant to Section 2.2.1(b), it shall provide the SEU with written notice specifying the reduced nameplate capacity of the Project and upon such election,

the Estimated SREC Quantity (first year) shall be deemed to be reduced by the same percentage as the reduction in the nameplate capacity. Promptly upon receipt of such election, the SEU shall return or release any excess Bid Deposit to the Owner.

- (d) If the Owner elects to terminate this Agreement pursuant to Section 2.2.1(b), it shall provide the SEU with written notice of termination promptly upon receipt of such election; the SEU shall thereafter return or release the entire Bid Deposit to the Owner.

2.2.2 Project Development. Unless the Project is operational as of the Execution Date, the Owner shall exercise all commercially reasonable efforts to complete construction of the Project, including obtaining all approvals of Governmental Authorities required in connection therewith.

2.2.3 Operation and Maintenance. The Owner shall operate and maintain the Project to ensure that it remains qualified as an Eligible Energy Resource at all times during the term of this Agreement.

2.2.4 Changes to Operational Characteristics. The Owner and, if one is designated, the Owner Representative, shall promptly notify the SEU of any substantive changes to the operational characteristics of the Project, including providing the SREC Procurements Administrator with copies of any notices submitted to the DPSC pursuant to 26 Del. Admin C. § 3008(3.1.8) and any correspondence relating to any such notices.

2.2.5 Metering. The Owner shall: (a) install, operate, maintain and calibrate (as necessary) the Required Meter for the Project; (b) provide the SEU with a detailed description of the Required Meter (including meter ID, pulse radio, channels, etc., if any); (c) provide not less than ten (10) days advance notice of any testing or calibration of the Required Meter; and (d) deliver to the SEU copies of all test results of Required Meters promptly upon the completion of any such test. The SEU shall have the right to test any Required Meter and, if such meter is determined to be operating outside industry standards, to require the Owner to re-calibrate such meter, at the Owner's cost.

2.2.6 Inspection. The Owner shall permit the SEU and its designees to inspect the Project at any time during normal business hours to verify the Owner's compliance with the terms of this Agreement; *provided, however*, that the Owner shall not be responsible for the cost of any such inspection.

Section 2.3 Conditions.

2.3.1 Certification as an Eligible Energy Resource. The SEU's obligation to purchase Project SRECs is subject to the Project being certified as an Eligible Energy Resource by the DPSC.

2.3.2 Approval to Operate. The SEU's obligation to purchase Project SRECs is subject to the Owner's receipt of an approval to operate the Project from the Interconnecting Utility.

2.3.3 GATS Registration. The SEU's obligation to purchase Project SRECs is subject to the Owner's completion of all requirements to move the Project generator to the SEU's GATS account.

2.3.4 Certifications. The Owner shall deliver to the SEU, promptly upon receipt thereof: (a) a copy of the DPSC certification of the Project as an Eligible Energy Resource; (b) the Owner's GATS account number and a copy of the Owner's GATS registration if an Existing System is already registered in GATS, or the required documentation to allow the SEU to register the New System in the SEU GATS account. If the Project is designated as being eligible for the Delaware Equipment Bonus and/or the Delaware Workforce Bonus in Part I, the Owner shall provide the SEU with a copy of the DPSC certification that the Project qualifies for such credit(s) no later than thirty (30) days after the Operation Date.

Section 2.4 Purchase Price and Payment Terms.

2.4.1 Purchase Price.

- (a) The Purchase Price for Project SRECs created during Contract Years 1 through 10 will be the bid price set forth in the application submitted for such Project.
- (b) For all Projects, the Purchase Price for Project SRECs created during Contract Years 11 through 20 shall be \$35 per SREC.

2.4.2 SREC Bonus. If the Delaware Equipment Bonus or the Delaware Workforce Bonus is specified in Part I and the DPSC certify that the Project qualifies for either such bonus, payment of the Purchase Price will be based on the number of Project SRECs plus an additional ten percent (10%). If the Delaware Equipment Bonus and the Delaware Workforce Bonus is specified in Part I and the DPSC certify that the Project qualifies for both such bonuses, payment of the Purchase Price will be based on the number of Project SRECs plus an additional twenty percent (20%). Under either scenario, the bonus will be paid during the entire twenty (20) year term of the Agreement.

2.4.3 Payment. Subject to the limitations set forth in this Agreement, for all Projects, the SEU shall pay the Payee for Project SRECs no later than thirty (30) days after the end of the calendar month in which such SRECs were originally registered in the GATS account of the SEU. The Program Administrator shall have the right to make payments hereunder by wire transfer or ACH direct deposit. In the event the Program Administrator elects to make payment by wire transfer, Owner shall be responsible for providing the Program Administrator with account information and wiring instructions to facilitate such transfers.

2.4.4 Limitations.

- (a) The SEU shall not be obligated to pay for any SRECs in excess of the sum of: (i) the Maximum Annual Quantity; plus (ii) if applicable, any portion of the Excess Amount which it has elected to purchase pursuant to Section 2.1.2(a).
- (b) The SEU may withhold payment of any amounts disputed in good faith.

2.4.5 Payment Errors. In the event that any Party becomes aware of any payment error (whether such error was in the form of an underpayment or overpayment), such Party shall notify the other Parties in writing of such error and the Party required to make payment shall do so within thirty (30) days of such notification; *provided, however*, that no payment adjustment shall be required unless the foregoing notice is delivered within eleven (11) months of the date of the original payment.

Section 2.5 Completion Guarantee.

2.5.1 Guaranteed On-Line Date. The Owner shall cause the Operation Date to occur no later than the date which is 365 days after the Commencement Date (such date, the "**Guaranteed On-Line Date**"), *provided, however*, that the Guaranteed On-Line Date shall be extended for up to 365 days due to: (a) a Force Majeure event; or (b) the failure by the Interconnecting Utility to complete the interconnection after the Owner submits a timely and complete interconnection application in accordance with Section 2.2.1 of this Agreement.

2.5.2 Damages for Delayed Operation Date.

- (a) If the Operation Date does not occur by the Guaranteed On-Line Date, the Owner shall pay to the SEU, and if such amount is not paid, the SEU shall be entitled to draw against the Bid Deposit, an amount equal to 1/30 of the original Bid Deposit amount for each day (or portion thereof) of such delay, for up to thirty (30) days of delay.
- (b) If the Operation Date does not occur by the date which is 31 days after the Guaranteed On-Line Date, the SEU shall have the right to terminate this Agreement.

- (c) The remedies set forth in Sections 2.5.2(a) and 2.5.2(b) shall be the Owner's exclusive remedy based on a delay in achieving or a failure to achieve the Operation Date by the Guaranteed On-Line Date.
- (d) The Owner acknowledges and agrees that: (i) the SRECs being purchased by the SEU are for the benefit of certain retail electric suppliers operating in the State of Delaware; (ii) in the event the Operation Date does not occur by the Guaranteed On-Line Date, the damages to be suffered by the SEU and such electric suppliers would be difficult or impossible to determine with certainty; (iii) after taking into account the terms of this Agreement and all relevant circumstances as of the date hereof, the damages set forth in Section 2.5.2(a) represent reasonable and genuine estimates of such damages; and (iv) such damages are not intended to and do not constitute a penalty.

Section 2.6 Representations, Warranties and Acknowledgements.

2.6.1 Representations and Warranties of Owner. The Owner hereby represents and warrants to the SEU as follows:

- (a) unless it is an individual, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is duly authorized and qualified to do business therein, in Delaware and in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary;
- (b) it is not in violation of any Applicable Law in any manner that would reasonably be expected to affect its performance under this Agreement;
- (c) there are no legal, administrative or arbitral proceedings or actions, controversies or investigations, now pending or to its knowledge threatened against it which, if adversely determined, could reasonably be expected to affect its performance under this Agreement;
- (d) none of the execution, delivery or performance of this Agreement conflict with or result in a violation of the terms of its charter or by-laws or any agreement by which it is bound;
- (e) the execution, delivery and performance of this Agreement have been duly authorized by all requisite action;
- (f) this Agreement has been duly and validly executed and delivered by it and, when executed and delivered by the SEU, will constitute its legal, valid and binding obligation enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating

to the enforcement of creditors' rights generally and by general equitable principles;

- (g) it has rights in, and good title to the Collateral, and has full power and authority to grant to the SEU the security interest in the Collateral and to execute, deliver and perform its obligations in accordance with the terms of this Agreement without the consent or approval of any other Person other than any consent or approval that has been obtained;
- (h) the security interest granted by the Owner to the SEU pursuant to Section 5.2.1 constitutes a valid, legal and, upon the filing of the financing statements referred to in Section 5.2.2, a first-priority perfected security interest in all the Collateral granted by the Owner as security for the Secured Obligations;
- (i) the Project is an Eligible Energy Resource as defined by REPSA and will obtain all necessary approvals, regulatory or otherwise, to perform the obligations set forth herein;
- (j) the information set forth in Part I is true and accurate in all respects;
- (k) the Owner has received no supplemental funding from public sources other than the funding, if any, identified in Part I;
- (l) to the extent bidding in Tiers N-1, N-2 or N-3 all major components of the Project are or will be new and unused and are being or will be used for the first time in the Project; and
- (m) if a New System, its completed System Interconnection Application's acceptance date with the Interconnecting Utility will be after the first date of the preceding compliance year's auction process.

2.6.2 Acknowledgements by Owner. The Owner hereby acknowledges and agrees that:

- (a) the SEU has executed this Agreement and is purchasing Project SRECs for the benefit of certain retail electricity suppliers operating in the State of Delaware;
- (b) in executing and performing this Agreement, the SEU is acting on behalf of such suppliers;
- (c) such suppliers are third party beneficiaries of this Agreement who are entitled to directly enforce the terms hereof; and
- (d) the SEU may appoint a third-party (the "**Contracting Agent**") to perform any or all of the obligations and responsibilities of the SEU pursuant to

this Agreement and, in such event, the Owner shall recognize the authority of the Contracting Agent to perform such obligations and responsibilities.

2.6.3 Acknowledgement by SEU. The SEU acknowledges and agrees that it is not entitled to any portion of the energy output, capacity or ancillary services from the Project pursuant to this Agreement.

Section 2.7 Change in Estimated SREC Quantity. An Owner may not modify the Estimated SREC Quantity except as expressly permitted hereunder.

Section 2.8 Default and Remedies.

2.8.1 Events of Default. Each of the following shall constitute an "*Event of Default*" with respect to a Party:

- (a) such Party fails to pay when due any amount owed pursuant to this Agreement (other than an amount disputed in good faith) for a period of five (5) days following receipt of notice of such failure;
- (b) any representation or warranty of such Party made pursuant to this Agreement shall have been incorrect when made and shall remain incorrect thirty (30) days after notice thereof;
- (c) with respect to the Owner and, if one is designated, the Owner Representative: (i) the Bid Deposit or, if applicable, the Supplemental Credit Support is not maintained or the issuer thereof repudiates its obligations thereunder; or (ii) the lien required pursuant to Section 5.2 ceases to be a perfected, first priority security interest;
- (d) with respect to the Owner and, if one is designated, the Owner Representative, the nameplate rating of the Project varies from that set forth in Part 1 by more than: (i) 5% for a Tier N-1 Project, a Tier N-2 Project, a Tier E-1 Project, a Tier N-3 Project with a nameplate rating less than 500 kW or a Tier E-2 Project with a nameplate rating less than 500 kW; or (ii) 2.5% for a Tier N-3 Project with a nameplate rating of 500 kW or greater or a Tier E-2 Project with a nameplate rating of 500 kW or greater, except that bids that were granted partial fill may submit a new system size at the time they accept the partial fill;
- (e) with respect to the Owner and, if one is designated, the Owner Representative, any Project SRECs (up to the Maximum Annual Quantity and, if applicable, any portion of any Excess Amount that the SEU elects to purchase pursuant to Section 2.1.2(a)) are not transferred to the SEU;

- (f) with respect to the Owner and, if one is designated, the Owner Representative, the Project shall have been designated in Part I as eligible for the Delaware Equipment Bonus or the Delaware Workforce Bonus and the DPSC shall have failed to certify the Project as eligible for any such designated credit within thirty (30) days after the Operation Date;
- (g) with respect to the Owner Representative (but not the Owner), either: (i) any representation or warranty of the Owner Representative made pursuant to Part III shall have been incorrect when made and shall remain incorrect thirty (30) days after notice thereof; or (ii) the Owner Representative fails to perform any obligation pursuant to Part III for a period of 30 days following receipt of notice of such failure;
- (h) such Party fails to perform any other obligation pursuant to this Agreement for a period of thirty (30) days following receipt of notice of such failure; or
- (i) a proceeding is instituted against such Party seeking to adjudicate it as bankrupt or insolvent and such proceeding is not dismissed within sixty (60) days of filing; such Party makes a general assignment for the benefit of its creditors; a receiver is appointed on account of the insolvency of such Party; such Party files a petition seeking to take advantage of any Applicable Law relating to bankruptcy, insolvency, reorganization, winding up or composition or readjustment of debts; or such Party is unable to pay its debts when due or as they mature.

2.8.2 General Remedies.

- (a) Upon the occurrence of an Event of Default by the Owner, the SEU shall be entitled to: (i) exercise any remedies described in this Agreement which, unless specified to be exclusive, shall be deemed non-exclusive; (ii) exercise any remedies available at law or in equity, including specific performance, termination of this Agreement, and/or recovery of damages equal to the incremental cost of replacing the expected SREC output of the Project for the remaining term of this Agreement (based on a reasonable forecast of the market price for SRECs, as determined by an independent expert designated by the SEU); and/or (iii) suspend its performance hereunder.
- (b) Upon the occurrence of an Event of Default by the Owner Representative pursuant to Section 2.8.1(g), the Owner and/or the SEU shall be entitled to: (i) remove such Owner Representative as a Party to this Agreement by delivery of written notice to such Owner Representative and the other Party and, if necessary, replace such Owner Representative; and (iii) exercise any remedies available at law or in

equity, including specific performance; *provided, however*, that neither the Owner nor the SEU may terminate this Agreement based on such an Event of Default by the Owner Representative.

- (c) Upon the occurrence of an Event of Default by the SEU, the Owner shall be entitled to: (i) exercise any remedies described in this Agreement which, unless specified to be exclusive, shall be deemed non-exclusive; (ii) exercise any remedies available at law or in equity, including specific performance or termination of this Agreement and recovery of damages equal to the difference, if positive, between the Purchase Price under this Agreement and the market price for SRECs in Delaware for the remaining term of this Agreement (based on a reasonable forecast of the market price for SRECs, as determined by an independent expert designated by the Owner); and/or (iii) suspend its performance hereunder. During any such suspension, the Owner and, if one is designated, the Owner Representative, shall have the right to transfer and sell Project SRECs to one or more third parties in order to mitigate its damages hereunder.

2.8.3 Specific Remedies.

- (a) Upon the occurrence of an Event of Default described in Section 2.8.1(f), the SEU may terminate this Agreement and recover damages equal to the remaining balance of the Bid Deposit. Payment or forfeiture of such amount shall be the exclusive liability of the Owner in such event.
- (b) The Owner and, if one is designated, the Owner Representative, acknowledges and agrees that: (i) in the event not all Project SRECs are transferred to the SEU or the Project fails to qualify for the Delaware Workforce Bonus after the SEU allots a portion of its procurement for SREC credits, the damages to be suffered by the SEU and certain retail electricity suppliers would be difficult or impossible to determine with certainty; (ii) after taking into account the terms of this Agreement and all relevant circumstances as of the date hereof, the damages set forth in Section 2.8.3(a) represent reasonable and genuine estimates of such damages; and (iii) such damages are not intended to and do not constitute a penalty.

2.8.4 Limitations of Liability.

- (a) Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages by statute, in tort or contract, or otherwise.

- (b) Except to the extent provided otherwise in this Agreement, the Owner Representative shall not be liable for a breach or default by the Owner.

Section 2.9 Force Majeure.

2.9.1 Excused Performance. Notwithstanding any other provision of this Agreement, a Party shall be excused from performance hereunder (other than payment of amount due) to the extent it is unable to perform due to a Force Majeure event.

2.9.2 Conditions. A Party claiming Force Majeure shall: (a) have the burden of proving the existence and consequences of a Force Majeure event; and (b) exercise all commercially reasonable efforts to resume performance as soon as reasonably practicable. The suspension of performance due to a Force Majeure shall be of no greater scope and of no longer duration than is required by such Force Majeure.

2.9.3 Notification. A Party affected by a Force Majeure event shall: (a) provide prompt written notice of such Force Majeure event to the other Party (in no event later than five (5) days after the occurrence of such Force Majeure event), which notice shall include a description of the Force Majeure event and its effect on performance under this Agreement, and an estimate of the expected duration of such Party's inability to perform due to the Force Majeure; (b) keep the other Party reasonably apprised of efforts to address, and mitigate the impact of, the Force Majeure event; and (c) provide prompt notice to the other Party as soon as it is able to resume performance.

2.9.4 No Term Extension. In no event will any delay or failure of performance caused by a Force Majeure extend the term of this Agreement.

2.9.5 Extended Force Majeure. In the event that the Owner suffers a Force Majeure event that prevents it from performing hereunder for a period of one (1) year or more, the SEU may, by written notice, terminate this Agreement without liability to the Owner.

**PART III
OWNER REPRESENTATIVE**

The provisions of this Part III shall apply only if an Owner Representative is designated in Paragraph B of Part I.

Section 3.1 Agency Appointment. Subject to the Owner's rights to terminate or replace the Owner Representative pursuant to Section 3.3, the Owner hereby appoints the Owner Representative as the Owner's exclusive agent to manage, control, transfer, deposit and register the Project SRECs pursuant to the terms of this Agreement.

Section 3.2 Agency Responsibility. The Owner Representative shall be responsible for managing, controlling, transferring, depositing and registering the Project SRECs on behalf of the Owner within GATS pursuant to the terms of this Agreement. If the Owner has designated

the Owner Representative as the Payee, the Owner Representative shall accept all payments hereunder as agent for, and on behalf of, the Owner.

Section 3.3 Termination or Replacement of Owner Representative.

3.3.1 Right to Terminate or Replace. The Owner may, at its discretion, terminate and/or replace the Owner Representative at any time and for any reason (or no reason), *provided, however,* that: (a) the Owner shall immediately notify the SEU of such termination or replacement; and (b) any replacement Owner Representative shall execute a counterpart of this Agreement and agree to be bound by the terms hereof.

3.3.2 Effect of Termination or Replacement. Immediately upon receipt by the SEU of written notice in accordance herewith from the Owner that an Owner Representative is being terminated or replaced, such Owner Representative shall be deemed to no longer be a Party to this Agreement. Termination or replacement of the Owner Representative shall not affect any other contractual arrangements between the Owner and the Owner Representative.

3.3.3 Replacement Owner Representative.

- (a) Immediately upon receipt by the SEU of: (i) written notice in accordance herewith from the Owner that it has designated a replacement Owner Representative; and (ii) an executed counterpart of this Agreement, signed by such replacement Owner Representative, such replacement Owner Representative shall be deemed to be a Party to this Agreement.

Section 3.4 Representations and Warranties of Owner Representative. The Owner Representative hereby represents and warrants to the SEU as follows:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is duly authorized and qualified to do business therein, in Delaware and in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary;
- (b) it is not in violation of any Applicable Law in any manner that would reasonably be expected to affect its performance under this Agreement;
- (c) there are no legal, administrative or arbitral proceedings or actions, controversies or investigations, now pending or to its knowledge threatened against it which, if adversely determined, could reasonably be expected to affect its performance under this Agreement;

- (d) none of the execution, delivery or performance of this Agreement conflict with or result in a violation of the terms of its charter or by-laws or any agreement by which it is bound;
- (e) the execution, delivery and performance of this Agreement have been duly authorized by all requisite action;
- (f) this Agreement has been duly and validly executed and delivered by it and, when executed and delivered by the Owner and the SEU, will constitute its legal, valid and binding obligation enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles;
- (g) the description of the Project set forth in Part I is true and accurate in all respects; and
- (h) it owns, leases, controls or is the direct assignee of all of the SRECs created by the Project and at least one other Eligible Energy Resource.

