

NET METERING
POWER PURCHASE AGREEMENT
and
RENEWABLE ENERGY CERTIFICATE PURCHASE AGREEMENT

RAPPAHANNOCK ELECTRIC COOPERATIVE

This Net Metering Power Purchase Agreement (“PPA” or “Agreement”) is entered into this ___ day of _____ 20__ (the “Effective Date”) between Rappahannock Electric Cooperative (“Cooperative”), a Virginia utility consumer services cooperative with its headquarters located at 247 Industrial Court, Fredericksburg, Virginia 22408, and _____ (“Customer”) (each individually a “Party”; collectively, the “Parties”), a member-owner of the Cooperative that has one or more qualifying Renewable Fuel Generators located at Customer’s residence or business, at _____, that is interconnected through the Cooperative’s distribution system, and that qualifies for Net Energy Metering service pursuant to the Cooperative’s Net Energy Metering Rider.

RECITALS

Whereas, Customer, by correspondence dated _____, has requested, in writing, that the Cooperative enter into this Purchase Agreement to purchase any Excess Generation from its Renewable Fuel Generator; and

Whereas, Customer, by correspondence dated _____, has informed the Cooperative that Customer wishes to make a one-time election regarding the sale to the Cooperative of Renewable Energy Certificates (“RECs”) created by its Renewable Fuel Generator [*write “Not Applicable” in date line above if Customer is not electing to sell RECs to the Cooperative*]; and

Whereas, the Cooperative is willing to purchase Customer’s Excess Generation, if any, at the end of the Net Metering Period. The Cooperative will purchase the Customer’s Excess Generation at the Excess Generation Value described in Section 4 of this Agreement; and

Whereas, if the Customer has made a one-time election to sell to the Cooperative the RECs created by its Renewable Fuel Generator, the Cooperative is willing to purchase such RECs. The Cooperative will purchase such RECs at the value described in Section 4 of this Agreement; and

Whereas, the Customer agrees to abide by the Commonwealth of Virginia’s Regulations Governing Net Energy Metering; and

Whereas, the Customer agrees to abide by the Cooperative’s applicable Tariffs, its Terms and Conditions of Service, particularly with regard to the operation and maintenance of the Renewable Fuel Generator and the Cooperative’s most current Net Energy Metering Rider, and this Agreement.

Now therefore, the Parties mutually agree to be bound by the terms described herein for such sale and purchase of Excess Generation, and RECs if applicable.

1. Definitions – The following definitions apply for purposes of this PPA:

“Excess Generation” means the amount of electricity generated by the Customer-owned qualifying Renewable Fuel Generator in excess of the electricity consumed by the Customer over the course of the Net Metering Period. For purposes of this agreement, Excess Generation shall be the net negative difference, if any, between the meter reading at the beginning of the Net Metering Period and the meter reading at the end of the Net Metering Period. For time-of-use net metering Customers, excess generation is determined separately for each time-of-use tier.

“Excess Generation Value” means the value, based on the price established by the formula herein, of any Excess Generation.

“Net Metering Period” means each successive 12-month period beginning with the first meter reading date following the final interconnection of a Renewable Fuel Generator that qualifies the Customer for Net Energy Metering.

“Net Metering Service” means providing retail electric service to Customer operating a Renewable Fuel Generator and measuring the difference, over the Net Metering Period, between electricity supplied to Customer from the Cooperative’s distribution system and the electricity generated and fed back to the Cooperative’s distribution system by Customer. Customer may qualify for this service by owning and operating, or contracting with other persons to own, operate, or both, a Renewable Fuel Generator on Customer’s premises.

“Renewable Energy Certificate” (“REC”) means a certificate issued by a recognized certifying agency that represents the renewable energy attributes associated with the production of one mega-watt-hour (MWh) of electrical energy generated by a Renewable Fuel Generator.

"Renewable Fuel Generator" or "renewable fuel generating facility" means one or more electrical generators that:

1. Use renewable energy, as defined by § 56-576 of the Code of Virginia, as their total fuel source;
2. The net metering customer owns and operates, or has contracted with other persons to own or operate, or both;
3. Are located on the net metering customer's premises and connected to the net metering customer's wiring on the net metering customer's side of its interconnection with the distributor;
4. Are interconnected pursuant to a net metering arrangement and operated in parallel with the electric distribution company's distribution facilities; and
5. Are intended primarily to offset all or part of the net metering customer's own electricity requirements.

2. Term and Termination

- 2.1 This Agreement shall become effective upon execution by all Parties, and shall remain in effect for one (1) year from the Execution Date and thereafter on an annual

basis until terminated by any Party upon thirty (30) days written notice to all other Parties.

- 2.2 This Agreement shall terminate immediately and without notice upon: (a) termination or disconnection of the electric distribution service by the Cooperative to Customer; or (b) failure by Customer to comply with any of the terms and conditions of this Agreement or the Cooperative's Net Energy Metering Tariff, or the Commonwealth's Regulations Governing Net Energy Metering as have been promulgated and may be from time to time amended by the State Corporation Commission.

