

RIDER REC
RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAM

I. APPLICABILITY & AVAILABILITY

This Rider is available on a voluntary basis to any Customer who contracts with the Company for the purchase and retirement of renewable energy certificates (“RECs”) in the amount of all or a portion of the Customer’s monthly consumption and who also purchases Electricity Supply Service under any approved tariff rate schedule.

This Rider is not applicable to Customers receiving temporary service, or Customers that are purchasing Electricity Supply Service from a Competitive Service Provider.

II. SOURCE OF RECS; DEFINITION OF RENEWABLE ENERGY

A REC is a tradable instrument, created by a third-party registry, that validates the generation of renewable energy by eligible sources from one megawatt hour of electricity or equivalent energy supplied by a renewable energy facility. The third-party registries will also allow for the RECs to be retired on behalf of participating Customers. The Company will source renewable energy certificates for Rider REC Customers from the less expensive of:

- a. The lesser of PJM Tier I or Tier II RECs which the Company defines as RECs from generators that (i) are located within the geographic boundaries of the PJM Interconnection, LLC (“PJM”) regional transmission organization (“RTO”); and, (ii) produce energy that meets the definition of Renewable energy in Va. Code Section 56-576, as defined below; or,
- b. National RECs, which the Company defines as RECs from generators that (i) are located within the geographic boundaries of the continental United States; and, (ii) started commercial operation less than 15 years ago.
- c. The Company will use an established third-party renewable registry to track and retire the RECs procured on behalf of the participating customers.

“Renewable energy” is defined in Section 56-576 of the Code of Virginia to mean energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. “Renewable energy” also includes the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass. “Renewable energy” does not include waste heat from fossil-fired facilities or electricity generated from pumped storage but includes run-of-river generation from a combined pumped-storage and run-of-river facility.

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III. REC PURCHASE OPTIONS AND PARTICIPATION LEVELS

A. The Rider provides two (2) REC purchase Options, based upon the Monthly Rate for Renewable Energy Certificates (“MRREC”), calculated as described in section IV. Customers shall select one of the following:

1. Renewable Energy Option 1

100% of the Customer’s monthly consumption is subject to the MRREC. The formula for determining the amount that will be billed to a customer is:

Monthly kWh consumption x MRREC; or,

2. Renewable Energy Option 2

A Customer designates a level of participation by choosing a fixed number of kWh per month, in multiples of 100 kWh (each multiple of 100 kWh a block), for the purchase of RECs. The number of blocks of RECs will be selected by the Customer. The amount of RECs purchased by the Customer under this option is determined by the following formula:

Total number of blocks x 100 x MRREC.

B. The charges determined under this Rider shall be in addition to all other charges of the rate schedule, specified in I. above, under which the Customer is also receiving Electricity Supply Service.

IV. DERIVATION OF MONTHLY RATE FOR RECS

MRREC, expressed in cents per kWh, is as follows:

MRREC = 0.269 cents per kWh, the cost per kWh of procuring RECs.

The MRREC is subject to revision from time to time based on market support data and Customer feedback. The MRREC will not be changed until a change is approved by the Virginia State Corporation Commission.

V. TERM OF CONTRACT

The Customer may terminate service under this Rider by giving the Company at least thirty (30) days’ prior notice. After receiving notice, the Company will terminate service under this Rider effective with, or prior to, the Customer’s next meter read date.