Section 3.5 Continuing Eligibility. The Owner Representative shall, at all times during the term of this Agreement, own, lease, control or be the direct assignee of all of the SRECs created by the Project and at least one other Eligible Energy Resource.

PART IV MINIMUM ANNUAL QUANTITY

The provisions of this Part IV shall apply only if the Project is designated as a Tier N-3 Project with a nameplate rating of 500 kW or greater or a Tier E-2 Project with a nameplate rating of 500 kW or greater in Paragraph D of Part I.

Section 4.1 Guaranteed Quantity.

4.1.1 Minimum Annual Quantity. During each Contact Year, the Owner shall transfer Project SRECs in an amount equal to no less than eighty percent (80%) of the Annual Contract Quantity (such amount, the "*Minimum Annual Quantity*").

4.1.2 Exclusive Remedy.

- (a) If, during any Contact Year, the Owner fails to transfer the Minimum Annual Quantity of Project SRECs to the SEU, the Owner shall pay the SEU damages equal to the product of: (i) the difference between the Minimum Annual Quantity and the quantity of Project SRECs delivered during such Contact Year; and (ii) the difference, if positive, between (A) the lesser of the prevailing market price of SRECs as reasonably

determined by the SEU, and the applicable Alternative Compliance Payment and (B) the applicable price for Project SRECs under this Agreement. Payment of such amount shall be the exclusive liability of the Owner for any such failure with respect to any Contract Year.

- (b) The Owner and, if one is designated, the Owner Representative acknowledge and agree that: (i) the Project SRECs are for the benefit of certain retail electric suppliers operating in the State of Delaware; (ii) if the Project produces less than the Minimum Annual Quantity during any Contract Year, the damages to be suffered by the SEU and such electric suppliers would be difficult or impossible to determine with certainty; (iii) after taking into account the terms of this Agreement and all relevant circumstances as of the date hereof, the damages set forth in Section 4.1.2(a) represent reasonable and genuine estimates of such damages; and (iv) such damages are not intended to and do not constitute a penalty.

Section 4.2 Supplemental Credit Support.

4.2.1 Obligation to Maintain. The Owner shall at all times maintain credit support (the "Supplemental Credit Support") in the following amounts:

- (a) during the first ten (10) Contract Years, five percent (5%) of the value of the Annual Contract Quantity for the first Contract Year; and
- (b) during the second ten (10) Contract Years, ten percent (10%) of the value of the Annual Contract Quantity for the eleventh Contract Year.

4.2.2 Form of Supplemental Credit Support. The Supplemental Credit Support shall be in the form of cash, a letter of credit or other collateral acceptable to the SEU.

4.2.3 Obligation to Replenish. If the SEU draws on the Supplemental Credit Support, the Owner must replenish such Supplemental Credit Support to the required level within three (3) Business Days.

PART V CREDIT SUPPORT

Section 5.1 Bid Deposit.

5.1.1 Posting of Deposit. Unless the Project is designated as an "Operating Project" in Paragraph D of Part I (in which case no Bid Deposit was provided), the Owner shall cause the Bid Deposit to remain in effect during the term of this Agreement for the benefit of the SEU. No interest shall be owed with respect to a Bid Deposit.

5.1.2 Return or Release of Deposit. Unless the Bid Deposit has been returned or released pursuant to Section 2.2.1(d), the SEU shall return or release any remaining

balance of the Bid Deposit promptly after: (a) it receives written verification that the DPSC has certified the Project as an Eligible Energy Resource; (b) if the Project is a Tier N-3 Project with a nameplate rating of 500 kW or greater or a Tier E-2 Project with a nameplate rating of 500 kW or greater, the Owner provides the Supplemental Credit Support; and (c) the Owner has executed any documentation reasonably necessary to perfect the security interest described in Section 5.2.

5.1.3 Application of Deposit. The SEU shall be entitled to call on and/or apply the Bid Deposit as provided pursuant to this Agreement.

Section 5.2 Security Interest.

5.2.1 Grant.

- (a) As security for the performance by the Owner of its obligations under this Agreement (the "**Secured Obligations**"), the Owner hereby grants to the SEU a first-priority security interest, lien and pledge in and to all of the Owner's right, title and interest in and to all Project SRECs, whether now existing or hereafter arising, the GATS account of the Owner, and all proceeds of any of the foregoing (collectively, the "**Collateral**").
- (b) The SEU's security interest in and to the Collateral and the SEU's rights and the Owner's obligations hereunder, shall be absolute and unconditional irrespective of: (i) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the terms governing the Secured Obligations; (ii) any exchange, release or non-perfection of any Collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for any and all of the Secured Obligations; or (iii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Owner in respect of the Secured Obligations or this Agreement.

5.2.2 Filing and Perfection.

- (a) The SEU is hereby authorized to file one or more financing statements, continuation statements and/or any other documents required for the purpose of perfecting, confirming, continuing, enforcing or protecting the SEU's security interest in the Collateral, with or without the signature of the Owner, naming the Owner as "debtor" and the SEU as "secured party."
- (b) The Owner, at its sole cost and expense, shall execute, acknowledge, deliver and cause to be duly filed any and all consents, instruments, certificates and documents and take any and all actions as the SEU may,

at any time and from time to time, reasonably request in order to perfect, preserve and protect the SEU's security interest in and to the Collateral and the rights and remedies created hereby.

5.2.3 Remedy. Upon the occurrence of an Event of Default by the Owner, the SEU may take any lawful action that it deems necessary or appropriate to protect or realize upon its security interest in the Collateral or any part thereof, or exercise any other or additional rights or remedies exercisable by a secured party under the UCC or under any other Applicable Law, including selling the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange or broker's board or elsewhere, at such price or prices and on such other terms as the SEU may deem commercially reasonable in accordance with the UCC and as permitted by Applicable Law.

PART VI DEFINITIONS; RULES OF CONSTRUCTION

Section 6.1 Definitions. The following capitalized terms have the following meanings when used in this Agreement:

"Affiliate" means, with respect to any Person, another Person that controls, is under the control of, or is under common control with, such Person. The term "control" (including the terms "controls", "under the control of" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management of the policies of a person or entity, whether through ownership interest, by contract or otherwise.

"Agreement" means this Solar Renewable Energy Credit Transfer Agreement between the Owner, the SEU and, if one is designated, the Owner Representative.

"Alternative Compliance Payment" has the meaning set forth in the REPSA.

"Annual Contract Quantity" means: (a) for the first Contract Year, the Estimated SREC Quantity; and (b) for each subsequent Contract Year, 99.5% of the Annual Contract Quantity in effect for the immediately preceding Contract Year.

"Applicable Law" means any law, statute, treaty, code, ordinance, regulation, certificate, order, license, permit or other binding requirement of any Governmental Authority now in effect or hereafter enacted, amendment to any of the foregoing, interpretations of any of the foregoing by a Governmental Authority having jurisdiction and any judicial, administrative, arbitral or regulatory decree, judgment, injunction, writ, order, award or like action applicable to any Party.

"Bid Date" shall mean the date specified as such in Paragraph E of Part I.

"Bid Deposit" means a deposit in the amount of \$100 per kW of the nameplate rating (DC at STC as designated by the solar module manufacturer) of the Project, in the form of a bid bond, letter of credit or cash.

"Business Day" means any calendar day that is not a Saturday, a Sunday or a state or federal holiday on which banks in Delaware are permitted or authorized to close.

"Code" means the U.S. Internal Revenue Code of 1986, including applicable rules and regulations promulgated thereunder, as amended from time to time.

"Collateral" has the meaning set forth in Section 5.2.1(a).

"Commencement Date" means the date as specified in Section 2.1.3(c).

"Contract Year" means each 12-month period commencing on the Purchase Obligation Date and each anniversary thereof.

"Contracting Agent" has the meaning set forth in Section 2.6.2.

"DC" means direct current electric energy.

"Delaware Equipment Bonus" has the meaning set forth in Paragraph D of Part I.

"Delaware Workforce Bonus" has the meaning set forth in Paragraph D of Part I.

"DPSC" means the Delaware Public Service Commission or any successor agency.

"Eligible Energy Resource" has the same meaning set forth in REPSA.

"Environmental Attribute" means any attribute of an environmental or similar nature (including all Generation Attributes) that is created or otherwise arises from the Project's generation of electricity from solar energy in contrast with the generation of electricity using nuclear or fossil fuels or other traditional resources, excluding: (a) any such attribute not legally capable of being transferred to the SEU; and (b) Tax Credits. Forms of Environmental Attributes include any and all environmental air quality credits, green credits, carbon credits, carbon tax credits, emissions reduction credits, greenhouse gas credits, certificates, tags, offsets, allowances, or similar products, rights, claims or benefits, howsoever entitled. Environmental Attributes include those currently existing (such as SRECs) or arising during the term of this Agreement under local, state, regional, federal or international legislation or regulation relevant to the avoidance of any emission or to the promotion of renewable energy under any governmental, regulatory or voluntary programs, including the United Nations Framework Convention on Climate Change and related Kyoto Protocol or other programs, laws, or regulations involving or administered by the Clean Air Markets Division or other division or branch of the U.S. Environmental Protection Agency or any successor administrator or other federal agency or department, or any local, state, regional, or federal entity given jurisdiction over a program, or any voluntary program, involving transferability of, or credit or reporting rights or other rights or benefits for, attributes of an environmental or similar nature.

“Estimated SREC Quantity” means the quantity of SRECs designated in Paragraph D of Part I, as such quantity may be reduced pursuant to the terms of this Agreement.

“Event of Default” has the meaning set forth in Section 2.8.1.

“Excess Amount” means, with respect to the SRECs created by the Project during any Contract Year, any such SRECs in excess of the Maximum Annual Quantity.

“Execution Date” means the date this Agreement is signed by the SEU, as designated on the signature page of the counterpart executed by the SEU.

“Existing System” means a system with final interconnection approval before the first date of the preceding auction process (i.e. ~~May 5, 2014~~ April 13, 2015 for compliance year ~~2015~~ 2016).

“Force Majeure” means an event or circumstance that prevents a Party from performing its obligations in accordance with the terms of this Agreement, which event or circumstance is not within the reasonable control, or the result of negligence, of such Party, including acts of God; unusually severe actions of the elements such as floods, inundation, landslides, earthquake, lightning, hurricanes, or tornadoes; unusually severe weather; terrorism; war (whether or not declared); sabotage, acts or threats of terrorism, riots or public disorders; national or regional strikes or labor disputes; delay in delivery of equipment comprising the Project so long as such equipment was ordered within 90 days of the Execution Date; and actions or failures to act of any Governmental Authority (including the failure to issue permits); *provided, however*, that Force Majeure shall not include: (a) any strike or labor dispute by any employees or the Owner or any other employees of contractors employed at the Project and aimed at the Owner or such contractor(s); (ii) changes in, or that otherwise affect, the price of SRECs; or (iii) equipment failure, unless caused by a circumstance that would otherwise constitute a Force Majeure.

“GATS” means the generation attribute tracking system used by PJM Interconnection, LLC to facilitate the transfer of SRECs.

“Generation Attribute” means any characteristic of the solar energy output of the Project other than energy, capacity or Tax Credits, including the Project’s generation source, geographic location, emission credits, carbon credits, vintage and eligibility for a renewable energy portfolio standard or comparable standard or program, including “generation attributes” as defined in REPSA.

“Governmental Authority” means any federal, state, local or municipal government, or quasi-governmental, regulatory or administrative agency, commission, court, tribunal or other body or authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory, taxing or other binding jurisdiction, authority or power, including PJM, GATS and NERC.

“Guaranteed On-Line Date” has the meaning set forth in Section 2.5.1.

"Interconnecting Utility" means the Person that owns the electric transmission or distribution system with which the Project is directly interconnected.

"kW" means 1 kilowatt of electric power.

"Maximum Annual Quantity" means, for each Contract Year, 110% of the Annual Contract Quantity.

"Minimum Annual Quantity" has the meaning set forth in Section 4.1.1.

"MWh" means 1 megawatt hour of electric energy.

"New System" means a system with final interconnection approval after the first date of the preceding auction process (i.e. May 5, 2014 for compliance year 2015).

"Operation Date" means the date on which the Project commences generating electricity.

"Owner" means the Person identified as such in Paragraph A of Part I.

"Owner Representative" means the Person, if any identified as such in Paragraph B of Part I.

"Party" means each of the Owner, the SEU and, if one is designated, the Owner Representative.

"Payee" means the Owner or the Owner Representative, as designated in Paragraph C of Part I.

"Person" means any natural person, corporation, limited liability company, general partnership, limited partnership, proprietorship, other business organization, trust, union, association or Governmental Authority.

"PJM" means PJM Interconnection, LLC or any successor organization thereto.

"Project" has the meaning set forth in the introductory paragraph of this Agreement, as such Project is described further in Paragraph D of Part I.

"Project SRECs" has the meaning set forth in Section 2.1.1.

"Purchase Obligation Date" means the date as of which the SEU is obligated to purchase SRECs hereunder as specified in Section 2.1.4(a) or 2.1.4(b).

"Purchase Price" means, with respect to any Contract Year, the amount per Project SREC to be paid by the SEU in accordance with Section 2.4.1.

“**REPSA**” means the Delaware Renewable Energy Portfolio Standards Act (26 Del. C. §§ 351 *et seq.*), as amended, and the implementing rules and regulations thereunder.

“**Required Meter**” means: (a) for all Tier N-1, N-2, E-1 and E-2 Projects, either a revenue-grade meter on site or revenue-grade online monitoring; and (b) for any Tier N-3 Project, revenue-grade online monitoring.

“**Secured Obligations**” has the meaning set forth in Section 5.2.1(a).

“**SEU**” has the meaning set forth in the introductory paragraph of this Agreement.

“**SREC**” means a tradable instrument which represents or is associated with 1 MWh of electric energy derived from an Eligible Energy Resource that generates electric energy using solar photovoltaic technology and which qualifies as a “Renewable Energy Credit” under REPSA, together with any Environmental Attributes associated with such energy or the generation thereof.

“**STC**” means standards test conditions, which are: (a) internal cell temperature of 25° C; and (b) irradiance of 1,000 watts per square meter with an air mass 1.5 spectrum.

“**Supplemental Credit Support**” has the meaning set forth in Section 4.2.1.

“**Tier N-1 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier N-2 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier N-3 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier E-1 Project**” has the meaning set forth in Paragraph D of Part I.

“**Tier E-2 Project**” has the meaning set forth in Paragraph D of Part I.

“**UCC**” means the Uniform Commercial Code as in effect in the State of Delaware.

Section 6.2 Rules of Construction. The following rules of construction shall apply when interpreting the terms of this Agreement:

- (a) references to “Parts,” “Sections,” or “Exhibits” shall be to Parts, Sections or Exhibits of this Agreement unless expressly provided otherwise;
- (b) each Exhibit to this Agreement shall be deemed to be incorporated herein by reference as if such Exhibit were set forth in its entirety herein;
- (c) the terms “herein,” “hereby,” “hereunder,” “hereof” and terms of similar import in this Agreement refer to the Agreement as a whole and not to

any particular subdivision unless expressly so limited and the term "this Section" refers only to the Section hereof in which such words occur;

- (d) use of the words "include" or "including" or similar words shall be interpreted as "including but not limited to" or "including, without limitation";
- (e) any reference to any Applicable Law shall be deemed to refer to that law as it may be amended from time to time;
- (f) the headings appearing in this Agreement are for convenience only, do not constitute any part of this Agreement and shall be disregarded in construing the language contained herein; and
- (g) no term of this Agreement shall be construed in favor of, or against, a Party as a consequence of one Party having had a greater role in the preparation or drafting of this Agreement, but shall be construed as if the language were mutually drafted by both Parties with full assistance of counsel.

PART VII GENERAL PROVISIONS

Section 7.1 Notices. Any notices, requests, consents or other communications required or authorized to be given by one Party to another Party pursuant to this Agreement shall be in writing. Such communications directed to the Owner or, if one is designated, the Owner Representative, shall be addressed as set forth in Part I. Communications directed to the SEU shall be addressed as set forth below. Any Party may update its address for notice by providing written notice in accordance herewith. Written notices, requests, consents and other communications shall be deemed to have been received on the Business Day following the day on which it was delivered. Notwithstanding the foregoing, in the event the SEU establishes an on-line web site for certain routine communications pursuant to this Agreement, notice of such routine matters shall be permitted in accordance with procedures established by the SEU.

SEU:

[Contract Administrator]

Section 7.2 Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed, enforced and performed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law.

Section 7.3 Dispute Resolution. All disputes arising between or among the Parties pursuant to this Agreement shall be submitted to neutral, non-binding mediation. If the Parties to such dispute are unable to agree upon a mutually acceptable mediator, each such Party shall designate a mediator and those mediators shall agree on a single, neutral mediator to conduct

the mediation. All costs of the neutral mediator shall be shared equally by the Parties. If the Parties are unable to resolve a dispute within 30 days of the dispute being submitted to mediation, any Party to the dispute shall be entitled to initiate litigation in a court of competent jurisdiction.

Section 7.4 Jurisdiction and Venue. THE PARTIES AGREE THAT JURISDICTION AND VENUE IN ANY ACTION BROUGHT BY ANY PARTY PURSUANT TO THIS AGREEMENT SHALL PROPERLY (AND EXCLUSIVELY) LIE IN ANY FEDERAL OR STATE COURT LOCATED IN NEW CASTLE COUNTY, DELAWARE. BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT FOR ITSELF AND IN RESPECT OF ITS PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY IRREVOCABLY AGREES THAT VENUE WOULD BE PROPER IN ANY SUCH COURT, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF SUCH ACTION.

Section 7.5 Service of Process. Each Party: (a) irrevocably waives personal service of process in any litigation relating to this Agreement; and (b) irrevocably consents to service of process in any action or proceeding arising out of, or relating to, this Agreement by the mailing of copies thereof by registered mail, postage prepaid, such service to become effective 10 days after such mailing; *provided, however,* that nothing in this Section 7.5 shall affect the right of a Party to serve process in any other manner permitted by Applicable Law.

Section 7.6 Waiver of Right to Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND AS SEPARATELY BARGAINED-FOR CONSIDERATION, EACH PARTY HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY CLAIM ARISING OUT OF, OR RELATING TO, THIS AGREEMENT.

Section 7.7 Records. Each Party shall keep and maintain complete and accurate records and all other data reasonably necessary for the proper administration of this Agreement. Any Party shall provide such records and data to another Party within 15 days of a written request for such information. All such records and data shall be retained by each Party for at least 3 years following the year in which such records were created.

Section 7.8 Assignment.

7.8.1 Restrictions. Except as permitted pursuant to Section 7.8.2, neither the Owner nor the Owner Representative may assign this Agreement or any portion thereof or delegate any of its duties hereunder except where otherwise provided in this Agreement, without the prior written consent of the SEU, such consent not to be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, the Owner may not sell, assign, convey, dispose of or otherwise transfer the Project without assigning this Agreement to the purchaser, assignee or transferee.

7.8.2 Permitted Assignments. The Owner may assign this Agreement without the consent of the SEU: (a) in connection with any financing of the Project, which

financing shall be at the Owner's sole expense; or (b) to a purchaser or transferee of the Project provided all the requirements of the Section 7.8.2 are met. With respect to any permitted assignment of this Agreement: (i) the assigning Party shall provide at least thirty (30) days prior notice of any such assignment, which notice shall include the name of, and contact information for, the assignee; (ii) the assignee shall expressly assume the assignor's obligations hereunder pursuant to an agreement in form and substance reasonably acceptable to the non-assigning Party; and (iii) no such assignment shall relieve the assignor of its obligations hereunder in the event of a default by the assignee.

