

LA PLATA ELECTRIC ASSOCIATION, INC.  
DURANGO, COLORADO

**Board of Directors Policy**

Subject: Renewable Generation and Environmental Attributes			Policy No: 359
Original Issue: 8/16/06	Last Revised:9/17/2014	Last Reviewed: 9/17/2014	Page 1 of 2

I. OBJECTIVE

To support and encourage the use of renewable generation, by offering customers payments for Renewable Energy Credits (RECs) as environmental attributes on approved net metered installations.

II. POLICY

- A. LPEA will provide customers a onetime upfront payment for RECs associated with local Renewable Generation installations of 10 kW or smaller, set forth herein and as determined from time to time by the LPEA Board of Directors, not to exceed the cost of the unit, to residential or commercial customers who install a solar, wind or hydropower generating facility.
1. LPEA will recoup the onetime upfront REC payment to customers for a term of ten years through the Tri-State Board Policy 117 - Member Local Renewable Project Policy and the Renewable Project Performance Payment Contract Master Agreement covering Net Metered Projects.
- B. LPEA will provide customers six month payments for a term of ten years for RECs associated with local Renewable Generation installations greater than 10 kW based on actual metered generation, set forth herein and as determined from time to time by the LPEA Board of Directors, not to exceed the cost of the unit, to residential or commercial customers who install a solar, wind or hydropower generating facility.
1. LPEA will recoup the six month REC payment to customers for a term of ten years through the Tri-State Board Policy 117 - Member Local Renewable Project Policy and the Renewable Project Performance Payment Contract Master Agreement covering Net Metered Projects.
- C. Residential or commercial, grid-tied installations located within the LPEA service territory must meet the following conditions to be eligible for the REC payment(s):
1. Modules and inverters must be listed as eligible by the CA Energy Commission's approved solar equipment list
  2. Solar system must face within 90deg of due south
  3. Solar system energy production must not be curtailed by more than 15%. For any applicant system with potential shading, applicant will be required to provide a shading analysis using industry accepted methodology
  4. Solar system must include a minimum of a 10 year warranty protecting against defects and undue performance degradation

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- D. In order to be entitled to the REC payment(s), the customer shall assign, in a manner acceptable to LPEA and for a term of ten years, all RECs as environmental attributes, associated with the installation.
- E. LPEA will report to Tri-State every six months the REC's purchased for a term of ten years from Local Renewable Generation installations, request Renewable Performance Payments from Tri-State and receive payment.
- F. LPEA's available funds for REC payments to customers is limited to ½ of 1% of LPEA retail revenues per year and offered to customers on a first-come, first serve basis through LPEA's net metering program.
- G. The REC payment schedule, reviewed and revised by management as necessary, is attached as Exhibit A. System wattage will be calculated as follows
1. Solar – the total installed photovoltaic panel capacity.
  2. Solar with tracking – the total installed photovoltaic panel capacity times 1.25. This factor represents the additional energy output obtained by the use of a tracking device.
  3. Wind – the nameplate capacity times 0.30. This factor represents the expected energy output given the wind resources of LPEA service territory. If 12 months of hourly, site specific anemometer data can be provided, this factor may be adjusted to represent the site's wind resource.
  4. Hydro – available head (in feet) times average annual flow rate (in cfs) times 84.64 (power conversion factor).
- H. LPEA reserves the right to inspect any generating facility while interconnected with LPEA's system.
- I. Staff will develop a quarterly report on the capacity and number of generating facilities installed.

### III. RESPONSIBILITY

The Chief Executive Officer is responsible for the administration of this policy.

September 17, 2014

Date



Secretary

EXHIBIT A

(Effective for Commercial Production Date\* after October 1, 2016)

**Solar Photovoltaic (PV) Renewable Energy Credits (RECs) payments will be:**

**Onetime Upfront REC Payment For Solar PV Systems 10 kW or Smaller:**

Commercial Production Date*	Payment Amount (\$ per kilowatt)
October 1, 2016 and Beyond	\$16.00 per kilowatt

**Six Month REC Payments For Solar PV Systems Greater than 10 kW:**

Commercial Production Date*	Payment Amount (\$ per MWh)
October 1, 2016 and Beyond	\$1.00 per MWh (REC)

**Wind and Micro Hydro Renewable Energy Credits (RECs) payment schedule -  
please contact LPEA**

\* Commercial Production Date is defined as receiving LPEA's final inspection and having the solar PV system actively net metering.