

**Second Amended Residential Renewable Energy Credit Purchase Program Agreement**

**THIS SECOND AMENDED RESIDENTIAL RENEWABLE ENERGY CREDIT PURCHASE PROGRAM AGREEMENT ("Agreement")** is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_, hereinafter called the "Company," and \_\_\_\_\_, hereinafter called the "Customer," (collectively the "Parties" or individually the "Party"), and is effective as of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date").

**WITNESSETH**

**WHEREAS**, the Company is an electric distribution utility and electric light company, as defined in R.C. § 4928.01(A); and

**WHEREAS**, Customer is a residential customer, currently taking electric service at its residence under the Company's Residential Service Rate in the Company's Schedule of Rates for Electric Service Tariff; and

**WHEREAS**, R.C. § 4928.64 requires the Company to meet certain alternative energy resource benchmarks and such compliance may include the use of Renewable Energy Credits ("RECs"); and

**NOW THEREFORE**, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

1. **Residential Customer:** Customer represents and warrants that Customer is a residential customer of Company, and that Customer owns or leases a customer-sited renewable energy project in the State of Ohio that has been certified and approved by the Public Utilities Commission of Ohio (the "Project"). Customer further represents and warrants that Customer has signed and completed the Company's Interconnection documents and currently participates or will participate upon execution of this document in the Company's Net Energy Metering Rider.

2. **Fully Aggregated REC(s):** Customer expects its Project will generate one or more REC(s), on an annual basis, and understands that fully aggregated environmental attributes associated with one megawatt hour of electricity derived from Customer's Project is equivalent to one (1) REC. Customer shall be responsible for tracking and recording renewable energy that amounts to less than one (1) megawatt hour. Such renewable energy shall not be counted as one (1) REC, until such time it amounts to one (1) megawatt hour of electricity derived from Customer's Project.

3. **Project Criteria:** Customer acknowledges and agrees that:

The Project shall meet the following criteria:

- i. Project must have a placed-in-service date of January 1, 1998, or after, and meet the definition of "Renewable Energy Resource" as defined in R.C. § 4928.01(A); and
- ii. Project must be able to generate at least one (1) megawatt hour annually on the Company's energy delivery system.
- iii. Project must have a meter that meets the standard set forth in Ohio Administrative Code 4901:1-10 provided by the customer, at its own cost and expense, on the output of the inverter if applicable, where kilowatt hours consistent solely from the Project's generation can be measured and verified. This requirement is waived if the existing utility meter has the incremental functionality described above to measure and verify the kilowatt hour output of the Customer Project.
- iv. Project must be attached as a permanent fixture at the Customer's property (service address) during the term of the contract.
- v. Renewable energy delivered from a renewable energy resource project shall be calculated by reading the output of the meter at two different points of the year (i.e. January 1 to December 31). Customer must provide documentation evidencing the initial meter reading. An illustrative calculation of this value is as follows:

Output metering reading on January 1, 2009 is 1520 kwhs  
 Output metering reading on December 31, 2009 is 5433 kwhs

$5433 - 1520 = 3913 \text{ kwhs or } 3.9 \text{ MWhs}$

3.9 MWhs = 3 RECs (Note: The remainder 0.9 MWhs will carry over into the following year. However, no carryover shall exceed the term of this Agreement)

**4. Quantity:** Unless this Agreement is otherwise terminated, Company shall pay for the actual whole REC(s) generated by Customer's Project during the Initial Payable Period, and as applicable, each Subsequent Payable Period. The "Initial Payable Period" means the period from July 31, 2008 through December 31, 2009. The "Subsequent Payable Period" means each such calendar period from January 1<sup>st</sup> through December 31<sup>st</sup>. All reasonable costs associated with the administration of this Agreement and the purchase of REC(s) shall be recovered through the Companies' Rider AER.