7.8.3 Consent to Assignment. Upon or prior to a permitted assignment in connection with a financing of the Project, the SEU agrees to execute a written consent in a form reasonably acceptable to the SEU. If such written consent is not requested, the Owner shall notify the SEU of any such assignment to its secured lender(s) no later than thirty (30) days after such assignment.

7.8.4 Binding Effect. This Agreement, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

Section 7.9 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to a Party upon any breach or default by the other Party shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

Section 7.10 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture, or partnership between or among any of the Parties or to impose any partnership obligation or liability upon any Party.

Section 7.11 Survival of Obligations. Applicable provisions of this Agreement shall continue in effect after expiration or termination of this Agreement, including early termination, to the extent necessary to enforce or complete the duties, obligations and responsibilities of the Parties arising prior to such expiration or termination, including to provide for final billings and adjustments related to the period prior to termination and payment of any money owed pursuant to this Agreement.

Section 7.12 Severability. In the event any of the terms, covenants, or conditions of this Agreement, its Exhibits or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants and conditions of the Agreement shall remain in full force and effect.

Section 7.13 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties and supersedes all previous and collateral agreements or understandings with respect to the subject matter hereof.

Section 7.14 Amendments. Amendments to the terms of this Agreement (including any Exhibit hereto) shall only be effective if made in writing and signed by the Parties.

Section 7.15 Headings. Captions and headings used in this Agreement are for ease of reference only and do not constitute a part of this Agreement.

Section 7.16 Counterparts. This Agreement and any amendment hereto may be executed in two or more counterparts, all of which taken together shall constitute a single agreement.

Section 7.17 Further Assurances. Each of the parties hereto agree to cooperate with the other and to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other party, which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.

Section 7.18 Electronic Signatures. The parties hereto have agreed to conduct this transaction by electronic means, therefore, the affixing of an electronic signature to this Agreement evidences the intent of the parties to conduct this transaction electronically and no party may therefore deny the legal effect or enforceability of this Agreement solely because their signatures hereto are in electronic form.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above referenced.

Owner:

[Name of Owner]

By: _____

Owner Representative:

[Name of Owner Representative]

By: _____

SEU One, LLC

By: _____

Date: _____

| _____

EXHIBIT "C"
DELMARVA'S REPORT IN SUPPORT OF 2016 PROGRAM

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER AND LIGHT) PSC DOCKET NO. 15-_____
COMPANY FOR APPROVAL OF THE 2016)
PROGRAM FOR THE PROCUREMENT OF)
SOLAR RENEWABLE ENERGY CREDITS)

**DELMARVA POWER AND LIGHT COMPANY'S REPORT IN SUPPORT OF ITS
APPLICATION FOR APPROVAL OF THE 2016 PROGRAM FOR THE
PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS**

Pamela J. Scott
Assistant General Counsel
Delmarva Power & Light Company
500 North Wakefield Drive
Newark, DE 19702
(302) 429-3143
(302) 429-3801 (fax)
PJScott@pepcoholdings.com

Dated: October 8, 2015

1. Delmarva Power & Light Company (“Delmarva Power” or “Delmarva”) has concurrently herewith filed its Application for the Approval of the 2016 Program for the Procurement of Solar Renewable Energy Credits (the “Application”).

2. As indicated in the Application, the 2016 Program for the Procurement of Solar Renewable Energy Credits (the “2016 Program”) was developed by the Renewable Energy Taskforce (the “Taskforce”). The 2016 Program contains several changes to the 2015 Program for the Procurement of Solar Renewable Energy Credits (the “2015 Program”) as approved by the Public Service Commission (the “Commission”) in Order No. 8717.

3. The Application provides background on the 2016 Program and highlights the key terms of the 2016 Program. While the Application fairly lays out the 2016 Program and its purpose, the Commission may also wish to consider the following information in connection with the Application: (i) the key inputs to the 2016 Program; (ii) the ways in which the 2016 Program differs from the 2015 Program; (iii) the rationale for continuing the SEU’s involvement in the 2016 Program; and (iv) the rationale for seeking expedited treatment. While the 2016 Program was developed with the full participation of the Taskforce, Delmarva Power submits this Report and anticipates that other members of the Taskforce will join in support of certain of Delmarva Power’s positions, as appropriate. To the extent necessary, either a representative from Delmarva Power or the Taskforce will be available to testify to any of the issues discussed in this Report.

4. Accordingly, in advance of the evidentiary hearing to be scheduled on the Application, Delmarva Power respectfully submits the following additional information to be considered by the Commission in connection with the Application:

A. Key Inputs to the 2016 Program

The Commission Staff did not engage a consultant to review the results of the 2015 Program; nevertheless, Delmarva can report that the 2015 Program had robust results resulting in low priced contracts compared to those obtained in similar programs in surrounding jurisdictions. The 2015 Program was evenly subscribed, with the number of bids matching available capacity. The overall weighted average price for all SRECs was \$78.78 per SREC for a larger pool of SRECs than procured in 2014. The conduct of the auction went smoothly with InClimate Inc., conducting the auction.

The results of the auction for the 2015 Program were considered by the Taskforce in developing the 2016 Program. In particular, the Taskforce considered the following in developing the 2016 Program: (1) whether to increase the total number of solicitation SRECs to be acquired through the auction from existing and new projects; (2) whether to continue to purchase some SRECs on the spot market; (3) whether to continue to allow bids in lower tiers to beat out bids in higher tiers; and (4) whether to reduce the kW breakpoint for certain Tiers from 30 kW to 25 kW. As discussed below, each of these suggestions was reviewed and implemented, as necessary, in the 2016 Program.

In addition, the Taskforce has continued to meet on a regular basis to consider issues related to the SREC Auction process and to discuss ideas for the 2016 Program. Each of those meetings was open to the public and the Taskforce had the opportunity to consider a wide variety of viewpoints from within the Taskforce and otherwise.

B. Comparison to the 2015 Program

The 2016 Program contains several modifications compared to the 2015 Program to address issues that arose as part of the 2015 Program. The primary changes are: (i) an increase

in the overall number of SRECs to be acquired through the auction process; and (ii) a reduction in the breakpoints for kW for Tiers N-1, N-2, E-1 and E-2 from 30 kW to 25 kW.

The Taskforce will continue to use long-term (20 year) contracts with all Owners who submit a successful bid in the auction. The key terms of those long-term contracts (attached as Appendix A to Exhibit "A" to the 2016 Program) have not changed significantly.

It is the view of the Taskforce that maintaining many of the processes for the auction and making only minor changes to the terms of the long-term contracts allows the ability to better study the market from year to year, and also decreases public confusion over the process and the programs. In addition, the incentives for Delaware workforce and manufacturing remain the same.

C. Rationale for Increasing the Number of SRECs to Be Acquired

In order to address the increasing demand in the market, it makes sense for Delmarva to increase its purchase of SRECs in the auction while still maintaining a balance between Existing Systems and New Systems. Therefore, the 2016 Program proposes that initially 9,000 SRECs be acquired through the annual auction, split between tiers, with the ability to acquire up to an additional 6,000 SRECs.

As with the Pilot Program, the 2013 Program, the 2014 Program, and the 2015 Program, the 2016 Program again requires a balance of different system sizes. The balanced approach allows a diverse solar market to develop in Delaware while providing some level of cost protection to ratepayers. Also, as with the 2015 Program, for the 2016 Program, the Tiers have been maintained, and Tiers N-1, E-1 and E-2 continue to be combined for solicitation purposes. In addition, the 2016 Program continues to provide credits for systems that are built with parts made in Delaware or by using a Delaware-based workforce.

D. Rationale for Reducing the kW breakpoint from 30 kW to 25 kW

The Taskforce proposes the reduction of the kW from 30 kW to 25 kW for Tiers N-1, N-2, E-1 and E-2 to be consistent with the interconnection limits established for Level 1 solar projects through Delmarva's interconnection process.

E. Rationale for Continuing the SEU's Involvement

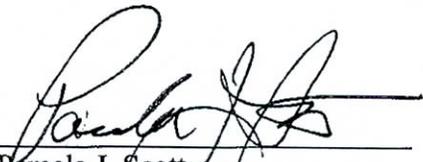
Delmarva Power found the SEU and its contracting agent, InClima, Inc., to be very efficient and effective in administering the SREC auction for the Pilot Program, the 2013 Program, the 2014 Program and the 2015 Program. The Taskforce has approved the continued involvement of the SEU in the 2016 Program, and anticipates that they will contract with InClima, Inc. to run the auction. This provides for consistency in the Program and furthers the goal of reducing public confusion. In addition, this continues to allow the SEU to take advantage of their unique banking rights for SRECs. As experienced in the 2015 Program, the fees to be paid to the SEU and InClima, Inc. have declined due to economies of scale and learning curve benefits. It continues to be Delmarva's burden to show that it could not have performed the functions of the SEU and InClima, Inc. more cost effectively. As with the Pilot Program, the 2013 Program, the 2014 Program and the 2015 Program, the issue of whether Delmarva Power will be permitted to recover the costs of using the SEU and InClima, Inc. to administer the 2016 Program is not being dealt with in this proceeding.

F. Rationale for Seeking Expedited Treatment

The Taskforce has recommended that the next auction for SRECs begin no later than January, 2016, for the compliance year starting June 1, 2016. As a result, expedited approval from the Commission is needed to ensure that the procurement of SRECs can stay on track. As with the Pilot Program, the 2013 Program, the 2014 Program and the 2015 Program, the 2016

Program was developed by the Taskforce over many months with input from a number of stakeholders. In addition, each of the Taskforce meetings was open to the public.

The Commission Staff and the DPA have been thoroughly involved in the design of the 2016 Program. Furthermore, the 2015 Program on which the 2016 Program is based was also developed over a lengthy process and was the subject of evidentiary hearings before the Commission. Accordingly, Delmarva Power believes there is no prejudice to the ratepayers by giving the Application expedited treatment.



Pamela J. Scott
Assistant General Counsel
Delmarva Power & Light Company
500 North Wakefield Drive
Newark, DE 19702
(302) 429-3143
(302) 429-3801 (fax)
PJScott@pepcoholdings.com

Dated: October 8, 2015



A PHI Company

Legal Services

500 N. Wakefield Drive
Mailstop: 92DC42
Newark, DE 19702

Mailstop: 92DC42
P.O. Box 6066
Wilmington, DE 19714-6066

November 16, 2015

VIA OVERNIGHT DELIVERY

Donna Nickerson
Secretary
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

RE: Docket No. 15-1472
Affidavit of Publication

Dear Alisa:

Enclosed please find the original Affidavit of Publication for the Public Notice regarding Docket 15-1472, as required by the Hearing Examiner. The notice was published in The News Journal and Delaware State News on October 6, 2015.

Thank you and if you have any questions, please contact me (302) 429-3065.

Very truly yours,

Kelly J. Showalter

Kelly J. Showalter

Enclosures

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NEWARK, DE 19702

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State of Delaware } SS.
New Castle County

Personally appeared **The News Journal**

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11/06/15 A.D 2015

Linda Barber

Sherry Ann Salvia
Sworn and subscribed before me, this 6 day of November,
2015

Ad Number: 0000844397



Legal notification printed at larger size for affidavit.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
FOR APPROVAL OF THE 2016 PROGRAM PSC DOCKET NO. 15-1472
FOR THE PROCUREMENT OF SOLAR REN-
EWABLE ENERGY
CREDITS (FILED OCTOBER 8, 2015)

PUBLIC NOTICE OF FILING

TO: ALL ELECTRIC CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY
AND OTHER INTERESTED PERSONS

On October 8, 2015, Delmarva Power & Light Company ("Delmarva") filed an application ("Application") with the Delaware Public Service Commission ("Commission"). The Application requested Commission approval of the 2016 Program for the Procurement of Solar Renewable Energy Credits (the "2016 Program") developed by the Renewable Energy Taskforce, of which Delmarva Power is a member.

The Commission will make its decision on this matter on the basis

of the evidence of record taken at public evidentiary hearings to be held at its regularly-scheduled meeting on December 15, 2015, beginning at 1:00 p.m. at the Commission's office located at 881 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904.

You are invited to review the Application and supporting documents to determine how your interests may be affected. You may review the documents during normal business hours in the Commission's

Dover office or in the Commission's electronic filing system, DelaFile at <https://delafile.delaware.gov/Login.aspx>. Search for Docket #15-1472.

If you would like to review documents at the Commission's office, please contact Heather Contant at Heather.Contant@state.de.us to arrange a time for your review. You may also review copies of the Application at the office of the Division of the Public Advocate's Wilmington office located at the Carvel State Office Building, 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or the Dover office located at 29 S. State Street, Dover, DE 19901. Please call the Wilmington office at (302) 577-5077 or the Dover office at 302-241-2555 to arrange for a time to review the documents at the respective locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at

<http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>.

There is also a link to the Freedom of Information

Act Request Form on the Commission's website at

<https://delafile.delaware.gov/Complaints/FOIA.aspx>.

The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you wish to participate as a party in this docket, with the right to present evidence and be heard by counsel, you must file a petition to intervene under the Commission's Rules of Practice and Procedure as set forth in 26 Del. Admin. C. §1001-2.9. You must file that petition on or before November 30, 2015, via DelaFile or at the Commission's office located at:

Delaware Public Service Commission 881 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
ATTN: PSC Docket No. 15-1472

Petitions filed thereafter will not be considered except for good cause shown. If you would like to file written comments on the Application, you must do so on or before November 30, 2015, using the Commission's electronic filing system, DelaFile at

mailing system, Panel No. 21

<https://delafila.delaware.gov/Login.aspx>

and select Public Comments under Public Links and refer to Docket #15-1472 or by sending such comments to the Commission's office located in Dover, Delaware at the address above.

If you have a disability and wish to participate in, or to review the materials in, these proceedings, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, in writing, by telephone (including text telephone), or by Internet e-mail. If you have questions about this matter, please call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions or request information by Internet e-mail addressed to pamela.knotts@state.de.us.

11/6-NJ

300064307-01

INDEPENDENT NEWSMEDIA INC. USA

110 Galaxy Drive • Dover, DE • 19901 • 1-800-282-8586

State of Delaware:

County of Kent:

Before me, a Notary Public, for the County and State aforesaid, Edward Dulin, known to me to be such, who being sworn according to law deposes and says that he is President of Independent Newsmedia Inc. USA, the publisher of the **Delaware State News**, a daily newspaper published at Dover, County of Kent, and State of Delaware, and that the notice, a copy of which is hereto attached, as published in the **Delaware State News** in its issue of November 6, 2015.



President
Independent Newsmedia Inc. USA

Sworn to and subscribed before me this 6th

Day of November A.D. 2015




Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

**IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT
COMPANY FOR APPROVAL OF THE 2016 PROGRAM FOR THE
PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS
(FILED OCTOBER 8, 2015) PSC DOCKET NO. 15-1472**

PUBLIC NOTICE OF FILING

**TO: ALL ELECTRIC CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY AND
OTHER INTERESTED PERSONS**

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80541 DSN 11/6/2015

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT)
COMPANY FOR APPROVAL OF THE 2016) PSC DOCKET NO. 15-1472
PROGRAM FOR THE PROCUREMENT OF)
SOLAR RENEWABLE ENERGY CREDITS)
(Filed October 8, 2015))

**COMMENTS OF THE DIVISION OF THE PUBLIC ADVOCATE
ON THE 2016 PROGRAM FOR THE PROCUREMENT OF
SOLAR RENEWABLE ENERGY CREDITS**

The Delaware Division of the Public Advocate (“DPA”), by and through its counsel, issues the following comments on the 2016 Solar Renewable Energy Credits (“SREC”) Procurement Plan.

The DPA Recommends that the PSC Delay a Decision on the 2016 SREC Procurement Plan Until There Is a Final Cost Cap Regulation and a Cost Calculation is Complete for Compliance Year 2015.

As the PSC is aware, in 2010, the General Assembly amended Section 354 of the Renewable Energy Portfolio Standards Act (“REPSA”) to add provisions allowing for a freeze of the minimum renewable energy purchase requirements for regulated utilities under certain circumstances. The amendments added the following sections:

- (i) The State Energy Coordinator in consultation with the Commission, may freeze the minimum cumulative solar photovoltaics requirement for regulated utilities if the Delaware Energy Office determines that the total cost of complying with this requirement during a compliance year exceeds 1% of the total retail cost of electricity for retail electricity suppliers during the same compliance year. In the event of a freeze, the minimum cumulative percentage from solar photovoltaics shall remain at the percentage for the year in which the freeze is instituted. The freeze shall be lifted upon a finding by the Coordinator, in consultation with the Commission, that the total cost of compliance can reasonably be expected to be under the 1% threshold. The total cost of compliance shall include the costs associated with any ratepayer funded state solar rebate program, SREC purchases, and solar alternative compliance payments.

(j) The State Energy Coordinator in consultation with the Commission, may freeze the minimum cumulative Eligible Energy Resources requirement for regulated utilities if the Delaware Energy Office determines that the total cost of complying with this requirement during a compliance year exceeds 3% of the total retail cost of electricity for retail electricity suppliers during the same compliance year. In the event of a freeze, the minimum cumulative percentage from Eligible Energy Resources shall remain at the percentage for the year in which the freeze is instituted. The freeze shall be lifted upon a finding by the Coordinator, in consultation with the Commission, that the total cost of compliance can reasonably be expected to be under the 3% threshold. The total cost of compliance shall include the costs associated with any ratepayer funded state renewable energy rebate program, REC purchases, and alternative compliance payments.

26 *Del. C.* §§354(i), (j).

The PSC delegated the responsibility in 2011¹ (and again in 2015)² to the Department of Natural Resources & Environmental Control (“DNREC”) to determine the procedure for calculating whether the cost cap had been reached, and how to implement and remove a freeze. DNREC has submitted four different iterations of proposed regulations, the latest on November 1, 2015. Five and a half years have passed since the General Assembly adopted the cost cap language, and still we wait for a final regulation, a final calculation, and a determination whether a freeze should be implemented. Meanwhile, the cost of Renewable Portfolio Standard (“RPS”) compliance continues to be added to the electric bills of Delmarva Power & Light Company’s (“Delmarva”) customers. If the 2016 SREC Procurement Plan is approved and implemented, Delmarva’s customers will be burdened with twenty-year contracts for SRECs that may not be necessary in the event of a freeze.

The DPA participated in the Renewable Energy Task Force (“RETF”) discussions on the 2016 SREC Procurement plan. Although Delmarva’s application and report fail to mention it, the DPA and the Public Service Commission (“PSC”) Staff stated that we would recommend that the

¹ Regulation Docket No. 56, Order No. 7933 (March 22, 2011).

² Docket No. 15-1462, Transcript of November 3, 2015 hearing (order pending).

PSC deny approval of the 2016 SREC Procurement Plan until there is a final cost cap regulation and a final cost calculation is complete for the 2015 Compliance Year (“CY”). Neither condition has been met. For this reason, the PSC should delay a decision on the 2016 SREC Procurement Plan until those conditions are satisfied.

If the PSC Does Not Delay a Decision, It Should Deny Approval of the 2016 SREC Procurement Plan.

The 2016 SREC Procurement Plan has a few substantive changes from the 2015 Plan:

- 1) The break between the size of Tier N1 and N2 was reduced from 30KW to 25KW to align with Level 1 Interconnection requirements, and breakpoints in the Green Energy Fund grants.
- 2) The size of the auction was increased from 12,000 SRECs to 15,000 SRECs, and Delmarva is authorized to purchase up to 6,000 extra SRECs from any tier, up from 3,000 in 2015.
- 3) There will be no separate spot market auction this year.

However, the 2016 SREC Procurement Plan has two major flaws. First, it will most likely result in the statutory cost caps being exceeded. Second, it effectively excludes the purchase of low cost SRECs from utility scale solar photovoltaic systems.

1. It Is Likely that the Statutory Cost Caps Have Already Been Exceeded – But if They Have Not, It Is Probable That They Will Be if Delmarva Purchases SRECs Via Auction.

