

2021, 2022 & 2024 15 Year REC Delivery Contract

Community Solar Subscriber Verification Overview & Timeline

Approved Vendors with Community Solar projects under the 2021, 2022 and 2024 15-Year REC contracts are required to report subscriber information for each project and complete subscriber verifications at different stages throughout the contract term. Subscriber verification involves confirming subscribers to a community solar project and is conducted by the Program Administrator. Community Solar projects must have at least fifty percent (50%) of the project's nameplate capacity subscribed to by small subscribers. Small subscribers are defined as residential or small commercial customers with subscriptions below 25kW in size. The Program Administrator will also verify any additional commitments to use local subscribers on a project made by Approved Vendors in the project application.

Community Solar projects under the 2021, 2022 and 2024 15-Year REC contracts are subject to subscriber verification at several stages: at project Energization (Part II verification), on a quarterly period basis for the first delivery year, and annually thereafter for the remainder of the contract term through the Annual Report.

Energization (Part II verification) Subscriber Verification

The Program Administrator will work with the Approved Vendor to complete subscriber verification during review of the Part II application. During this review, the Program Administrator will review project Disclosure Forms and verify the percentage of actual nameplate capacity that has been subscribed and the community solar subscriber mix, including any local subscriber commitment.



Invoicing

Once the project has been Part II verified, the Program Administrator will designate and indicate a Quarterly Payment Cycle to the project in Schedule B to the Product Order. The Program Administrator will designate a Quarterly Payment Cycle that includes a Quarterly Period that concludes on the month of Energization (Part II verification), so that the Approved Vendor may invoice and be paid for RECs associated with the project in the month following the date of Energization (Part II verification). For example, if a project is Part II verified in January, then it would be assigned Quarterly Payment Cycle B which would have its first invoice in February.

In the unlikely event of issues with Part II verification, the Program Administrator may, at its reasonable discretion, designate a Quarterly Payment Cycle that includes a Quarterly Period that concludes on the month following Energization (Part II verification). For example, if a project is Part II verified in January, then it would be assigned Quarterly Payment Cycle C, which would have its first invoice in March.

The first invoice for REC incentive payments will be based on the percentage of actual nameplate capacity that has been subscribed and the community solar subscriber mix at time of Energization (Part II verification). For purposes of accounting for the subscription at Energization (Part II verification), if the percent of the actual nameplate capacity that is being subscribed is at or above ninety percent (90%), then the percent of the actual nameplate capacity that is being subscribed shall be deemed to be one hundred percent (100%).

The table below outlines the Quarterly Periods and Quarterly Payment Cycles for the first invoice:

Month of Energization	Quarterly Period Ending with Month of Energization	First Full Quarterly Period	Assigned Quarterly Payment Cycle*	First Invoice*
January	November - January	February - April	B	February 10th
February	December - February	March - May	C	March 10th
March	January - March	April - June	A	April 10th
April	February - April	May - July	B	May 10th
May	March - May	June - August	C	June 10th
June	April - June	July - September	A	July 10th
July	May - July	August - October	B	August 10th
August	June - August	September - November	C	September 10th
September	July - September	October - December	A	October 10th
October	August - October	November - January	B	November 10th
November	September - November	December - February	C	December 10th
December	October - December	January - March	A	January 10th

*contract allow the payment cycle to be adjusted back one month if necessary

Quarterly Reports Subscriber Verification

Following the first full Quarterly Period after Energization (Part II verification), the Approved Vendor must submit a Quarterly Report for subscriber verification. For example, if a project is Part II verified in January, then the first Quarterly Report will be due in May. In this example the first full Quarterly Period after Part II verification is February through April.



Four Quarterly Reports must be submitted to the Program Administrator after Energization (Part II verification). These Quarterly Reports will need to be submitted on or after the first day of the month, but no later than the tenth day of the month immediately succeeding the conclusion of each of the Quarterly Periods. For example, if a project is Part II verified in January, the first Quarterly Report is due by May 10th, the second Quarterly Report is due by August 10th, the third Quarterly Report is due by November 10th, and the fourth Quarterly Report is due by February 10th. After the fourth and final Quarterly Report has been submitted, the project will move to an annual subscriber verification process as part of Annual Report requirements due in July.

Invoicing

The quantity of RECs used for the first REC payment is subject to four additional retroactive adjustments based on the Quarterly Reports. The percentage of actual nameplate capacity that has been subscribed and the community solar subscriber mix will be verified using the Quarterly Reports and revised in Schedule B, if necessary.

If the community solar subscription mix is less than fifty percent (50%), the quantity of RECs used for purposes of calculating REC payments shall be zero (0). If the community solar subscription mix calculated for the fourth full Quarterly Period after Energization for a Designated System is less than fifty percent (50%), that the Approved Vendor shall be afforded one (1) Quarterly Period to cure such deficiency, which period may be extended for good cause upon request by the Approved Vendor to the IPA, and the payment adjustment shall be delayed until after the conclusion of such cure period.

For purposes of the quarterly payment adjustment, the quantity of RECs used to calculate REC payments shall be based on the greater of: (a) the percent of actual nameplate capacity that has been subscribed on the last day of the preceding Quarterly Period and (b) the simple average of the fifteen (15) highest daily values observed in the preceding Quarterly Period for the percent of actual nameplate capacity that has been subscribed as reported in the

Quarterly Report.

The Standing Order should be amended by the Approved Vendor as soon as possible based on information contained in each Quarterly Report submitted pursuant to Section 6.2 to reflect the percent of Actual Nameplate Capacity that has been Subscribed based on information in such Community Solar Quarterly Report, and any RECs that are not Delivered under the Standing Order and are not eligible for Delivery under the Standing Order shall be the exclusive property of Approved Vendor, to be utilized in Approved Vendor's sole discretion.

The Quarterly Report will contain the following information:

- Agreement Effective Date
- Trade Date
- Date of Community Solar Quarterly Report
- Payment Cycle (A/B/C)
- Buyer
- Seller
- Approved Vendor ID
- Batch ID
- Designated System ID
- Project Name
- PJM-EIS GATS or M-RETS ID
- Actual Nameplate Capacity
- Contract Nameplate Capacity
- Contract Capacity Factor (%)
- REC Deliveries since last report (or since Energization if first report)
- Date of first REC Delivery
- RECs contracted
- RECs Delivered
- Associated Collateral Requirement held by Buyer
- Requests to change REC obligation (may enter multiple)
 - Type (suspension, reduction, elimination, Force Majeure)
 - Date of Request
 - Status of Request: (Granted, Denied, Pending)
- Consumer complaints received
- Subscriber Information

Annual Report Subscriber Verification

Projects must maintain at least the minimum subscription mix and the percentage of actual nameplate capacity that has been subscribed as provided in the last Quarterly Report throughout the remainder of the Delivery. Failure to do so shall result in payment to the utility from the Approved Vendor of a monetary amount based on changes in subscription rates, and the utility may draw on the performance assurance for this purpose.

For each delivery year after the issuance of the last Quarterly Report, the subscription percentage and subscription mix to be included in the Annual Report will be calculated as a daily average, then averaged over the delivery year. This daily average will be based on subscription start and end dates comprised of the day that a subscription start, or end request was submitted to the utility, as entered in the REC Annual Report.