**5. Purchase Price:** Company hereby agrees to purchase RECs on or before December 31<sup>st</sup> of each year at an amount ("Payment Amount") to be determined on the last day of the applicable Initial Payable Period ("Initial Payment Date") or Subsequent Payable Period ("Subsequent Payment Date"). The Payment Amount for residential Ohio solar RECs will be based on the weighted average price (based on the REC price bid for the applicable calendar year) the Companies paid for the product Ohio solar RECs through the Renewable Request for Proposal ("RFP") which produced a bid(s) for Ohio solar and was held most recent to the applicable Initial Payment Date or Subsequent Payment Date. The Payment Amount for residential Ohio non-solar RECs will be based on the weighted average price (based on the REC

price bid for the applicable calendar year) the Companies paid for the product Ohio non-solar REC(s) through the RFP which produced a bid(s) for Ohio non-solar REC(s) and was held most recent to the applicable Initial Payment Date or Subsequent Payment Date. In the event that the Companies have not purchased a single REC for the product Ohio solar and/or the product Ohio non-solar REC(s) through a RFP, the Payment Amount shall be the Alternative Payment set forth for the applicable year in Attachment B. Notwithstanding, the Companies will issue an RFP in each of 2009 (4<sup>th</sup> quarter), 2010, and 2011 to the extent that the Companies need additional REC(s) to meet their statutory benchmarks for the period of the Companies' Stipulation.

**6. Term:** This Agreement shall be for a fifteen (15) year term commencing on the effective date of this Agreement. Notwithstanding the foregoing, the residential renewable energy credit program shall not be offered to new customers after May 31, 2011, nor shall an Agreement bear an Effective Date after May 31, 2011.

**7. Credit:** Customer understands and agrees that Customer must remain in good financial standing with the Company and not become delinquent on any accounts with the Company. Delinquent is defined as having service terminated for nonpayment.

**8. Creation of REC(s):** Company will rely upon and, shall use information supplied by Customer to create solar and wind REC(s) in PJM Environmental Information Services, Inc.'s Generation Attribute Tracking System ("PJM's GATS"). Company shall require and shall only accept any and all other renewable energy resource (i.e. other than solar and wind) REC(s) that Customer has created in either PJM's GATS or MISO Midwest Renewable Energy Tracking System ("M-RETS"). Customer shall also complete the certification documents on file with the Public Utilities Commission of Ohio and the Affidavit of Performance, attached hereto as Exhibit A.

**9. Inspection and Audit:** Company has the right, upon seventy-two (72) hours prior notice, to inspect and audit performance of the Project. Company will provide Customer written documentation as a result of the inspection and audit. Notwithstanding the foregoing, it shall be the sole responsibility of Customer to operate, maintain, repair, and inspect the Project to ensure its proper working order.

**10. Payment (Solar/Wind):** Customer hereby agrees to submit an Affidavit of Performance, at the end of Initial Payable Period, and as applicable each Subsequent Payable Period as defined in Article 5 of this Agreement, attesting to the current condition of the Project and the number of REC(s) the Project delivered. Company shall register whole solar and wind REC(s) with PJM's GATS, and then issue to Customer a payment within 60 business days equal to the number of whole REC(s) generated multiplied by the purchase price.

**11. Payment (Non-solar/Non-wind):** Customer shall create and maintain a PJM's GATS account and/or M-RETS account to facilitate the transfer of REC(s) which are neither solar or wind to the Company's PJM's GATS account. Company shall issue payment within 60 business days to Customer for non-solar or non-wind whole REC(s) once such REC(s) are received and accepted in the Company's PJM's GATS account.

**12. Termination:** Customer may terminate this Agreement at any time, by giving the Company sixty days' written notice. This Agreement shall immediately terminate upon the following occurrences: (i) Project ceases to be a permanent fixture on Customer owned property; (ii) Project materially fails to function in such a manner as to produce renewable energy megawatt hours for a payable period; (iii) Commission revokes the Project's certification; (iv) Commission disallows cost recovery for any REC(s) that were properly registered in PJM's GATS or M-RETS which the Company purchased in connection with this Agreement, and would otherwise qualify to meet the Company's statutory requirements and applicable Commission rules and regulations; or (v) the expiration of this Agreement.