The DPA retained a consultant, Alternative Strategies Consulting, to examine whether the cost caps have been reached. The DPA’s consultant reviewed a residential customer’s electric bills from July 2014 to June 2015, a period roughly covering the 2015 CY. The results of that examination are shown in Table 1.

Table 1: Renewable Compliance Charge as a % of Electricity Costs 7/2014 to 6/2015

Supply Cost	\$828.39
Total Cost	\$1473.22
Renewable Compliance Charge Plus GEF Charge	\$74.35
% of supply Cost	9%
% of Total Cost	5%
Kilowatt-hours	8859

Clearly, the 3% cost cap has been exceeded by a significant margin. (Indeed, there is evidence the cost cap may have been exceeded as early as the 2013 CY). A typical residential customer using 975 KWh/month could be overpaying by \$65/year. The total overcharge to meet Delmarva’s RPS load obligation for the 2015 CY could be as high as \$41.2 million (\$5.56/MWh x 7,416,754 MWh load). The intended ratepayer protection has yet to be achieved. And approving the 2016 SREC Procurement Plan without a determination on whether a freeze is required could result in Delmarva’s customers overpaying as much as another \$26.7 million over the course of the twenty-year contract life.

As noted previously, DNREC has issued four iterations of proposed cost cap rules. The second version tried to define the cost of compliance as a year over year increase instead of a cumulative cost, and the fourth iteration ignores the QFCP cost. All four iterations have included a consideration of four external factors in determining whether to implement a freeze, including overall market conditions, avoided cost benefits of the RPS, externality benefits due to the RPS, and economic impacts of renewable energy in Delaware. DNREC includes these assumed benefits as a justification to ignore the “circuit breaker” inserted by the legislature, thereby ensuring continued expenditures on renewable resources despite the burden on Delmarva’s residential and small commercial customers. Importantly, none of these factors appears in §354 (i) and (j), which simply divides Compliance Cost by the Total Retail Cost of

Electricity. Moreover, none of these “benefits” includes an explanation of how they will be calculated and what information source(s) will be used, setting up a potential arbitrary and capricious decision. In addition, the proposed regulations define compliance costs as supply cost only while defining the total retail cost of electricity as including supply *and* transmission and distribution costs.

Understanding that DNREC has an interest in continued deployment of renewable resources, its long delay in issuing a final regulation, and the use of convoluted reasoning to minimize the apparent percentage size of the RPS compliance costs, it should be apparent that DNREC has no interest in protecting customers as the General Assembly intended. If the 2016 SREC auction is approved by the PSC without a final regulation, a final calculation, and a determination if a freeze is called for are all complete, any incentive to resolve these concerns will be removed and likely result in additional delays in obtaining a final, appealable regulation.

On November 23, 2015, DNREC finally issued a preliminary cost cap calculation titled “Preliminary Report for Compliance Year 2014/15.” (Exhibit A). While we do not expect the PSC to adjust DNREC’s cost cap calculation, it is instructive to review that calculation to understand the errors in the calculations that underscore why the PSC should deny approval of the 2016 Procurement Plan.

In DNREC’s calculation, RPS compliance costs are offset by “externality” benefits based on estimates from Delmarva’s 2014 Integrated Resource Plan (“2014 IRP”).³ There are several problems with DNREC’s calculation, however.

First: The IRP uses REC and SREC volume requirements for the 2015/16 CY instead of the lower 2014/15 CY, which overstates the MWh of renewable power generation.

³2014 IRP, Section G, pp. 76-79.

Second: Relying on new and higher estimates of benefits from CO2 reductions released by the Environmental Protection Agency (“EPA”) in July 2015,⁴ DNREC used a benefit of \$40/ton. The 2014 IRP used a benefit of \$1/ton. The \$40/ton figure compares *global* benefits to *domestic* compliance costs (thus comparing apples to oranges) and uses a 3% discount factor. The \$1/ton in the 2014 IRP is consistent with the United States’ Office of Management and Budget guidelines of comparing *domestic* benefits to *domestic* compliance costs, and used a 7% discount factor.⁵ The 7% discount factor is compatible with the 7.2% discount factor that the Delaware Office of Management and Budget used for the Annual Pension Fund Report.⁶ But aside from that, why use estimates when we have an actual value for the benefit of CO2 emission reduction from the Regional Greenhouse Gas Initiative (“RGGI”) auctions? Calculated using RGGI auction results from the third quarter of 2014 to the second quarter of 2015, that benefit is \$5.25/ton – a far cry from \$40/ton.

Third: Instead of using the EPA’s October 2015 updated values for the reduction of SO2 and NOx⁷ (an update of which DNREC was aware), DNREC used older, higher values. The EPA’s October 2015 update reduced the health benefit from SO2 emission reductions from \$43,000/ton to \$30,000/ton, and the health benefit from NOx reductions from \$9,500/ton to \$9,300/ton. DNREC cannot have it both ways: if it is going to use updated values for one of its factors when they work to its benefit, it should also use updated values for factors even if those updates do not work to its benefit.

⁴EPA social cost of CO2 July 2015, available at:

<http://www3.epa.gov/climatechange/EPAactivities/economics/scc.html>

⁵United States Office of Management and Budget Circular A-94 Revised, available at:

<http://www.whitehouse.gov/omb/circulars/a094/>.

⁶Delaware Office of Management and Budget Annual Pension Fund Report, available at:

<http://open.omb.delaware.gov/FinancialReports/financials/fy14cafr.pdf>.

⁷Regulatory Impact Analysis for the Clean Power Plan Final Rule, Table 4-7, pp. 4-23, available at: <http://www.epa.gov/airquality/cpp/cpp-final-rule-ria.pdf>.

Fourth: DNREC did not update the average CO2 emission rates for the 2014 IRP calculations. PJM GATS shows that the emission rates dropped to 0.5348 tons/MWh,⁸ as opposed to the 0.7718 tons/MWh in the 2014 IRP.

Fifth: DNREC ignored the cost of the QFCP project in calculating compliance costs, but included the QFCP MWh of generation in calculating the health benefits of emission reductions. Eliminating the QFCP generation reduces the MWh of total renewable generation from approximately 593,000 to 377,000, and decreases the MWh of solar generation from approximately 57,500 to 38,500. Either the QFCP project is in or it is out; it cannot be in for one part of the calculation but not for the other. If the QFCP costs are included in the RPS compliance cost, the RPS compliance cost would increase by \$35.3 million for the period June 2014 through May 2015.⁹

Sixth: In the 2014 IRP, Delmarva discusses how emissions reductions resulting from renewable energy are difficult to predict, and suggests counting average annual emission rates in PJM at either 50% or 25%. There is no basis for either of these estimates in either science or analysis. Predictably, DNREC uses the 50% estimate in its calculation. But we *do* have hard evidence from the 2014 IRP that these emissions reductions should be counted at *zero* percent. The externality studies in the last three IRPs have been based on a study by ICF International, which included an analysis of the impact of adding 150 MW of onshore wind power.¹⁰ The net impact on health benefits of adding the onshore wind power to PJM was calculated at a *negative*

⁸PJM GATS Average Fuel Mix Emissions June, 2014 to May, 2015, available at: <https://gats.pjm-eis.com/gats2/PublicReports/PJMSystemMix/Filter>.

⁹Calculated from line 40 of the Delmarva monthly QFCP reports from June 2014 through May 2015.

¹⁰2014 CY renewable power capacity totaled 158 MW.

*\$1.4 to \$4.2 million.*¹¹ Another study by Bentek (an ICF competitor), using the same methodology to compare emissions before and after the actual addition of 10% of wind power to the relatively isolated Denver electric grid, showed no reduction in CO2 emissions and a potential 20% increase in SO2 and NOx after the addition of the wind power.¹²

Finally, DNREC reports the Total Retail Cost of Electricity on Exhibit A as \$688 million, which includes transmission and distribution costs. Since the RPS compliance cost is based only on supply cost, the Total Retail Cost of Electricity should also be based only on supply cost. Removing the transmission and distribution costs from the Total Retail Cost of Electricity would decrease the \$688 million by approximately 30%, which would increase the percentage cost of RPS compliance.

DNREC's preliminary calculation on Exhibit A estimates the total 2014/15 RPS compliance cost as only 0.6% and the cost of solar compliance as 1.0%. Correcting the errors and eliminating the debatable assumptions identified above raises the total net cost of RPS compliance to 8.5% and the cost of solar RPS compliance to 2.4% - both of which are well over the 3% and 1% statutory caps.

To add insult to injury for customers, our consultant estimates the 2016 auction could add up to another \$1.7 million/year to Compliance Cost, or another 0.25%. While our consultant's preliminary calculation does not include an economic benefit for jobs created for photovoltaic system installers, it also does not include jobs lost in Delaware because of the higher cost of electricity. The DPA does not believe the PSC should approve the 2016 SREC Procurement

¹¹2010 Integrated Resource Plan, Appendix 6, p. 7-6.

¹²HOW LESS BECAME MORE... **Wind, Power and Unintended Consequences in the Colorado Energy Market**, Bentek Energy, LLC, available at: <http://docs.wind-watch.org/BENTEK-How-Less-Became-More.pdf>.

Plan knowing that doing so will likely cause the cost cap to be exceeded even under DNREC's proposed regulations that include considerations not identified in the REPSA.

2. The 2016 SREC Procurement Plan Effectively Excludes the Purchase of Low Cost SRECs from Utility-Scale Solar Photovoltaic Systems.

We further observe that the current auction process may not achieve all of the goals that the General Assembly set forth with respect to encouraging the growth of renewable energy markets in Delaware. 26 *Del. C.* §360(d)(2)(d) charges the RETF with “minimizing the cost for complying with” REPSA, and Section 360(d)(2)(g) further states that one of the RETF's goals is “ensuring that residential, commercial, *and utility scale* photovoltaic and solar thermal systems of *various* sizes are financially viable and cost effective instruments in Delaware.” (emphasis added). However, the current procurement structure assigns Delmarva's entire SREC requirement to the auction process, which caps Tier N3 at 2 MW in size. This effectively precludes Delmarva from contracting for or building a utility-scale photovoltaic system, and forces Delmarva customers to pay more for SRECs from smaller and more costly systems.

Utility-scale systems have the potential to offer significant savings and lower SREC costs. According to the Solar Energy Industry Association's “US Solar Market Insight Report” for the first quarter of 2015, the average cost for utility scale solar was \$1.58/watt compared to \$3.46 for rooftop solar.¹³ “The Future of Solar,” published by the Massachusetts Institute of Technology, reports that large utility scale system prices reflect actual cost, but small residential systems have prices inflated beyond the levels expected from installed costs because of the subsidy structure. Additionally, Mark Nielson of the Delaware Electric Cooperative (“DEC”) reported in a RETF meeting that utility scale systems could now deliver power and SRECs for

¹³ <http://www.alta-energy.com/reports/US%20Solar%20Market%20Insight%20-%20Q1%202015%20-%20Executive%20Summary.pdf>

between \$70 and \$80/MWh. This is less than Delmarva is paying for wholesale power. Across the country, 53% of solar generating capacity is utility scale, and utility scale installations accounted for 64% of new solar capacity in 2014.¹⁴ The DPA has raised this issue at the RETF and has, understandably, met with resistance from small solar installers.

The DPA's consultant estimates that DEC and DEMEC are meeting 70% to 80% of their SREC commitments with utility scale installations. However, according to Delmarva's 2014 IRP, Delmarva will meet its 2016 CY SREC requirements with only 26% utility scale SRECs from the Dover Sun Park,¹⁵ and this drops to 6% of its requirements by the 2025 CY. The DPA respectfully submits that the RETF needs to allow for the purchase of utility scale SRECs. This need might be partially met by decreasing the size of the 2016 Procurement from 15,000 SRECs to 9,000.

The DPA Recommends that the PSC Consider Several Changes to the 2017 SREC Procurement Program.

The DPA is concerned about the potential increasing cost of SRECs in the 2016 SREC auction and beyond. Our consultant notes that Tier N1 average weighted bids increased from \$53.44 in the 2014 auction to \$60.40 in the 2015 auction. Likewise, Tier N2 increased from \$88.84 in 2014 to \$96.00 in 2015. The increase was probably, at least in part, a reaction to lower Green Energy Fund Grants ("GEF"). The DPA's consultant has accurately predicted average auction prices in the past, such as a \$50/SREC estimate for the 2013 and 2014 N1 bids compared to \$46.48 and \$53.44 actual results, and an \$85/SREC estimate for the 2013 N2 bids compared to an \$86.60 actual result. In fact, the 2013 N2 estimate was instrumental in the PSC's delaying approval of a proposed contract between Delmarva and Washington Gas & Electric Service

¹⁴ United States Energy Information Agency.

¹⁵ Delmarva Power & Light Company 2014 Integrated Resource Plan, Table 8.

(“WGES”) to buy SRECs from WGES until the results of the 2013 SREC auction became available. Delmarva eventually signed a contract with WGES for about half the originally proposed price, saving ratepayers about \$2 million. Based on the further decrease of GEF grants in 2015, our consultant expects that Tier N1 average prices could rise as high as \$87.00, and Tier N2 average prices could rise as high as \$127.00 in the 2016 auction.¹⁶

The problem is potentially much worse in 2017, as the federal Investment Tax Credit (“ITC”) is scheduled to be eliminated for residential systems and to decrease from 30% to 10% for commercial systems at the end of 2016. If the federal subsidy is replaced with higher SREC prices, SREC prices could be as high as \$205.00 for Tiers N1 and N2 and \$115.00 for Tier N3.

Table 2 below shows the contract lifetime cost of each auction, and the forecast for the cost of the 2016 and 2017 auctions. Note that the average price per SREC could increase 29% in 2016, and 115% in 2017 compared to the 2015 auction. Ratepayers could see the total contract lifetime cost increase over \$14 million by 2017. The DPA respectfully submits that the PSC should consider a cost cap for the 2017 SREC Procurement Plan.

Table 2 – Contract Lifetime Cost by SREC Auction

Year	2012	2013	2014	2015	2016 F	2017 F
# of SRECs	13,766	8,374	7,777	12,000	15,000	12,000
Total Cost to Ratepayers ¹ Millions	\$37.1	\$11.0	\$8.8	\$17.5	\$26.7	\$31.8
Weighted Average SREC Price	\$117.41	\$48.14	\$39.17	\$55.65	\$71.60	\$119.53

Note 1 – Excluding Administrative Cost

Furthermore, the charge to the RETF does not require that it guarantee that “every” size system will be financially viable, but rather requires only that the RETF ensure that “various” sized systems are financially viable. Tier N2 systems only receive partial GEF grants, and are not large enough to benefit from economies of scale. Consequently, Tier N2 SREC prices tend

¹⁶ Tier N3 is unaffected by GEF grants as none are provided.

to be higher than other tiers. In the 2015 auction, Tier N2 was 80% higher than Tier N3, and 59% higher than Tier N1. In the interest of “minimizing costs” (another RETF goal), Tier N2 should be merged with Tier N3.

Finally, future SREC procurement programs should consider mechanisms to take advantage of the leasing business model to potentially lower the cost of SRECs to minimize the cost to ratepayers. This might be best accomplished by discussions with leasing companies. Leased systems have a very different business model than direct ownership of photovoltaic systems. Leasing companies include financing charges in initial capital costs when applying for the 30% ITC. The result is that up to 60% of the installed cost can be recovered from the ITC, and the IRS has allowed this practice. This is twice the federal subsidy contribution of a directly owned system. This difference is partially reflected in recent reductions in GEF grants for leased systems. Leased systems also can be sold with less reliance on high SREC prices. Leased systems also account for the majority of new residential systems. Nothing in the RETF charge requires an auction mechanism that protects the business model of direct ownership.

Conclusion

It is curious that DNREC supports rushing PSC approval of the 2016 auction, considering DNREC’s lengthy delays in issuing a final cost cap regulation. Given that the only change in the currently proposed regulation and the regulations that DNREC originally proposed in 2012 is removing the QFCP cost from the RPS compliance cost, the regulation could have been finalized in 2012.

A delay in approving the 2016 SREC auction will not harm Delmarva or its customers. Delmarva stated in an RETF meeting that it has been approached to purchase SRECs under three contracts at very attractive prices, and Delmarva can buy SRECs on the spot market. Approving

the 2016 SREC Procurement Plan is likely to impose significant additional costs on ratepayers, however, and appears likely to cause the statutory cost caps to be exceeded even with the inclusion of the additional factors that DNREC has improperly included.

Therefore, the DPA respectfully requests that the PSC:

- Delay consideration of the 2016 SREC Procurement Program until a final cost cap regulation, a calculation, and a determination if a freeze is called for are all complete for the 2015 CY.
- Deny approval of the 2016 SREC Procurement Plan, knowing that such approval will likely cause the cost cap to be exceeded, and knowing that it does not provide Delmarva with the ability to take advantage of low cost utility-scale photovoltaic systems.
- Assuming that the cost caps are not exceeded, make the following changes to the 2017 SREC Procurement Plan:
 - (a) An SREC price cap should be considered.
 - (b) In the interest of “minimizing costs,” Tier N2 should be merged with Tier N3.
 - (c) Mechanisms should be considered to take advantage of the leasing business model to potentially lower the cost of SRECs to minimize the cost to ratepayers.

/s/ Regina A. Iorii

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Counsel for the Division of the
Public Advocate

Dated: November 30, 2015

EXHIBIT A

Cost of Compliance under 26 Del. C. § 354(i) & (j)
Preliminary Report for Compliance Year (CY) 2014/15
DRAFT - FOR DISCUSSION PURPOSES ONLY

This spreadsheet is intended to illustrate calculations under proposed cost cap regulation.
23-Nov-15

Estimated or preliminary figures are not included.

All Renewable Resources	Cost in \$	% of Retail	Regulation	Notes
Total Retail Costs of Electricity	688,150,656		Section 4.4	DPL confidential draft
DPL REC Procurement Summary	15,960,811		Section 4.2.2	Includes net energy costs of wind power (1)
DPL SREC Procurement Summary	7,465,951		Section 4.3.2	
GEF to support renewable resources	2,391,217		Section 4.2.1	GEF expenditures in CY 2014/15
Renewable Energy Cost of Compliance	25,817,979	3.75%		
Offsets				
Market conditions	n/a	n/a	Section 5.4.1	No significantly sharp market fluctuations
Avoided costs capacity in MW	-	0.00%	Section 5.4.2	
Avoided costs energy in MWh	-	0.00%	Section 5.4.2	
Externalities NOx and SO2	16,019,038	2.33%	Section 5.4.3	DPL 2012 IRP; 50% of PJM emissions avoided (3)
Externalities CO2	5,809,120	0.84%	Section 5.4.3	EPA/OMB figure of \$40, July 2015, 50% of PJM emissions
Economic impacts	-	0.00%	Section 5.4.4	Economic impact is being investigated (4)
Total offsets	21,828,158	3.17%		
Net Renewable Cost of Compliance	TBD	TBD		
Solar PV				
Total Retail Costs of Electricity	688,150,656		Section 4.4	
DPL SREC Procurement Summary	7,465,951		Section 4.3.2	
GEF used to support PV	2,391,217		Section 4.3.1	Green Energy Fund expenditures in CY 2014/15 (2)
Solar Cost of Compliance	9,857,168	1.43%	Section 4.3	
Offsets				
Market conditions	n/a	n/a	Section 5.4.1	No significantly sharp market fluctuations
Avoided costs capacity in MW		0.00%	Section 5.4.2	
Avoided costs energy in MWh		0.00%	Section 5.4.2	
Externalities NOx and SO2	2,282,483	0.33%	Section 5.4.3	DPL 2012 IRP; 50% of PJM emissions avoided (3)
Externalities CO2	827,716	0.12%	Section 5.4.3	EPA/OMB figure of \$40, July 2015, 50% of PJM emissions
Economic impacts		0.00%	Section 5.4.4	Economic impact is being investigated (4)
Total offsets	3,110,200	0.45%		
Net Solar Cost of Compliance	TBD	TBD		

Section 4.0 of the proposed regulation directs how the cost of compliance is calculated.

