

SYNOPSIS OF THE DELAWARE 1 YEAR SREC PILOT PROCUREMENT PROGRAM

This 1 year SREC Pilot Procurement Program is designed to meet the guidelines of the Renewable Energy Portfolio Standards Act.

Key Program Components:

1. Any and all provisions of this one (1) year pilot program are subject to change during an annual review.
2. A Contract Administrator will implement, administer and execute the program for all participating utilities state wide.
3. An Independent Monitor will oversee and report on all aspects of the SREC Procurement Program
4. SRECs will be procured from four (4) Tiers on the following schedules for Delmarva Power for the 2011 compliance year:

			<u>Not Including SunPark</u>
1. Tier 4:	10,600	48%	NA
2. Tier 3:	4,500	20.4%	39.2%
3. Tier 2	4,000	18.2%	34.9%
4. Tier 1	2,972	13.4%	25.9%
5. Tier 4 for DP & L is already allocated to the Dover SunPark. There will be no additional procurement in Tier 4 for 2011 compliance year.
6. Tiers 1 & 2 SREC purchases will utilize administratively set pricing, (derived from the PV Planner model) and twenty year contracts.
 - a. Tier 1 pricing for 2011 set at \$270 for first ten years and \$50 for second ten years
 - b. Tier 2 pricing for 2011 set at \$250 for first ten years and \$50 for second ten years
7. Tiers 3 and 4 SREC purchases will be subject to competitive bidding with awards starting at lowest flat price for the first 10 years of SRECs and with all bids using \$50 per SREC in the second 10 years. Bid price is awarded price. Bid contracts above \$280 may not be award without written approval.
8. Standardized owner authorization agreements demonstrating site control are required for all projects prior to bidding or procuring administrative contracts.
9. Only projects with an “Accepted Completed Solar System Interconnection Application” letter from the utility granting approval to operate on 12/1/10 or later are eligible
10. Tiers 1 & 2 will be allowed to generate up to 120% of contracted annual volume with no minimums. Tiers 3 & 4 must provide a minimum of 70% and a maximum of 120%. Remedies for defaults as specified in program
11. Maintenance contract to remain in force for life of SREC contract.