

SYNOPSIS OF THE DELAWARE 1 YEAR SREC PILOT PROCUREMENT PROGRAM

This 1 year SREC Pilot Procurement Program for the 2011 compliance year 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. The Sustainable Energy Utility will implement, administer and execute the program for all participating utilities state wide.
3. SRECs will be procured from four (4) Tiers on the following schedules for Delmarva Power for the 2011 compliance year:

Tier	System Size	#of SRECs (MWh)	Percentage of total SRECs	% of SRECs not including the Dover SunPark
Tier 4	≥ 2MW	10,600	48%	NA
Tier 3	>500kW to ≤2MW	4,500	20.4%	39.2%
Tier 2	>50kW to ≤250kW	2,000	18.2%	34.9%
Tier 2B	>250 kW to ≤500kW	2,000		
Tier 1	≤50kW	2,972	13.4%	25.9%
TOTAL		22,072 MWh	100%	100%

4. 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.
5. Tiers 1 & 2A 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 \$260 for first ten years and \$50 for second ten years
 - i. Projects with GEF grants higher then the 12/10/10 revisions, the start rate is \$235
 - b. Tier 2A pricing for 2011 set at \$240 for first ten years and \$50 for second ten years
 - i. Projects with GEF grants higher then the 12/10/10 revisions, the start rate is \$175
6. Tiers 2B, 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 awarded without written approval.
7. Standardized Application Forms, including a \$100 per kW deposit for projects not yet online, and SREC Transfer agreements are required for all projects.
8. 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 to participate.
9. Tiers 1 & 2 will be allowed to generate up to 110% of contracted annual volume with no minimums. Tiers 3 & 4 must provide a minimum of 80% and a maximum of 110%. Remedies for defaults as specified in program