Section 5.0 of the proposed regulation identifies factors that can be considered in deciding whether a freeze should be declared.

Notes

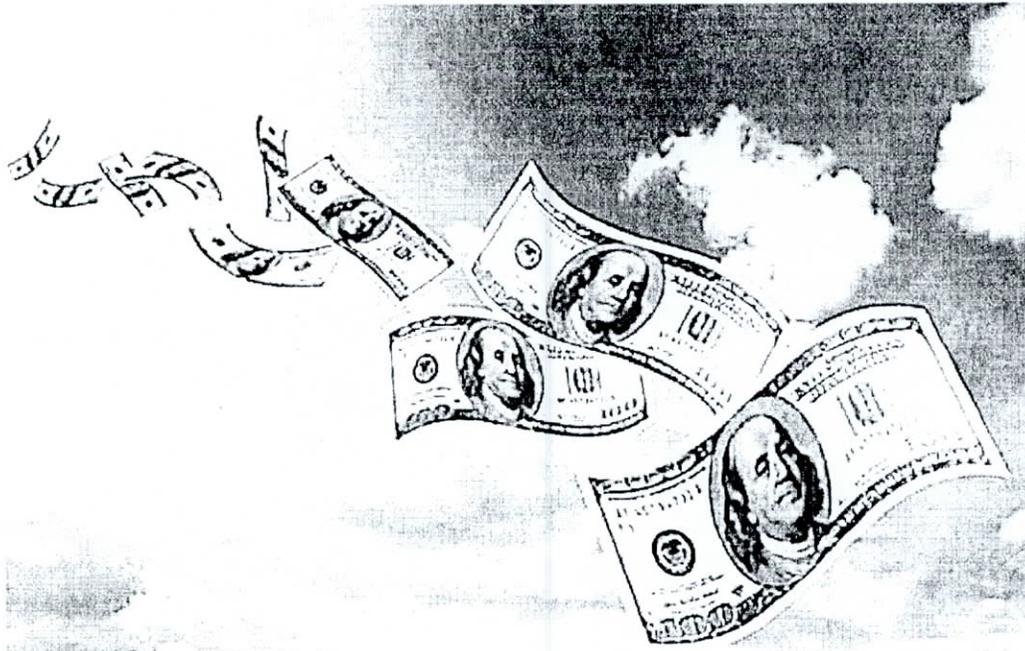
- (1) DPL buys wind as energy, capacity and RECs.
- (2) \$2,391,216.65 of the Green Energy Fund was granted to support solar PV in CY 2014/15.
- (3) Externalities attributed to SRECs/RECs: 14.2% (Assumes PV & other renewables displace PJM fuel mix emissions proportionally.)
- (4) DEDO is running IMPLAN analysis using solar industry jobs data.

Contant, Heather (DOS)

From: Bill Smith <wesmith@nccbor.com>
Sent: Tuesday, December 01, 2015 12:23 PM
To: Contant, Heather (DOS)
Subject: Ask the Public Service Commission to say, "NO" to adding more solar

"NO" to adding more solar power costs to your electric bill.

Sorry Heather, but the link goes directly to you rather than to the commission...as the write up seems to suggest.



As a Delmarva Power customer, you would like to believe that the company is bringing you power in the cheapest and most efficient way possible - that your bill reflects that search for the best deals.

Not exactly.

In 2010 the state legislature required that all electric utilities in Delaware purchase more and more "clean" energy sources such as wind and solar along with their other energy supplies.

Yes, these sources makes your energy bill higher, but the legislature hoped that it would pay off in an improved environment, and possibly green energy jobs. Most of us would think that was a fair trade.

Legislators even thought ahead and wisely put a cap at 3 % on how much your bill could go up because of these renewable energy sources. So \$3 for every \$100 of your bill would go toward buying renewable sources. Not too bad.

DNREC's Division of Energy and Climate was put in charge of calculating how much renewables were costing the consumer to say when the cap was reached.

So why has your bill gone up by 9-percent?

New math, is all we can figure. The division was supposed to figure out how much compliance with the legislation cost and divide it by total cost of electricity. Instead, they started subtracting arbitrary amounts for things like,

"days people aren't sick," because of clean energy. The division also started separating out different components. For example, part of your bill goes to pay for Bloom Energy Fuel Cells, which was classified as "Green Energy," until it started to run up that percentage of the bill. Now it is listed as a "Renewable Compliance Charge" so the division doesn't have to count it in the percentage.

You're still paying up to 9 % more and by moving things around the division can keep increasing your bill without it ever hitting the cap.

Three Things You Can Do Now!

1. Find Out How Much Of Your Bill Goes Toward Green Energy

Fortunately, for you, Delmarva Power started listing the cost of this program separately on your bills. Add the "Green Energy Fund", and the "Renewable Compliance Charge" found on page 2 of your electric bill to see your cost of compliance. Divide that number by the "Supply Charge" on page 3 of your bill and hit the "%" button on your calculator to see your percentage cost compared to the 3% cost cap.

2. Ask the Public Service Commission to say, "NO" to adding more solar power costs to your electric bill.

[Click here to send an email to the Public Service Commission before this Thursday, Dec. 3, when a hearing on adding more solar power costs to electric bills is set to occur.](#)

Simply ask them to say No to PSC Docket 15-1472.

Even Better - show up to the PSC conference room at 1 p.m. on Dec. 3, with your percentage cost number on a poster. The Public Service Commission is located at 861 Silver Lake Boulevard, Cannon Building Suite 100, Dover.

3. Contact your legislator and Governor Markell

Ask them to pass whatever legislation is needed to rein in these regulators and to reinforce the reasonable cost cap they promised in 2010. [\(Replying to this email with the words, Number 3 will get the message to the Senate Republicans and we promise to share your opinion.\)](#)

William E. Smith
Chief Financial Officer (CFO)
Office Hours – 9:00am to 4:30pm M-F
3615 Miller Road
Wilmington, DE 19802
☎302-762-4800 x117

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Contant, Heather (DOS)

From: Debbie <setting4@aol.com>
Sent: Tuesday, December 01, 2015 12:29 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472.

say No to PSC Docket 15-1472
Deborah Setting
5 Hillivew circle
Hockessin DE 19707

Contant, Heather (DOS)

From: Joe Oddo <oddojj@comcast.net>
Sent: Tuesday, December 01, 2015 12:30 PM
To: Contant, Heather (DOS)
Subject: Enough

Our air quality already meets all of the clean air mandates. Stop adding further solar charges to our bills!!!

Contant, Heather (DOS)

From: ijbecnel@aol.com
Sent: Tuesday, December 01, 2015 12:30 PM
To: Contant, Heather (DOS)
Subject: Please say to more solar energy

I oppose increasing the portion of solar energy used by Delmarva Power. I believe the primary efforts by the state and Delmarva should be to lower our energy costs. We should be increasing our use of natural gas and nuclear generated electricity and minimizing solar and wind until their production cost matches gas and nuclear.

-- Irwin Becnel --
phone: 302-239-4295

Contant, Heather (DOS)

From: tomeresa@aol.com
Sent: Tuesday, December 01, 2015 12:31 PM
To: Contant, Heather (DOS)
Subject: Electric Bill

Say No to PSC Docket 15-1472.

Contant, Heather (DOS)

From: Greg Gergen <greggergen@easidemographics.com>
Sent: Tuesday, December 01, 2015 12:32 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472.

say No to PSC Docket 15-1472.

Greg Gergen
Vice President
Easy Analytic Software Inc.
Phone 302-762-4271

greggergen@easidemographics.com

Year 2015 data forecast to 2020 now available

****Referrals greatly appreciated****

Contant, Heather (DOS)

From: jdwright@rocketmail.com
Sent: Tuesday, December 01, 2015 12:32 PM
To: Contant, Heather (DOS)
Subject: No more wasteful green energy.

Please decline any more green energy cost additions

Thanks

Sent from my Boost Mobile phone.

Contant, Heather (DOS)

From: jim.miller@tmeinc.us
Sent: Tuesday, December 01, 2015 12:32 PM
To: Contant, Heather (DOS)
Subject: Public Service Commission

Say no to PSC Docket 15 - 1472.

Thank you,

James C. Miller
2420 Heather Road West
Wilmington, DE 19803

Contant, Heather (DOS)

From: Stephan Lehm <slehm@vandemarklynch.com>
Sent: Tuesday, December 01, 2015 12:34 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Please say "No" to PSC Docket 15-1472.

Thank you,

Stephan Lehm, P.E., P.L.S.
President



**VANDEMARK
& LYNCH, INC.**

VanDemark & Lynch, Inc.

Engineers - Planners- Surveyors

4305 Miller Road

Wilmington, DE 19802-1901

Phone: (302) 764-7635 **ext. 101**

Fax: (302) 764-4170

E-mail: slehm@vandemarklynch.com



Please consider the environment before printing this e-mail

Contant, Heather (DOS)

From: Bob Grou <robgroup1@comcast.net>
Sent: Tuesday, December 01, 2015 12:36 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Please vote No to PSC Docket 15-1472.

Bob Groux

Contant, Heather (DOS)

From: Marianne Layng <layngm@comcast.net>
Sent: Tuesday, December 01, 2015 12:39 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472

Contant, Heather (DOS)

From: Chris Hamilton <chamilton@StandardDE.com>
Sent: Tuesday, December 01, 2015 12:39 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Please say NO to adding more solar power costs to my electric bill!

Sent from my iPad

Contant, Heather (DOS)

From: cdm24@verizon.net
Sent: Tuesday, December 01, 2015 12:43 PM
To: Contant, Heather (DOS)
Subject: No Higher Electric Bills

Dear Heather,

Please say "NO" to PSC Docket 15-1472. I am a senior citizen and own my home.

I would greatly appreciate no higher electric bills. Please vote NO.

Thank you,

Ms. Carolyn Marcello
S. Bethany DE 19930

Contant, Heather (DOS)

From: Jim Davis <jimwilmde@msn.com>
Sent: Tuesday, December 01, 2015 12:43 PM
To: Contant, Heather (DOS)

No more solar power costs to my electric bill. James Davis

Sent from my iPad

Contant, Heather (DOS)

From: Thomas Melvin <tmelfh1991@gmail.com>
Sent: Tuesday, December 01, 2015 12:44 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Please say NO to PSC Docket 15-1472. My electric bill is high enough without paying for more solar energy. Give homeowners more of a break to put solar energy to work.

Contant, Heather (DOS)

From: Roger Boyce <rogerb@systemsapproachltd.com>
Sent: Tuesday, December 01, 2015 12:47 PM
To: Contant, Heather (DOS)
Subject: Please Say No to PSC Docket 15-1472

SYSTEMS APPROACH



"Life Safety Through" Fire Suppression, Prevention and Protection"

309 Palomino Drive, Newark, DE 19711 Phone: (302) 743-6331

Please say no to PSC Docket 15-1472.

Sincerely,

Roger

Roger T. Boyce, CFPS
President & CEO
Systems Approach Ltd.
Mobile: (302) 743-6331
Email: rogerb@systemsapproachltd.com

We at Systems Approach have several areas of expertise. We are very skilled and can help you and your clients with any of the following problems:

- *Building and Fire Code Consulting*
- *Code Enforcement Issues*
- *Life Safety Evaluations*
- *Fire Alarm Designs and Evaluations*
- *Fire Sprinkler, Foam, Clean Agent Designs and Evaluations*
- *Fire Pump and Water Supply Designs and Evaluations*

Contant, Heather (DOS)

From: Judy Smith <judybs55@gmail.com>
Sent: Tuesday, December 01, 2015 12:48 PM
To: Contant, Heather (DOS)
Subject: PSc Docket 15-1472

Say No to adding more solar power costs to my electric bill. We need the Public Service Commission to work for us not the utilities!!

Thank you.

Judy Smith

Contant, Heather (DOS)

From: Lowell Underhill <lowell.underhill@verizon.net>
Sent: Tuesday, December 01, 2015 12:52 PM
To: Contant, Heather (DOS)
Subject: More Solar Power On Our Electric Bill

Please say "NO" to PSC Docket 15-1472! No more solar power costs on our electric bill.

Lowell Underhill

Contant, Heather (DOS)

From: Mark Sanders <captmarksanders@verizon.net>
Sent: Tuesday, December 01, 2015 12:52 PM
To: Contant, Heather (DOS)
Cc: Mark
Subject: Please say "NO" to adding more solar power costs to my electric bill!

Dear Ms. Contant, Please say "NO" to adding more solar power costs to my electric bill!
Thank you,

Mark Sanders
118 Cazier Drive
Back Creek
Middletown, DE 19709
302.378.0376

Contant, Heather (DOS)

From: gerald linn <linngerald@yahoo.com>
Sent: Tuesday, December 01, 2015 12:53 PM
To: Contant, Heather (DOS)
Subject: clean energy scam

no more clean energy , I can't afford it. go nuclear if you insist on having a say in the how much we should pay for elec. Gerald j. linn 20 marina pk. dr. frankford de.19945



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www.avast.com

Contant, Heather (DOS)

From: CW4 Richard C. Arnold <rcarwh3@aol.com>
Sent: Tuesday, December 01, 2015 12:56 PM
To: Contant, Heather (DOS)
Subject: Energy cost

I would like to make a comment about energy cost, I am on fixed income, a Veteran retiree and I say no to adding renewable energy cost to our bills that should be a cost of doing business

Richard C. Arnold
CW4. USA Ret.
302-947-9432

Contant, Heather (DOS)

From: walter Curran <wfcallc@gmail.com>
Sent: Tuesday, December 01, 2015 12:56 PM
To: Contant, Heather (DOS)
Subject: PSC docket 15-1472

Dear Public Service Commission members:

As a citizen of Delaware, a taxpayer and the Mayor of Ocean View I implore you to say no to PSC Docket 15-1472. I know something about solar power having been the Manager of a company that built the largest rooftop solar power display in North and South America. The costs of solar powered energy in Delaware are far out of proportion to the benefits they provide and do a disservice to the tax payers of the state.

Thank you for your consideration of this very important matter.

Respectfully submitted

Walter F. Curran

Contant, Heather (DOS)

From: Carl Thompson <ffrcobra1@gmail.com>
Sent: Tuesday, December 01, 2015 1:02 PM
To: Contant, Heather (DOS)
Subject: Please say NO to PSC Docket 15-1472

I'm a senior and veteran and am being continually squeezed financially with increasing electric costs. Please say NO to the PSC Docket 15-1472

Carl Thompson
Hockessin

Contant, Heather (DOS)

From: Lou Burris <louglen@comcast.net>
Sent: Tuesday, December 01, 2015 1:03 PM
To: Contant, Heather (DOS)

Please say No to PSC Docket 15-1472.

Contant, Heather (DOS)

From: Diane Hanson <hanson@team-doctor.com>
Sent: Tuesday, December 01, 2015 1:05 PM
To: Contant, Heather (DOS)
Subject: Keep increases at 3% for electricity

Public Service Commission.

Solar and other alternative sources of energy are needed but it important to also stay within the guidelines set by our State Legislature to keep increases at 3%.

Diane Hanson
Mayor of Dewey Beach

Contant, Heather (DOS)

From: Karen P. Saracco <saraccok@nanticoke.org>
Sent: Tuesday, December 01, 2015 1:08 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472.

say No to PSC Docket 15-1472.
say, "NO" to adding more solar power costs to your electric bill. Thanks!

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Contant, Heather (DOS)

From: Joanne Butler <joanne-butler@comcast.net>
Sent: Tuesday, December 01, 2015 1:13 PM
To: Contant, Heather (DOS)
Subject: Vote No on PSC Docket # 15-1472

I respectfully request the Public Service Commission to vote NO on Docket # 15-1472. With wages being flat and natural gas prices dropping, it is unjust to impose increased costs to Delaware's working families — in order to support the 'Green Energy Fund'. Please do the right thing for Delaware's working families and give them a pay raise. I respectfully request you ask Bill Gates or someone equally as wealthy and concerned about the environment to pay for the Green Energy fund. The cost to them will be mere chump change. The Green Energy Fund ought not to be funded on the backs of Delaware's working families — who struggle to make ends meet; it's time they had more money in their pockets.

Respectfully,
Joanne Butler
1209 Shallcross Avenue
Wilmington, DE 19806

Contant, Heather (DOS)

From: George Manser <george.manser@gmail.com>
Sent: Tuesday, December 01, 2015 1:15 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Please SAY NO! PSC Docket 15-1472

Thank You,
George F Manser Jr

Landowner, Property Owner, Taxpayer, Voter, Citizen, Senior Citizen, Resident

Contant, Heather (DOS)

From: aeq@comcast.net
Sent: Tuesday, December 01, 2015 1:23 PM
To: Contant, Heather (DOS)
Subject: No to PSC Docket 15-1472

Please vote NO to docket 15-1472

Andrew E. Quesenberry

A. E. Quesenberry Carpentry, LLC
1012 Stanton Road
Wilmington, DE 19808

302-994-0700
302-753-8611

AEQcarpentry.com

Contant, Heather (DOS)

From: Alexander Daly <alexandermdaly@yahoo.com>
Sent: Tuesday, December 01, 2015 1:24 PM
To: Contant, Heather (DOS)
Cc: Gerald Hocker
Subject: Delaware clean electric power

Please do not increase the requirements for Delmarva Power Company to purchase "clean energy generation" beyond the current regulations.

Increasing the Clean energy generation purchases in Delaware places undue economic burden on older delaware residents, and provides no benefits to Delaware residents.

Alex Daly
5 West Farmington St
Fenwick Island. DE 19944

Sent from my iPhone

Contant, Heather (DOS)

From: Anthony Wedo <anthony.wedo@gmail.com>
Sent: Tuesday, December 01, 2015 1:25 PM
To: Contant, Heather (DOS)

NO to Solar Power

Anthony Wedo
610-212-8993 - mobile

Contant, Heather (DOS)

From: LYNDAVEARC@aol.com
Sent: Tuesday, December 01, 2015 1:30 PM
To: Contant, Heather (DOS)
Subject: No to cost!

Please note,we say No to PSC docket 15-1472!!!!!!!!!! Thank you,Mr.& Mrs.David P.Andrews,1205 N.Schulz Rd.Fenwick Island,De. 19944

Contant, Heather (DOS)

From: John Douthwaite <john.douthwaite307@gmail.com>
Sent: Tuesday, December 01, 2015 1:34 PM
To: Contant, Heather (DOS)
Subject: No to PSC Docket 15-1472.

No to PSC Docket 15-1472.

John Douthwaite
(610)-348-7838. (c)
text via email: 6103487838@vtext.com
email: John.douthwaite307@Gmail.com

Contant, Heather (DOS)

From: jcpoeii <jcpoeii@yahoo.com>
Sent: Tuesday, December 01, 2015 1:35 PM
To: Contant, Heather (DOS)
Subject: Electric bills

How can DNREC rewrite the law? NO MORE green energy, solar energy costs added to my electric bill. As a matter of fact why not withdraw from the carbon consortium or the green house gas trade in credits thing whatever it's called? It does not work and we are only one of 9 states still involved in this junk science.
John Poe

Sent via the Samsung GALAXY S⁵ in AT&T 4G LTE smartphone

Contant, Heather (DOS)

From: Steve Larrimore <Steve@SteveLarrimore.com>
Sent: Tuesday, December 01, 2015 1:37 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472.

I am against any further increase in the solar power costs on my electric bill.
As a matter of fact I am sick of the current giveaway program to the out of state profiteers.

Vote No to PSC Docket 15-1472.