3. Terms of Sale and Purchase

- 3.1 If the Customer fails to comply with the Cooperative's most current Net Energy Metering Rider during the entire term of this Agreement, no sale or purchase of Excess Energy or RECs shall occur.
- 3.2 Electricity generated by the Customer's Renewable Fuel Generator shall be netted against the electricity supplied to the Customer by the Cooperative in accordance with the Cooperative's most current Net Energy Metering Rider. Customer is responsible for all applicable monthly charges resulting from the Cooperative's provision of electric service to the Customer and shall remit payment in a timely fashion in accordance with the Cooperative's Terms and Conditions. At no time during the Net Metering Period shall any monetary amount be credited to the Customer solely as a result of the Customer being a Net Energy Metering Customer.
- 3.3 By entering into this Agreement, the Customer represents that Customer has full ownership, and the legal authority to transfer such ownership, of the Excess Generation and the RECs resulting from operation of the Renewable Fuel Generator.
- 3.4 Customer shall be solely responsible for complying with any and all other requirements of federal, state, or local law or regulation regarding the operation or maintenance of its Renewable Fuel Generator. The Cooperative shall not be responsible for any additional costs related to ensuring the Renewable Fuel Generator's compliance with any legal or regulatory requirements.
- 3.5 Customer shall be solely responsible for any tax obligation resulting from the sale of Excess Energy or RECs as covered by this Agreement.

4. Price

- 4.1 Excess Generation shall be valued at a price equal to the simple average (by tiers for time-of-use customers) of the Cooperative's hourly avoidable cost of energy, including fuel, based on the energy and energy-related charges of its primary wholesale power supplier for the Net Metering Period.
- 4.2 In subsequent Net Metering Periods, a different price may be applied if the State Corporation Commission, after notice and opportunity for hearing, establishes a different price or pricing methodology.
- 4.3 The rate of the payment by the Cooperative for Customer's Renewable Energy Certificates shall be the daily unweighted average of the "CR" component of Virginia

Electric and Power Company's Virginia jurisdiction Rider G tariff in effect over the period for which the rate of payment for the Customer's RECs is determined.

5. Billing and Payment

- 5.1 Within 30 days following the end of the Net Metering Period, the Cooperative shall pay the Customer for excess generation, if any. The Cooperative may reduce the payment for any outstanding balances due the Cooperative.
- 5.2 In lieu of a direct payment, Customer may choose to have the Cooperative credit the annual Excess Generation payment to Customer's account.
- 5.3 Payment for all whole RECs purchased by the Cooperative during a Net Metering Period in accordance with this Agreement shall be made at the same time and subject to the same terms as the payment for any Excess Generation. The Cooperative will post a credit to Customer's account, or Customer may elect a direct payment. Any fractional Renewable Energy Certificate remaining shall not receive immediate payment, but may be carried forward to subsequent Net Metering Periods for the duration of the Agreement.

6. Miscellaneous

- 6.1 Assignment. It is understood and agreed that neither Party may transfer, sell, mortgage, pledge, hypothecate, convey, designate, or otherwise assign this Agreement, or any interest herein or any rights or obligations hereunder, in whole or in part, either voluntarily or by operation of law, (including, without limitation, by merger, consolidation, or otherwise), without the express written consent of the other Party (and any such attempt shall be void), which consent shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.
- 6.2 Amendment. It is understood and agreed that the Cooperative reserves the right, on no less than an annual basis, to change any of the terms and conditions, including pricing, in this Agreement on thirty (30) days advance written notice. The Cooperative may make such changes on an immediate basis in the event any applicable law, rule, regulation, or court order requires them. In such event the Cooperative will give Customer as much notice as reasonably possible under the circumstances.
- 6.3 Indemnification. To the fullest extent permitted by laws and regulations, and in return for adequate, separate consideration, Customer shall defend, indemnify, and hold harmless the Cooperative, its officers, directors, agents, guests, invitees, and employees from and against all claims, damages, losses to persons or property, whether direct, indirect, or consequential (including but not limited to fees and charges of attorneys, and other professionals and court and arbitration costs) arising out of, resulting from, occasioned by, or otherwise caused by the operation or mis-operation of the Customer's Renewable Fuel Generator, or the acts or omissions of any other person or organization directly or indirectly employed by the Customer to install, furnish, repair, replace or maintain the Renewable Fuel Generator, or anyone for whose acts any of them may be liable.
- 6.4 Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the Parties shall be governed and construed in accordance with the laws of

the Commonwealth of Virginia without regard for any conflicts of law provisions that might cause the law of other jurisdictions to apply. All controversies, claims, or disputes arising out of or related to this Agreement or any agreement, instrument, or document contemplated hereby, shall be brought exclusively in the Circuit Court or General District Court for Spotsylvania County, Virginia.

- 6.5 Severability. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- 6.6 Third Party Beneficiaries. This Agreement is solely for the benefit of the Cooperative and Customer and no right nor any cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person or corporation other than the Cooperative or Customer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and, all provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and be binding upon the Cooperative and Customer and their respective representatives, successors, and assigns.

IN WITNESS WHEREOF, Customer and the Cooperative have executed this Agreement the day and year first written above.

For Customer by:

For Cooperative by:

(Signature)

(Signature)

(Signatory's Name Printed)

(Signatory's Name Printed)

(Signatory's Title – if applicable)

(Signatory's Title)

Company
(Signatory's Company Name (if applicable))

Rappahannock Electric Cooperative

Date: _____

Date: _____

Type of Agreement(s): *Initial All that Apply*

Power Purchase (_____)

Renewable Energy Certificate Purchase (_____)