**13. Limitation of Liability and Indemnification:** Customer shall assume all liability for and shall indemnify Company for any claims, losses, and reasonable costs and expenses of any kind or character, other than the costs of defending an action or claim made by a third person, to the extent that they result from Customer's negligence in connection with the design, construction or operation of the Customer's Project. In no event shall Customer be liable for consequential, special, incidental or punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Customer does not assume liability for any costs for damages arising from the disruption of the business of the Company or for the Company's costs and expenses of prosecuting or defending an action or claim against the Customer. This paragraph does not create a liability on the part of the Customer to the Company or a third person, but requires indemnification where such liability exists. Notwithstanding the foregoing, Customer shall reimburse the Company for any regulatory penalties assessed against the Company for non-compliance with alternative energy benchmarks due to the negligence of the Customer.

**14. Notices:** Unless otherwise stated herein, all notices, demands, or requests required or permitted under this Agreement must be in writing and must be delivered or sent by overnight express mail, courier service, electronic mail, or facsimile transmission addressed as follows:

If to the Customer:

[Customer Name]  
[Address]  
[Telephone]

If to the Company:

FirstEnergy Service Company  
76 South Main Street  
Akron, OH 44308  
Attn: Dana J Parshall, Director, Energy  
Efficiency Program Development  
Telephone: 330-761-4491  
Fax: 234-678-2140  
Email: [energyefficiencyrec@firstenergycorp.com](mailto:energyefficiencyrec@firstenergycorp.com)

or to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the business day will be deemed received on the next business day; provided that notice by facsimile transmission will be deemed to have been received by the recipient if the recipient confirms receipt telephonically or in writing.

**15. Entire Agreement:** This Agreement contains the Parties' entire understanding with respect to the matters addressed herein and there are no verbal or collateral representations, undertakings, or agreements not expressly set forth herein. No change in, addition to, or waiver of the terms of this Agreement shall be binding upon any of the Parties unless the same is set forth in writing and signed by an authorized representative of each of the Parties.

**16. Assignment:** Customer may not assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the Company, which consent shall not be unreasonably withheld. No assignment of this Agreement will relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained.

**17. Acceptance:** The parties hereby acknowledge their acceptance of the terms of this Agreement by signing below:

---

Customer Name (Print)

---

Company Representative (Print)

---

Customer Signature

---

Company Representative (Signature)

---

Address Line 1

---

Address Line 1

---

Address Line 2

---

Address Line 2

---

Phone Number

---

Phone Number

**FORM OF AFFIDAVIT**State of OHIO :                     ss.  
(Town)County of                      :                                    , Affiant, being duly sworn/affirmed according to law, deposes and says that:

1. I am the duly authorized representative of [the Project].
2. I have personally examined and am familiar with all information contained in the foregoing Statement, including any exhibits and attachments, and that based upon my inquiry of those persons immediately responsible for obtaining the information contained in the Statement, I believe that the information is true, accurate and complete.
3. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

The Statement:

As of                     ,                      continued to be in  
(Date) (Project)

good working order with no material corrective actions pertaining to safety and/or operation warranting attention. Further, [the Project] delivered [Quantity of REC(s)] and I now assign those RECs to the Company.

**Meter Read Date**                                     Start:                                          End:                                          Sworn and subscribed before me this            day of                     ,           Month/Year                                      
Signature of Affiant & Title                                      
Notary Signature                                      
Print Name and Title

**Attachment B****Alternative Payment:**

<b>Year</b>	<b>Solar</b>	<b>Non-Solar</b>
2009	\$360	\$36
2010	\$320	\$36
2011	\$320	\$36
2012	\$280	\$36
2013	\$280	\$36
2014	\$240	\$36
2015	\$240	\$36
2016	\$200	\$36
2017	\$200	\$36
2018	\$160	\$36
2019	\$160	\$36
2020	\$120	\$36
2021	\$120	\$36
2022	\$80	\$36
2023	\$80	\$36
2024	\$50	\$36
2025	\$50	\$36
2026	\$50	\$36