--

Steve Larrimore
2 Sherbrooke Drive
Wilmington, DE 19808
302-992-9392

Contant, Heather (DOS)

From: Frank Favaloro <nachofava@verizon.net>
Sent: Tuesday, December 01, 2015 1:38 PM
To: Contant, Heather (DOS)
Subject: Say no

Say no

Sent from my iPhone

Contant, Heather (DOS)

From: Robert Gross <rjldgross@verizon.net>
Sent: Tuesday, December 01, 2015 1:39 PM
To: Contant, Heather (DOS)
Subject: Stupid Enegy Mandates

Contant, Heather (DOS)

From: Philip Puschel <puschelp@verizon.net>
Sent: Tuesday, December 01, 2015 1:40 PM
To: Contant, Heather (DOS)
Subject: Say No to PSC Docket 15-1472

Stop forcing us to pay for "green" energy! These costs will NEVER go away . . .

Philip L Puschel
15 Rambo Drive
New Castle, DE 19720

Contant, Heather (DOS)

From: Kat <koggenfuss@gmail.com>
Sent: Tuesday, December 01, 2015 1:44 PM
To: Contant, Heather (DOS)
Subject: Docket 15-1472

Say NO to Docket # 15-1472.

Thank you,
Katharyn Lynn Oggenfuss

Sent from my iPhone

Contant, Heather (DOS)

From: Bud Burke <budburke@verizon.net>
Sent: Tuesday, December 01, 2015 1:46 PM
To: Contant, Heather (DOS)
Subject: Delmarva Power Clean Energy Increase

I find it outrageous that the Public Service Commission is playing games with calculating the allowable percentage increase each year.to stay under the 3% cap by subtracting arbitrary amounts. I might also comment that the Bloom Energy charge has been another problem as it continues to run much higher than originally projected and the number of people to be hired, etc. has not be achieved.

You are supposed to be protecting the Public's interests. Please do your job.

Respectfully,
Mr. & Mrs. Alfred J. Burke
418 Brandywine Blvd.
Wilmington, DE 19803
302-478-4568

Contant, Heather (DOS)

From: Victor S. Pugarelli <vpugarelli@verizon.net>
Sent: Tuesday, December 01, 2015 1:46 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Say NO to this bill! Our electric bill gets higher as we cut back. We are on the verge of "suffering" these higher costs unnecessarily.

-- Victor S. Pugarelli

Contant, Heather (DOS)

From: kcooke352@aol.com
Sent: Tuesday, December 01, 2015 1:47 PM
To: Contant, Heather (DOS)
Subject: NO TO PSC DOCKET 15-1472

VOTE NO TO PSC DOCKET 15-1472

Contant, Heather (DOS)

From: Ben Bundens <brbundens@comcast.net>
Sent: Tuesday, December 01, 2015 1:52 PM
To: Contant, Heather (DOS)
Subject: electric bill

No to PSC Docket 15-1472.

Contant, Heather (DOS)

From: DiOssi, Lisa <lisa.h.diossi@siemens.com>
Sent: Tuesday, December 01, 2015 1:53 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472

Say No to PSC Docket 15-1472

Lisa DiOssi
(302) 631-7406
lisa.h.diossi@siemens.com

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Contant, Heather (DOS)

From: irishnana4@comcast.net
Sent: Tuesday, December 01, 2015 2:02 PM
To: Contant, Heather (DOS)
Subject: Solar Power Cost

Dear Sirs:
Please vote "NO" on PSC Docket 15-1472. Thank you.

Sincerely,
Ann E. Hagan
94 Echo Road
Wilmington, DE 19810

Contant, Heather (DOS)

From: Barbara Boyce <barbarab@systemsapproachltd.com>
Sent: Tuesday, December 01, 2015 2:04 PM
To: Contant, Heather (DOS)
Subject: "no" to more solar costs

I urge you to say "No" to adding more solar power costs that will increase my Delmarva Power bill. I thought there was supposed to be a cap of 3%. If I calculated correctly, I'm paying 8.4%.

Barbara Boyce
Hunter's Ridge Maintenance Association
309 Palomino Drive
Newark, DE 19711

Contant, Heather (DOS)

From: Barry Connolly <vze29c3r@verizon.net>
Sent: Tuesday, December 01, 2015 3:48 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472.

say No to PSC Docket 15-1472.

Barry Connolly

Contant, Heather (DOS)

From: MIKE <mikewssc@aol.com>
Sent: Tuesday, December 01, 2015 2:09 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

I am writing to protest any additional increases to my electric bill for green energy. I also oppose the "loopholes" that were factored in to determining a 3% allowable increase for green energy costs. The 3% should be on the actual costs not adulterated cost calculations.

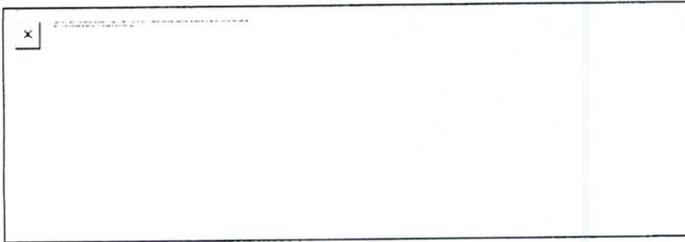
Very truly yours,
Denise Boswell
401 Lekites Ave.
Bethany Beach, DE 19930

Contant, Heather (DOS)

From: Ken Reynolds <kreynolds@karinsengineering.com>
Sent: Tuesday, December 01, 2015 2:13 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Please say NO to PSC Docket 15-1472

Kenneth M. Reynolds, PLS



17 Polly Drummond Center; Suite 201
Newark, Delaware 19711
Phone: (302) 369-2900, x28
Cell: (302) 437-6745
Fax: (302) 369-2975
Web: www.karinsengineering.com

"Better Communities Through Better Engineering"



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Contant, Heather (DOS)

From: Tom Birowski <tom@ddmg.net>
Sent: Tuesday, December 01, 2015 2:19 PM
To: Contant, Heather (DOS)
Subject: "No" to PSC Docket 15-1472

Dear Public Service Commission,

I am writing to ask you to say say "No" to PSC Docket 15-1472. This cost was supposed to be capped at 3%. Ours is currently 10.7%

Thank you for your service to our community.

Tom Birowski

Contant, Heather (DOS)

From: Dennis Amorose <dgamorose@msn.com>
Sent: Tuesday, December 01, 2015 2:23 PM
To: Contant, Heather (DOS)
Subject: No to delmarva added costs to our utility payment

As a senior citizen family we say NO to increased costs for adding more costs to our bill for solar energy!!

Thank you. Sincerely, Mr & Mrs Dennis Amorose

Contant, Heather (DOS)

From: Paul Eldridge <peldridge@aetnahhl.org>
Sent: Tuesday, December 01, 2015 2:27 PM
To: Contant, Heather (DOS)
Subject: Re: rate increases for DPL

Why are people doing an end run in order to get a higher electric bill?
The PUSC has mandated a maximum of %3 why are we being charged more?
Thank you. Paul Eldridge 302-740-9538

Contant, Heather (DOS)

From: Don Taber <rover1638@comcast.net>
Sent: Tuesday, December 01, 2015 2:30 PM
To: Contant, Heather (DOS)
Subject: Cost of "clean" energy

I guess I misunderstood how much of the renewable energy cost was going to be passed on to consumers. In my last bill, those charges amounted to \$4.92. My total WGL electricity charge was \$50.05, so the \$4.92 represents an increase in my electric bill that is just shy of 10%.

If you're a Democrat, I'm sure this doesn't bother you. If you're a Republican or Libertarian, I urge you to follow the defining principle of those parties: LET THE MARKETPLACE DECIDE THE MOST EFFICIENT WAY TO DELIVER ELECTRICITY!!! The governments at all levels in the Country have gone regulation mad; they always feel they have to solve every problem, when centuries of results show that left alone, the market is far better at solving the problem at essentially no cost.

Don Taber



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www.avast.com

Contant, Heather (DOS)

From: Me <mshazes2@yahoo.com>
Sent: Tuesday, December 01, 2015 2:34 PM
To: Contant, Heather (DOS)
Subject: Clean energy

I am saying No for the Public Service Commission to add more solar power costs to your electric bill.

The people running this boondoggle should fund their own venture since this is a private enterprise and they are exploiting the citizens for their own gain and not for the people who are struggling to pay their utility bills.

All the money that was used for this scheme should be returned to the citizens.

I feel that there may be a "Quid Pro Quo" scheme underway and this should be investigated and prosecuted if found to be so.

There are enough shenanigans like this and now is the time to put a stop to all these schemes. Sounds like another Enron boondoggle with the citizens being helpless to stop it.

The populous has suffered enough in the name of "clean energy".

Let these companies pay their own way and stop fleecing us common folk.

Yours,

Mike Shazes

2131 Brandywood Drive

19810

Sent from my iPhone

Contant, Heather (DOS)

From: Sheila Dunne <qop62581@gmail.com>
Sent: Tuesday, December 01, 2015 2:44 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472.

Please say No to PSC Docket 15-1472. I am a senior citizen living on a fixed income and I cannot afford any increase to my Delmarva Power bill.

Thank you,
Sheila Dunne

Contant, Heather (DOS)

From: Peggy Tracy <pegtracy123@aol.com>
Sent: Tuesday, December 01, 2015 2:58 PM
To: Contant, Heather (DOS)
Subject: Say NO to adding more solar power costs to my electric bill!!!!

To the Public Service Commission: say, "NO" to adding more solar power costs to your electric bill.

Margaret C Tracy ("Peggy")
3309 Englewood Road
Wilmington, DE 19810
Phone: 302-229-3330
Email: pegtracy123@aol.com

Contant, Heather (DOS)

From: James Thomen <tjrt410@aol.com>
Sent: Tuesday, December 01, 2015 3:08 PM
To: Contant, Heather (DOS)
Subject: green energy costs

I am against adding more solar energy subsidies to my electric bill. If solar energy is so good, let it stand on its own two feet without subsidies. Enough is enough!! James R. Thomen, 201 Greenock Drive, Greenville. 302-658-7884.

James Thomen
tjrt410@aol.com

Contant, Heather (DOS)

From: jwtobx@aol.com
Sent: Tuesday, December 01, 2015 2:17 PM
To: Contant, Heather (DOS)
Cc: Advocate, Public (MailBox Resources); Johnson, Charmaine (DOS); Maucher, Andrea (DOS); jmontgomery@delawareonline.com; Love, Susan E. (DNREC); Small, David (DNREC); Cherry, Philip J. (DNREC)
Subject: "No" to PSC Docket 15-1472 re addtl solar costs

Delmarva Power's electric customers' bills are already overburdened with high solar and other renewable costs to the point it is materially hurting disposable income for the low and middle class and making Delaware a less competitive state in which to do business. I do not favor adding any more solar costs onto the back of Delaware's electric customers. We should also properly enforce the 3 % overall price cap contained in the 2010 legislation as envisioned on how much your bill could go up because of renewable energy sources. It is my understanding DNREC's Division of Energy and Climate is making adjustments to these calculations that were never intended by the legislation in an effort to keep in compliance. As one example, the Bloom Energy subsidy, a deemed renewable, is excluded. Also, Bloom's subsidy has far exceeded the original estimate with no coherent explanation other than some month to month seasonality reference. Electric power is priced at the margin which is dictated by natural gas fired generation prices. While Bloom's revenues are lower than forecasted, their costs are also lower since natural gas is the hydrocarbon used to fuel the fuel cells. Because of this internal hedge, lower natural gas prices should not be an explanation for the much higher than anticipated Bloom surcharge. Thank you for your consideration.

Jim Trost
Hockessin, DE

Contant, Heather (DOS)

From: George Torbert <ghtorbert@gmail.com>
Sent: Tuesday, December 01, 2015 3:30 PM
To: Contant, Heather (DOS)
Subject: Higher Electric Bill

PSC do your job protect the public. People on fixed income and those on minimum wage can not afford higher electric bills.

Sent from my iPad

Contant, Heather (DOS)

From: Stevenson, Kim (LegHall)
Sent: Tuesday, December 01, 2015 3:40 PM
To: Contant, Heather (DOS)
Subject: FW: Say No to Higher Electric Bills

This one is for you

From: ccalypso3@comcast.net [mailto:ccalypso3@comcast.net]
Sent: Tuesday, December 01, 2015 12:46 PM
To: Stevenson, Kim (LegHall)
Subject: Re: Say No to Higher Electric Bills

Number 3 no I do not want this to pass

Sent from Xfinity Connect Mobile App

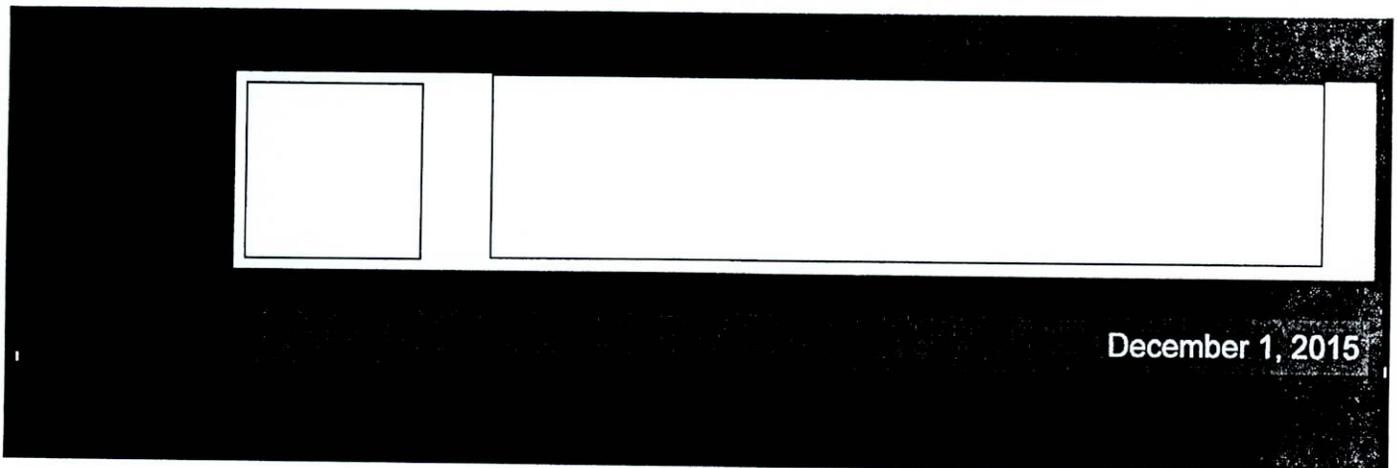
----- Original Message -----

From: Delaware State Senate Republicans
To: ccalypso3@comcast.net
Sent: December 1, 2015 at 12:26 PM
Subject: Say No to Higher Electric Bills

Having trouble viewing this email? [Click here](#)

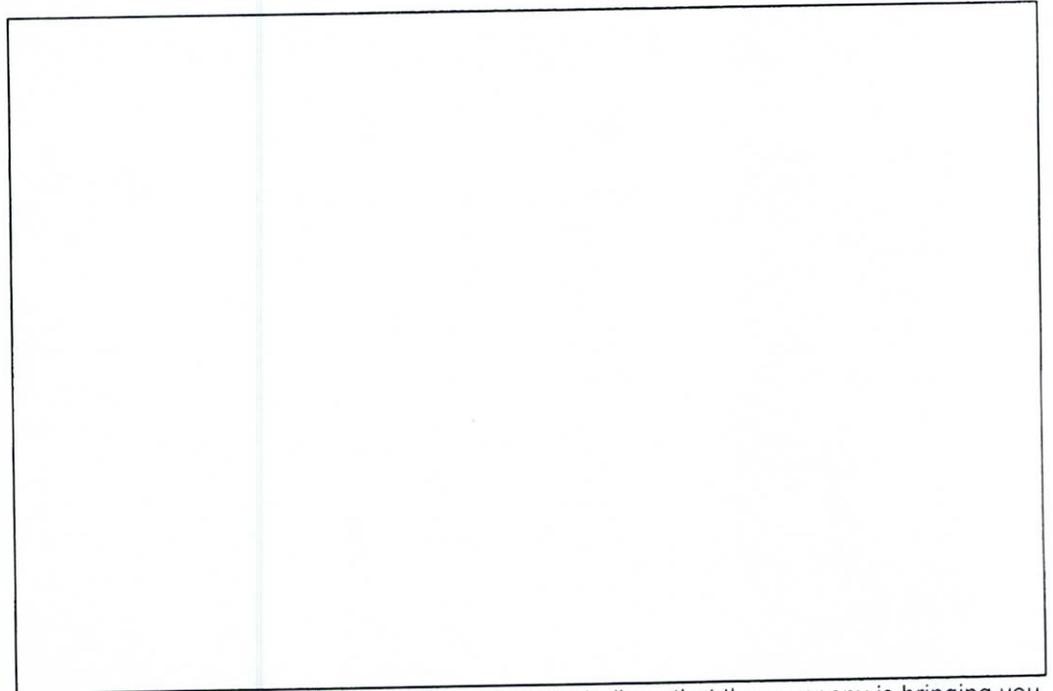
Hi, just a reminder that you're receiving this email because you have expressed an interest in Delaware State Senate Republicans. Don't forget to add kim.stevenson@state.de.us to your address book so we'll be sure to land in your inbox!

You may [unsubscribe](#) if you no longer wish to receive our emails.



December 1, 2015

Delmarva Power Customers Should Act Today to Avoid Higher Electric Bills



As a Delmarva Power customer, you would like to believe that the company is bringing you power in the cheapest and most efficient way possible - that your bill reflects that search for the best deals.

Not exactly.

In 2010 the state legislature required that all electric utilities in Delaware purchase more and more "clean" energy sources such as wind and solar along with their other energy supplies.

Yes, these sources makes your energy bill higher, but the legislature hoped that it would pay off in an improved environment, and possibly green energy jobs. Most of us would think that was a fair trade.

Legislators even thought ahead and wisely put a cap at 3 % on how much your bill could go up because of these renewable energy sources. So \$3 for every \$100 of your bill would go toward buying renewable sources. Not too bad.

DNREC's Division of Energy and Climate was put in charge of calculating how much renewables were costing the consumer to say when the cap was reached.

So why has your bill gone up by 9-percent?

New math, is all we can figure. The division was supposed to figure out how much

compliance with the legislation cost and divide it by total cost of electricity. Instead, they started subtracting arbitrary amounts for things like, "days people aren't sick," because of clean energy. The division also started separating out different components. For example, part of your bill goes to pay for Bloom Energy Fuel Cells, which was classified as "Green Energy," until it started to run up that percentage of the bill. Now it is listed as a "Renewable Compliance Charge" so the division doesn't have to count it in the percentage.

You're still paying up to 9 % more and by moving things around the division can keep increasing your bill without it ever hitting the cap.

Three Things You Can Do Now!

1. Find Out How Much Of Your Bill Goes Toward Green Energy

Fortunately, for you, Delmarva Power started listing the cost of this program separately on your bills. Add the "Green Energy Fund", and the "Renewable Compliance Charge" found on page 2 of your electric bill to see your cost of compliance. Divide that number by the "Supply Charge" on page 3 of your bill and hit the "%" button on your calculator to see your percentage cost compared to the 3% cost cap.

2. Ask the Public Service Commission to say, "NO" to adding more solar power costs to your electric bill.

[Click here to send an email to the Public Service Commission before this Thursday, Dec. 3, when a hearing on adding more solar power costs to electric bills is set to occur.](#)

Simply ask them to say No to PSC Docket 15-1472.

Even Better - show up to the PSC conference room at 1 p.m. on Dec. 3, with your percentage cost number on a poster. The Public Service Commission is located at 861 Silver Lake Boulevard, Cannon Building Suite 100, Dover.

3. Contact your legislator and Governor Markell

Ask them to pass whatever legislation is needed to rein in these regulators and to reinforce the reasonable cost cap they promised in 2010. [\(Replying to this email with the words, Number 3 will get the message to the Senate Republicans and we promise to share your opinion.\)](#)

Delaware State Senate Republican Caucus
P.O. Box 1401, Dover, DE 19903
| 302-744-4048 | Email | www.DelawareStateSenate.com

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Contant, Heather (DOS)

From: Stevenson, Kim (LegHall)
Sent: Tuesday, December 01, 2015 3:44 PM
To: Contant, Heather (DOS)
Subject: FW: Say No to Higher Electric Bills

-----Original Message-----

From: Barbara Bullock [mailto:capeview2001@yahoo.com]
Sent: Tuesday, December 01, 2015 12:30 PM
To: Stevenson, Kim (LegHall)
Subject: Re: Say No to Higher Electric Bills

Say No to PSC Docket 15-1472.
I cannot afford the increases!!! my wages are NOT increasing!!

On Tue, 12/1/15, Delaware State Senate Republicans <kim.stevenson@state.de.us> wrote:

Subject: Say No to Higher Electric Bills
To: capeview2001@yahoo.com
Date: Tuesday, December 1, 2015, 12:24 PM

```
@media screen and (max-width:480px){
```

```
#yiv7724824445 * .filtered99999 {  
display:block;float:none;margin-left:auto  
!important;margin-right:auto !important;}
```

```
#yiv7724824445 * .filtered99999 {  
text-align:center;}
```

```
#yiv7724824445 * .filtered99999 {  
display:block;float:left;}
```

```
#yiv7724824445 * .filtered99999 {  
text-align:left;}
```

```
#yiv7724824445 * .filtered99999 {  
display:block;float:right;}
```

```
#yiv7724824445 * .filtered99999 {
```

Contant, Heather (DOS)

From: Nancy Cantiello <NancyC@FuscoManagement.Com>
Sent: Tuesday, December 01, 2015 3:58 PM
To: Contant, Heather (DOS)
Subject: NO

Say No To PSC Docket 15-1472

Nancy Cantiello
Fusco Management, Inc.
200 Airport Road
New Castle, De 19720
Phone: (302) 328-6251
Fax: (302) 328-6332
NancyC@FuscoManagement.Com

Contant, Heather (DOS)

From: Jim Barrett <jim@affordabledelawarehomes.com>
Sent: Tuesday, December 01, 2015 3:58 PM
To: Contant, Heather (DOS)
Subject: No to PSC Docket 15-1472

No to PSC Docket 15-1472

I hope this information is of value to you.

Jim Barrett, US NAVAL ACADEMY '67
"Reliability, Integrity, Loyalty"



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www.AffordableDelawareHomes.com

360 Property Solutions – Real Estate Services
17577 Nassau Commons Blvd, # 102
Lewes, DE 19958 (near Nassau Winery)

Cell: 302-519-6084
Fax: 302-947-4500

Office: 302-947-2800
Toll Free: 800-995-4789

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MBA (Financial Management), Authorized "By Referral Only"
Over 25 years experience

Upon initial contact, Delaware law requires the provision of this Consumer Information Statement,
to define who is representing whom in your upcoming real estate transactions:
<http://dpr.delaware.gov/boards/realestate/documents/RSPFpage.pdf>

Contant, Heather (DOS)

From: debcole28 <debcole28@comcast.net>
Sent: Tuesday, December 01, 2015 4:09 PM
To: Contant, Heather (DOS)
Subject: Increase in electric bill

Please say NO to PSC docket 15-1472.

Deborah Coleman
Lewes, DE 19958

Sent from Samsung tablet

Contant, Heather (DOS)

From: david frantzd1 <frantzd1@yahoo.com>
Sent: Tuesday, December 01, 2015 4:09 PM
To: Contant, Heather (DOS)

Say No to PSC Docket 15-1472.
Dave Frantz
103 Dante's Dr.
Hockessin, DE 19707

Contant, Heather (DOS)

From: Neal <necadoby@verizon.net>
Sent: Tuesday, December 01, 2015 4:10 PM
To: Contant, Heather (DOS)
Subject: Electric bills are way too high the government needs to do something to keep Delmarva power from continue sly raising their cost to produce and deliver energy

Sent from my iPhone

Contant, Heather (DOS)

From: Miller, Beth B <BMiller@morrisjames.com>
Sent: Tuesday, December 01, 2015 4:13 PM
To: Contant, Heather (DOS)
Subject: Hi there! Hope all is well.

Are you the person that I should be sending this to?

PLEASE ASK SENATOR LAWSON TO VOTE No to PSC Docket 15-1472.

Give your husband my best!

Morris James LLP

Beth B. Miller

Attorney at Law
bmiller@morrisjames.com

29 N. State Street, Ste. 100 | Dover, DE 19901-3832
T 302.678.4373 F 302.504.1830

www.morrisjames.com

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Contant, Heather (DOS)

From: Paul J. Sheridan IV <paul@sheridan-construction.com>
Sent: Tuesday, December 01, 2015 4:20 PM
To: Contant, Heather (DOS)
Subject: No to Psc docket 15-1472

Sent from my iPad

Contant, Heather (DOS)

From: JOHN WHIDDEN <whiddenja@verizon.net>
Sent: Tuesday, December 01, 2015 4:50 PM
To: Contant, Heather (DOS)
Subject: Delaware eclctric costs

Please vote no for additional green energy costs being added to our bills.
The government says NO RAISES for Social Security recipients while
government regs drive ost of our bills up!
Isn't it time you give Seniors a break? VOTE NO!

John Whidden

Contant, Heather (DOS)

From: Caroline Whalen-Strollo, <akafranny@gmail.com>
Sent: Tuesday, December 01, 2015 5:01 PM
To: Contant, Heather (DOS)
Subject: PSC DOCKET NO.: 15-1472

PLEASE SAY **NO** TO PSC DOCKET NO.: 15-1472.

Contant, Heather (DOS)

From: William Mckinney <wmckinney92@gmail.com>
Sent: Tuesday, December 01, 2015 5:07 PM
To: Contant, Heather (DOS)
Subject: Rising electric cost

Say NO to adding additional costs to our electric bill.

Sent from my iPhone

Contant, Heather (DOS)

From: Denise Heald <dheald5252@msn.com>
Sent: Tuesday, December 01, 2015 5:31 PM
To: Contant, Heather (DOS)
Subject: More Costs

No to PSC Docket 15-1472.

I'm tired of paying taxes and fees on everything I do:
electric - taxes and fees
cell phone - taxes and fees
home phone - taxes and fees
internet - taxes and fees
cable - taxes and fees

STOP MAKING IT IMPOSSIBLE TO GET AHEAD!!!

Contant, Heather (DOS)

From: Peggy Gerber <peggygerber007@gmail.com>
Sent: Tuesday, December 01, 2015 5:34 PM
To: Contant, Heather (DOS)
Subject: electric rates

we have a governor mr markell who promised that he would would not pick winners or losers in companies before he took office. What has he done? Raised my electric rate by approx \$4.00 per month to support Bloom Energy which is not fulling its promise. Lets giv e them more time he says. I say that I and every one else in the state of delaware has been had and are already paying too much. Lets repeal the contract that he sanctioned. Can it be done since the contract says they don't have to perform for 21 tears. Isn't this insane for someone to sign such a contract. I and many others say no more increases John Gerber

Contant, Heather (DOS)

From: Dick and Diane <dickanddiane@mchsi.com>
Sent: Tuesday, December 01, 2015 5:35 PM
To: Contant, Heather (DOS)
Subject: SAY NO TO PSC DOCKET 15-1472

Say no to PSC docket 15-1472

Contant, Heather (DOS)

From: SL Brown <lewes17@yahoo.com>
Sent: Tuesday, December 01, 2015 5:37 PM
To: Contant, Heather (DOS)
Cc: Lopez, Ernesto B (LegHall)
Subject: No to higher electric

No to Docket 15-1472 lease. Best to regulate a monopoly.
Please do funf removal of Delaware's wind turbine which is in proximity to residential homes such as mine that
existed before UD squatted on State land.

Thank you,

Steve Brown
Hoonkill Ave
Lewes

Contant, Heather (DOS)

From: Bush, Jennifer <jennifer.bush@chase.com>
Sent: Tuesday, December 01, 2015 5:45 PM
To: Contant, Heather (DOS)
Subject: please say NO to PSC Docket 15-1472

I am all for protecting the environment, but I have to respectfully ask you to please say "NO" to PSC Docket 15-1472.

I am afraid that a lot of the rate increases that Americans are constantly being subjected to in the name of "clean energy" will actually create the opposite effect.

I looked into obtaining solar panels for my house because I thought it was the right thing to do. Since I do not have enough money to pay \$83,000 to purchase the panels, I was going to lease them. However, in doing research before signing any contracts, I found out that my personal monthly cost was going to go up and any possible financial incentives would go to the company who owned the panels. So I decided that my getting solar panels would be foolish to say the least, and I did not proceed with my plan.

Even if I had been able to purchase the solar panels, I would have still been paying the "green energy" and "renewable compliance" charges to Delmarva since, even with solar panels, you have to also continue to pay the utility. That seems very close to being a double taxation kind of thing.

Bloom Energy turned out to be a very expensive and very bad joke on Delaware residents.

I've read that wind farms are actually causing some environmental damage. Along with killing birds (and eagles!), the land below the windmills gets warmer because the hot air is pulled down towards the ground. So we are saving energy in one way while we are simultaneously causing environmental damage in another way.

The middle class is struggling. Even though the people pushing rate hikes and taxes might have the best of intentions, the middle class is being hurt while a handful of people are pocketing cash. We can't continue in this way.

So please, please say "NO" to PSC Docket 15-1472.

Thank you.

Jennifer Bush
107 Gambel Court
Bear, DE 19701

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Contant, Heather (DOS)

From: Rafe Hamilton <rafe.hamilton2@comcast.net>
Sent: Tuesday, December 01, 2015 5:52 PM
To: Contant, Heather (DOS)
Subject: renewable energy sources

Stop playing games by shifting cost to other categories. Stick with the 3% cost as approved by the legislature. You are supposed to work for us and follow the law.

Contant, Heather (DOS)

From: Peter Rigby <pjrigby@verizon.net>
Sent: Tuesday, December 01, 2015 6:01 PM
To: Contant, Heather (DOS)
Subject: No to PSC Docket 15-1472

No increase

Contant, Heather (DOS)

From: Ginny Feeley <vfm_12@verizon.net>
Sent: Tuesday, December 01, 2015 6:04 PM
To: Contant, Heather (DOS)
Subject: Electric bill increases

I say NO to PSC Docket 15-1472. DO NOT add more solar our electric bill

Virginia Feeley
303 Nichols Ave.
Wilmington, DE 19803
vfm_12@verizon.net

Contant, Heather (DOS)

From: J Dolan <jwdolan@ymail.com>
Sent: Tuesday, December 01, 2015 6:02 PM
To: Contant, Heather (DOS)
Subject: Please vote No to PSC Docket 15-1472 eom

Contant, Heather (DOS)

From: Sandra Santagada <simplysandra@comcast.net>
Sent: Tuesday, December 01, 2015 6:09 PM
To: Contant, Heather (DOS)

Vote no to psc docket 15-1472
Sent from my iPhone

Contant, Heather (DOS)

From: Rich Phifer <riphifer@gmail.com>
Sent: Tuesday, December 01, 2015 6:23 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Dear PSC,

I am asking you to please reject and say no to PSC Docket 15-1472 which would add more solar power costs to my electric bill.

With a proposed expansion of new power corridors that PSE&G says are needed to bolster efficiency and reliability in the power grid, Delawareans face a looming increase in electric rates that would only be worsened by increasing solar power costs to customer bills.

I am against the adding of more solar power costs and I am against PSE&G's proposed power grid expansion as I believe they are rooted more in increasing profit for the the power companies and the power suppliers realize that such measures, if approved, will further their control and monopoly over the Delmarva region.

Thank you for considering my request.

Rich Phifer

Contant, Heather (DOS)

From: J P RUSKY <2011japr@gmail.com>
Sent: Tuesday, December 01, 2015 6:26 PM
To: Contant, Heather (DOS)
Subject: Say No to PSC Docket 15-1472

Please say no to PSC Docket 15-1472.

Thank you
J A Rudsky

Contant, Heather (DOS)

From: Rob Shaw <robusma76@gmail.com>
Sent: Tuesday, December 01, 2015 6:30 PM
To: Contant, Heather (DOS)
Subject: No to more increases for solar.

Rob

Contant, Heather (DOS)

From: Theresa <tfrushon@aol.com>
Sent: Tuesday, December 01, 2015 6:36 PM
To: Contant, Heather (DOS)

Please say No to PSC Docket 15-1472.

Sent from my iPad

Contant, Heather (DOS)

From: rosemari@comcast.net
Sent: Tuesday, December 01, 2015 6:42 PM
To: Contant, Heather (DOS)
Subject: Delmarva bill

Simply ask them to say No to PSC Docket 15-1472.

I definitely do not want my electric bill to sky rocket, especially this Winter at ALL!!!

Contant, Heather (DOS)

From: Judy Hayes <judyfhayes@gmail.com>
Sent: Tuesday, December 01, 2015 6:43 PM
To: Contant, Heather (DOS)
Subject: Re: No to PSC Docket 15-1472

Please vote "no" to PSC Docket 15-1472.

Judy Hayes
1214 Winstead Rd
Wilmington, DE 19803
302-478-7641/home

Contant, Heather (DOS)

From: Jim <royalpainting_company@reagan.com>
Sent: Tuesday, December 01, 2015 6:59 PM
To: Contant, Heather (DOS)
Subject: Electric rate bill

I would ask the board to say No to PSC Docket 15-1472.

Jim Cayer
Wilmington DE

Contant, Heather (DOS)

From: Maryanne Cluff <macluff1@aol.com>
Sent: Tuesday, December 01, 2015 7:50 PM
To: Contant, Heather (DOS)
Subject: SY no to

Say no to PSC Docket 15-1472
Sent from my iPhone

Contant, Heather (DOS)

From: John@qualityfinishers.com
Sent: Tuesday, December 01, 2015 7:58 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472.

Please say No to PSC Docket
15-1472 !

John Stachowski

Quality Finishers Inc
1 Merit Drive
Newcastle, De, 19720

Office 302-325-1963
Cell 302-420-7002

Contant, Heather (DOS)

From: jim.bowden@verizon.net
Sent: Tuesday, December 01, 2015 8:01 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

To the Public service commission,
I am the President of the Georgetown Historical Society and I have been asked by the board of Directors to relay our concern in this matter. We are already overburdened by the cost of Electricity as it stands today to run our many buildings at the Marvel Museum and any additional costs added could force us to close our buildings to the public.
We urge you to say no to this proposal!

Contant, Heather (DOS)

From: talkow@aol.com
Sent: Tuesday, December 01, 2015 8:05 PM
To: Contant, Heather (DOS)
Subject: clean energy costs

Spain's solar power initiative just went bankrupt, the solar panel set up in California is literally cooking birds, and Delaware is forcing Delmarva to charge its customers higher rates for green energy!! With the level of poverty in Delaware why is the gov't oppressing the poor?
Stop it~!

Contant, Heather (DOS)

From: me_saunders@comcast.net
Sent: Tuesday, December 01, 2015 8:54 PM
To: Contant, Heather (DOS)
Subject: No more solar costs on my electric bill

Sent from XFINITY Connect Mobile App

Contant, Heather (DOS)

From: Myself / Pauline Magargal <pmack9@comcast.net>
Sent: Tuesday, December 01, 2015 9:14 PM
To: Contant, Heather (DOS)
Subject: costs

Hasn't anyone figured how to extract the big screw Bloom Energy Fuel Cells put into Delaware customers?

Contant, Heather (DOS)

From: Mary Rose Pelaia <rosepel@yahoo.com>
Sent: Tuesday, December 01, 2015 9:18 PM
To: Contant, Heather (DOS)
Subject: Rate hike

We seniors do not need rate hike. We did not get a cost of living increase.
We can't afford it at this time. People are getting laid off and losing their jobs.
No to the increase.

Sent from my iPad

Contant, Heather (DOS)

From: CJW <cjweidner88@comcast.net>
Sent: Tuesday, December 01, 2015 9:21 PM
To: Contant, Heather (DOS)
Subject: No to PSC Docket 15-1472.

Thank you.
Charles J. Weidner

Sent from my iPad

Contant, Heather (DOS)

From: Suzanne McCoy <skmccoy1963@yahoo.com>
Sent: Tuesday, December 01, 2015 9:21 PM
To: Contant, Heather (DOS)

We object to the continued fraud committed by the green energy advocates in Delaware government. It is time to be honest with taxpayers and stop the totally ridiculous efforts to force green energy down the taxpayer's throat. If green energy can't compete on a non subsidized basis then it should fail like any other non competitive business. Green energy is a money losing proposition that only makes money for investors at the expense of hard working taxpayers.

Suzanne McCoy, Middlesex Beach and Vic Covey, Ocean View.

Contant, Heather (DOS)

From: Victoria Williams <nannypest55@yahoo.com>
Sent: Tuesday, December 01, 2015 9:54 PM
To: Contant, Heather (DOS)

no

Contant, Heather (DOS)

From: OWEN MATHEWS <owen77@gmail.com>
Sent: Tuesday, December 01, 2015 10:37 PM
To: Contant, Heather (DOS)
Subject: Delmarva bills

Good evening,

I'm writing to express my disapproval of the continuing increases in residential power bills that has occurred as a result of the State government's mandates on the power company to seek out more expensive forms of renewable energy. These increases amount to a regressive tax on Delaware's poorest citizens at a time when they can least afford it. I oppose PSC docket 15-1427 and you should too.

Owen Mathews

Contant, Heather (DOS)

From: Frank O'Brien <frankobrien01@hotmail.com>
Sent: Tuesday, December 01, 2015 10:42 PM
To: Contant, Heather (DOS)
Subject: say No to PSC Docket 15-1472.

Contant, Heather (DOS)

From: basama_99@yahoo.com
Sent: Tuesday, December 01, 2015 10:50 PM
To: Contant, Heather (DOS)
Subject: SAY NO

To additional costs for utilities NO

Contant, Heather (DOS)

From: Mark Blake <markwblake@aol.com>
Sent: Tuesday, December 01, 2015 10:51 PM
To: Contant, Heather (DOS)
Subject: NO to increasing surcharges for "green energy" - NO to PSC Docket #15-1472

I am writing to you to let you know that I currently pay 9.45% for "green energy" on my Delmarva Power bill and that my total "Delivery charges" for my electricity now exceeds 35% of my actual electric energy consumption! That's if you actually include the Transmission Capacity Charge, which is not the cost of energy sent over the lines, but the cost of the lines to bring the power from the generation source to the local utility and ultimately, me the customer.

I've reduced my consumption of electric energy by turning off lights, using both CFL's and LED's and putting everything on timers and yet, I can no longer reduce my electric costs further, since the cost per kW keeps rising, even as I try to use less!

The total cost of my most recent electric bill was as follows:

\$42.25 - Total electric delivery charges
\$14.18 - Transmission Capacity charge
\$42.69 - First 500 kWh of electric power used
\$22.80 - Last 267 Kwh of electric power used
\$121.92 Total Electric Cost

I ask you to vote No to PSC Docket 15-1472.

Mark Blake
Hockessin, DE

markwblake@aol.com

Contant, Heather (DOS)

From: fdde04@comcast.net
Sent: Tuesday, December 01, 2015 11:01 PM
To: Contant, Heather (DOS)
Subject: Delmarva Power

We say no to PSC Docket 15-1472.

Fred and Donna Sponseller
30998 S Shell Bridge Road
Laurel, DE 19956

Contant, Heather (DOS)

From: Amy JACOBY <jcby1505@verizon.net>
Sent: Wednesday, December 02, 2015 4:22 AM
To: Contant, Heather (DOS)

On my behalf, pls SAY NO to PSC Docket 15-1472.
Amy Jacoby
1505 Grayrock Dr
Wilmington DE

Contant, Heather (DOS)

From: Mary Bashtarz <mary@engmat.com>
Sent: Wednesday, December 02, 2015 6:59 AM
To: Contant, Heather (DOS)
Subject: Say No to PSC Docket 15-1472!

I am simply sick about the way the private citizen is being robbed and cheated when it comes to purchasing electricity. It is not our job to fund businesses that cannot succeed in the public market on their own because their product is not of economic benefit to the public. You have to stop forcing us to fund those who have government friends and get the money funneled to them. This protection racket has got to stop and it is your job to do it!

There is no way an electric company should have to make up benefits for 'green energy'! It is a lie and the emperor just has no clothes. The lying is so bad on so many levels, you have to stop the theft.

I am a widow and had to go without hot water now in order to reduce my bill. What will be next for those who cannot keep paying the rising rates imposed by the state who just sees this as another way to take money from the weak and give it to friends. Incredibly corrupt. How would you like to live this way in what used to be our great country?

Sincerely,
Mary Bashtarz
Harrington, DE

Contant, Heather (DOS)

From: PraiseGod13 <PraiseGod13@comcast.net>
Sent: Wednesday, December 02, 2015 6:39 AM
To: Contant, Heather (DOS)
Cc: Lopez, Ernesto B (LegHall); Smyk, Steve (LegHall)
Subject: "HECK, NO" to PSC Docket 15-1472.

Importance: High

Dear Ms. Contant,

Regarding PSC Docket 15-1472, please tell the appropriate staff at Delaware Public Service Commission to just say "HECK, NO" to OUTRAGEOUSLY HIGH electric bill costs for renewable energy sources (PARTICULARLY BLOOM ENERGY, CRONY CAPITALISM AT ITS WORST) that are supposed to be "lowering" our electric bills "someday" (maybe in the next century). In the latest month's bill we have received (29 September through 28 October 2015), our Green Energy Fund cost was "only" 47 cents; BUT "Renewable Compliance Charge" was a WHOOPING \$11.74. Dividing the sum of these two renewable energy charges (\$12.21) by the total electric supply charge for that period (\$115.68) yields a **WHOOPING 10.55% increase in our monthly electric bill** for statutory renewable energy, versus the SUPPOSED 3% CAP we thought was current state law. **PLEASE STOP DELMARVA POWER FROM USING UNSCRUPULOUS ACCOUNTING PROCEDURES TO OVERCHARGE HUNDREDS OF THOUSANDS OF DELAWARE RESIDENTS ON THE "RENEWABLE ENERGY" PORTION OF THEIR ELECTRIC SUPPLY CHARGES. AND PLEASE ASK DNREC'S DIVISION OF ENERGY AND CLIMATE TO STOP THE ENABLING OF THESE UNSCRUPULOUS CHARGES BY DELMARVA POWER AND CRONY CAPITALIST RENEWABLE ENERGY BUDDIES OF GOVERNOR MARKELL. (AND, YES, WE ARE INTENTIONALLY SHOUTING AT PSC AND DNREC IN ALL CAPS/BOLD FONT, IN THE HOPE OF GETTING THEIR ATTENTION ON THIS!)**

Sincerely, Robert and Margaret Fischer, 31824 Carneros Avenue, Lewes, DE (302-644-1458)

Contant, Heather (DOS)

From: Les Dukart <LDukart@dukart.com>
Sent: Wednesday, December 02, 2015 7:29 AM
To: Contant, Heather (DOS)
Subject: Electric bills

Please say no to PSC Docket 15-1472.

Thanks

Les Dukart

Home owner and business owner- several locations.

Contant, Heather (DOS)

From: Arnold, Carol <CArnold@wsfsbank.com>
Sent: Wednesday, December 02, 2015 7:39 AM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

Please say NO to PSC Docket 15-1472.

Thank you,
Carol Arnold



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Contant, Heather (DOS)

From: Jane Pedroso <precise.ed@gmail.com>
Sent: Wednesday, December 02, 2015 8:24 AM
To: Contant, Heather (DOS)
Subject: To Whom It May Concern, I am writing to express my wish that you vote NO to PSC Docket 15-1472. Jane P. Concerned TAXPAYER

--

Precise.ed@gmail.com

Contant, Heather (DOS)

From: docseuse@comcast.net
Sent: Wednesday, December 02, 2015 9:37 AM
To: Contant, Heather (DOS)
Subject: Green Electric

Say No to PSC Docket 15-1472.

Dr James E .Soos

Contant, Heather (DOS)

From: Dan Chelen <danchelen@gmail.com>
Sent: Wednesday, December 02, 2015 9:39 AM
To: Contant, Heather (DOS)
Subject: No to PSC Docket 15-1472

Dear Heather:

I request that no additional solar power costs be added to Delaware electrical bills.

Sincerely,

Dan Chelen
Milford, DE

Contant, Heather (DOS)

From: l.shinn@comcast.net
Sent: Wednesday, December 02, 2015 9:59 AM
To: Contant, Heather (DOS)
Subject: No to PSC Docket 15-1472

Please say No to PSC Docket 15-1472. The citizens of Delaware are struggling enough. Thank you.
Linda Shinn

Contant, Heather (DOS)

From: Efkretiree <efkretiree@aol.com>
Sent: Wednesday, December 02, 2015 10:24 AM
To: Contant, Heather (DOS)
Subject: Say No to PSC Docket 15-1472.

Contant, Heather (DOS)

From: Vivian Adams <vaswimstarrs@yahoo.com>
Sent: Wednesday, December 02, 2015 10:34 AM
To: Contant, Heather (DOS)
Subject: solar power costs

Say NO adding more solar power costs to our electric bills. Say No to PSC Docket 15-1472.

Contant, Heather (DOS)

From: ljfulton@verizon.net
Sent: Wednesday, December 02, 2015 11:16 AM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

I am firmly against PSC Docket 15-1472. No more adding more solar power cost to my electric bill. I am retired and I am on a fixed income. I can't afford to pay any more!

Contant, Heather (DOS)

From: Karl Smith <dingo33@gmail.com>
Sent: Wednesday, December 02, 2015 11:16 AM
To: Contant, Heather (DOS)
Subject: Say NO! to PSC Docket 15-1472.

My bill is already to high and I'm unemployed. Would rather you hand wasn't in mt wallet.

~ Karl
Smith

Contant, Heather (DOS)

From: Frank Miller <fcmiller35@gmail.com>
Sent: Wednesday, December 02, 2015 11:32 AM
To: Contant, Heather (DOS)
Subject: Delmarva Hearing

Say NO !!! to PSC Docket 15-1472

Thank You,
F. C. Miller

Contant, Heather (DOS)

From: gholob@comcast.net
Sent: Wednesday, December 02, 2015 11:58 AM
To: Contant, Heather (DOS)
Subject: "NO" to adding more solar power costs to electric bill

Based upon the information provided on the arbitrary method used to calculate 'capped' amount I hereby request to "Ask the Public Service Commission to say, "NO" to adding more solar power costs to your electric bill"

Regards

Gary Holob

Wilmington, DE 19803

Contant, Heather (DOS)

From: Barnwell, Joan (DHSS)
Sent: Wednesday, December 02, 2015 12:07 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

I would like to ask the Public Service Commission of say "No" to adding more solar power costs to my electric bill. Therefore, ask the commission to vote No on PSC Docket 15-1472 when it is up for review on December 15, 2015.

Thank you.

Joan Barnwell

Contant, Heather (DOS)

From: Eric Jester <thomist20032003@yahoo.com>
Sent: Wednesday, December 02, 2015 1:19 PM
To: Contant, Heather (DOS)
Cc: Eric Jester
Subject: Oppose Docket #15-1472

Dear Sir or Madam,

Please know that we oppose any effort to increase the cap for renewable or "green" energy beyond the 3% enacted in 2010. Any attempt to impose higher costs upon the public would represent an arrogant disregard for the welfare of the citizens of this state. There are several alternate methods which could realize both a better outcome and less costs than to pander to the interests of politically correct extremists who regard the ecosystem as an zero sum game. Although no one should encourage the deliberate pollution of the environment, the present concern is a matter of degree rather than kind. One recent example of the biosphere's dynamic recovery from an environmental 'disaster' is the aftermath of the 2010 BP oil spill in the Gulf of Mexico. To compare the present consideration and impact with the gravity of the 2010 incident not only serves to demonstrate the fact that the environment has an intrinsic capacity to restore its phenomenological integrity (since it is a product of the genius of supernatural, Divine design), but to point out that the risk of exaggeration is certainly probable and profound.

Respectfully,
Eric Jester, A.A.D.
Motorama Sales, Inc.

Contant, Heather (DOS)

From: Junika C. Stone-Woodall <Junika_Stone-Woodall@elwyn.org>
Sent: Wednesday, December 02, 2015 1:23 PM
To: Contant, Heather (DOS)
Subject: Docket 15-1472.

Dear Ms. Contant,

Please, say No to PSC Docket 15-1472.

Junika C. Stone-Woodall, MBA, MOL
Director of Operations, DE Employment & Adult Day Services
321 E. 11th Street
Wilmington, DE 19801
Phone: 302-657-5587
Fax: 302-657-5647
junika_stone-woodall@elwyn.org



Contant, Heather (DOS)

From: John Piechoski <piech1@verizon.net>
Sent: Wednesday, December 02, 2015 3:53 PM
To: Contant, Heather (DOS)
Subject: Docket 15-1472

Please don't support any more of the GREEN energy nonsense with my money. Thanks John P Piechoski

Contant, Heather (DOS)

From: karen Gamm <kjaygee@verizon.net>
Sent: Wednesday, December 02, 2015 4:24 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472 & My Elec. Bill

Dear Heather and the PSC,

I want the PSC to know that the green energy charges on my current Delmarva bill are \$5.51, or **!!04%** of the supply charges. . . so much for the 3% cap on green energy charges. Unfortunately, it doesn't surprise me that DNREC is being shady with the numbers in order to accomplish what it wants, regardless of what the legislature approves.

For one reason or another, our electric charges increase every year while charges decrease nationwide and in PA. I'm tired of it and **want the PSC to say "NO" to Docket 15-1472**. DNREC is out of control as is our electric bill.

Thank you for your attention.

Sincerely,
Karen Gamm
4826 Hogan Dr.
Wilmington, DE 19808
302-292-1678

Contant, Heather (DOS)

From: Margaret Quillen <heidi98@comcast.net>
Sent: Wednesday, December 02, 2015 4:32 PM
To: Contant, Heather (DOS)
Subject: Say NO

Please say NO to PSC Docket 15-1472
Thank You,
Margaret Quillen
11407 Beideman Rd.
Lincoln, DE 19960

Contant, Heather (DOS)

From: rphoto2@aol.com
Sent: Wednesday, December 02, 2015 5:57 PM
To: Contant, Heather (DOS)
Subject: electric bill

To Commissioner,
Please say no to adding more solar power costs to electric bill. I am a senior on SS and I can not afford any more bills on a fix income. Georgeanne Rhoads

Contant, Heather (DOS)

From: Debra Geiser <debbie_geiser@verizon.net>
Sent: Wednesday, December 02, 2015 7:38 PM
To: Contant, Heather (DOS)
Subject: Increased Electric Bills

Attention: Public Service Commission

As a senior on a fixed income I ask you to say NO to the PSC Docket 15-1472.

Thank you.

Sincerely, Debra Geiser
Dover

Contant, Heather (DOS)

From: Wilmington Delaware <jm3de7736@aol.com>
Sent: Wednesday, December 02, 2015 7:41 PM
To: Contant, Heather (DOS)
Subject: OUR GOVERNMENT LIED

those of us on FIXED INCOMES, social security
are living pay check to paycheck
Social Security officials said NO raises since the COST OF LIVING HAS NOT GONE UP

someone at the PUC, Delmarva Power, all Politicians
Cut expenses, like the rest of us
Downsize
NO RATE INCREASES----there is no money left to pay it

notify the politicians
Next November, your all fired
I don't care if Forrest Gump runs for office, he will get my vote,
Come on Donald Trump
Expose all the corruption, kick backs, payoffs.

Contant, Heather (DOS)

From: Rick Taylor <rgtaylor49@aol.com>
Sent: Wednesday, December 02, 2015 8:28 PM
To: Contant, Heather (DOS)
Subject: Power Costs

Please stop raising our power by adding green energy electricity production. Produce the cheapest electricity as possible. Let price competition decide the best source of electricity.
Richard Taylor

Sent from my iPad

Contant, Heather (DOS)

From: J Noel Wagner <wagnerjn@comcast.net>
Sent: Thursday, December 03, 2015 9:14 AM
To: Contant, Heather (DOS)
Subject: December 15 meeting of the PSC

Heather,

Before I get too long winded I want to make it clear that I am asking for the PSC to say NO to adding more solar power costs to my electric bill! That means saying NO! to PSC Docket 15-1472.

I figured my cost of compliance for renewable energy sources to be at 9%, \$4.80 divided by \$53.32 on my last bill. Why is this so? These people need to quit hiding the weenie and playing terrible games with the citizens. I would also like to see Delmarva Power list as a line item on my bill every single charge I am being forced to pay. Bloom Energy and the fuel cell fiasco comes to mind. They are not being held accountable for missing their end of the deal. And the PSC is allowing it to happen. Who does PSC really represent?

Angrily,

Noel Wagner

Contant, Heather (DOS)

From: Gregory Sacco <grsacco@verizon.net>
Sent: Thursday, December 03, 2015 9:22 AM
To: Contant, Heather (DOS)
Cc: Hall-Long, Bethany (LegHall); Mantegna, Stephanie (LegHall); Ennis, Bruce (LegHall)
Subject: Solar Costs

Please vote No to adding any costs to my Electric bill. These additional costs quietly add to our bills without any real notification. These especially hurts low income and fixed income citizens on Social Security.

Gregory Sacco
415 Winterberry Dr.
Middletown, Delaware 19709
(302) 437-4956 cell

Contant, Heather (DOS)

From: Wayne Breasure <wbreasure@msn.com>
Sent: Thursday, December 03, 2015 11:10 AM
To: Contant, Heather (DOS)
Subject: PSC meeting

Please vote NO on PSC docket 15-1472 Electric bills are high enouth.

Contant, Heather (DOS)

From: bennicofflea10@aol.com
Sent: Friday, December 04, 2015 7:52 AM
To: Contant, Heather (DOS)
Subject: higher electric

Your company is bleeding the public dry. The people on social security aren't getting a raise this year. So you want to take more money from them. I worked for my benefit, and we are havi ng a hard time. You don't need to raise the cost of power . I vote NO!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!

Contant, Heather (DOS)

From: Jill <gildanbob@verizon.net>
Sent: Monday, December 07, 2015 8:08 AM
To: Contant, Heather (DOS)
Subject: Ps c docket 15-1472

Please say NO to this bill. Thank you.

Sent from my iPhone

Contant, Heather (DOS)

From: herron228@aol.com
Sent: Tuesday, December 01, 2015 1:06 PM
To: Contant, Heather (DOS)
Subject: PSC Docket 15-1472

To whom it may concern,

I think we should add more solar energy to our system. I have no problem with it adding minimal cost to my current electricity cost.

Thank you for your consideration.

Tricia Herron

Contant, Heather (DOS)

From: Timothy.Caspar@dupont.com
Sent: Tuesday, December 01, 2015 1:42 PM
To: Contant, Heather (DOS)
Subject: in favor of renewable energy at any price

I am writing to strongly support solar and other renewable energy charges. In the long run the planet must limit greenhouse gases and the sooner we limit them the better. At this time, I specifically urge you to add any additional costs to the electric bills to cover adding more solar energy charges. Please say YES to PSC Docket 15-1472.

Thank you,
Timothy Caspar
Yorklyn, DE 19736

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County of Kent:

Before me, a Notary Public, for the County and State aforesaid, Edward Dulin, known to me to be such, who being sworn according to law deposes and says that he is President of Independent Newsmedia Inc. USA, the publisher of the **Delaware State News**, a daily newspaper published at Dover, County of Kent, and State of Delaware, and that the notice, a copy of which is hereto attached, as published in the **Delaware State News** in its issue of April 15, 2016.

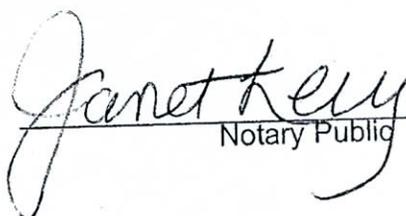


President
Independent Newsmedia Inc. USA

Sworn to and subscribed before me this 15th

Day of April A.D. 2016




Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF
DELMARVA POWER & LIGHT COMPANY FOR
APPROVAL OF THE 2016 PROGRAM FOR THE
PROCUREMENT OF SOLAR RENEWABLE ENERGY
CREDITS (FILED OCTOBER 8, 2015)
PSC DOCKET NO. 15-1472

PUBLIC NOTICE OF EVIDENTIARY HEARING

TO: ALL ELECTRIC CUSTOMERS OF DELMARVA POWER &
LIGHT COMPANY AND OTHER INTERESTED PERSONS

On October 8, 2015, Delmarva Power & Light Company ("Delmarva") filed an application ("Application") with the Delaware Public Service Commission ("Commission"). The Application requested Commission approval of the 2016 Program for the Procurement of Solar Renewable Energy Credits (the "2016 Program") developed by the Renewable Energy Taskforce, of which Delmarva Power is a member.

On November 3, 2015, via Order No. 8808, the Commission ordered Delmarva to give public notice of the Application and deadlines for filing written comments and petitions to intervene on or before Monday, November 30, 2015 and notice that an evidentiary hearing would be held on December 15, 2015. Delmarva filed Affidavits of Publication that the notices were published in The News Journal and the Delaware State News on October 6, 2015.

On December 4, 2015, Delmarva filed a letter with the Commission requesting to cancel the evidentiary hearing scheduled on December 15, 2015, and delay consideration of the Application until early 2016. At the December 15, 2015 public meeting, the Commission approved this request that the evidentiary hearing be cancelled and that consideration of the matter be delayed.

On March 9, 2016 Delmarva requested that the Commission schedule an evidentiary hearing to consider the Application on May 3, 2016. At the April 5, 2016 public meeting, the Commission approved this request. The Commission will make its decision on this Application on the basis of the evidence of record taken at a public evidentiary hearing to be held at its regularly-scheduled meeting on **May 3, 2016, beginning at 1:00 p.m.** at the Commission's office located at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904.

You may file written comments on or before 12 noon on May 3, 2016. Written comments may be filed by mail to Delaware Public Service Commission, Docket No. 15-1472, 861 Silver Lake Blvd, Suite 100, Dover, Delaware 19904; by email to pssc@state.de.us, ATTN: Docket No. 15-1472; or by using DelaFile (<http://delafile.delaware.gov>), the Commission's docketing and file management system, searching for Docket No. 15-1472. You are invited to review the Application and supporting documents to determine how your interests may be affected. You may review the documents during normal business hours in the Commission's Dover office or in the Commission's electronic filing system, DelaFile at <https://delafile.delaware.gov/Login.aspx>. Search for Docket #15-1472.

If you would like to review documents at the Commission's office, please contact Donna Nickerson at Donna.Nickerson@state.de.us to arrange a time for your review. You may also review copies of the Application at the office of the Division of the Public Advocate's Wilmington office located at the Carvel State Office Building, 820 North French Street, 4th Floor, Wilmington, Delaware 19801, or the Dover office located at 29 S. State Street, Dover, DE 19901. Please call the Wilmington office at (302) 577-5077 or the Dover office at 302-241-2555 to arrange for a time to review the documents at the respective locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website at <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate in, or to review the materials in, these proceedings, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, in writing, by telephone (including text telephone), or by Internet e-mail. If you have questions about this matter, please call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions or request information by Internet e-mail addressed to pamela.knotts@state.de.us.

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Sherry Ann Salvia

 Sworn and subscribed before me, this 15 day of April, 2016

Linda Barber

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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
 DELMARVA POWER & LIGHT COMPANY FOR)
 APPROVAL OF THE 2016 PROGRAM FOR THE) PSC DOCKET NO. 15-1472
 PROCUREMENT OF SOLAR RENEWABLE ENERGY)
 CREDITS (FILED OCTOBER 8, 2015))

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