

How to Use the Renewable/Alternative Energy Credit Contract

Contract #: FAC83designatedDCAMM Contract Duration: 01/01/14 to 12/31/15

MMARS #: FAC83* Options to renew: Two options, 24 months each

Contract Manager: Dave Lewis - 617-727-4030 x:472 Dave.Lewis@state.ma.us (see below for additional contract management information)

This contract contains: **Small Business Purchasing Program (SBPP), Supplier Diversity Office SDO Contractors and Environmentally Preferable Products (EPP)**

Last change date: 02/04/14

Contract Summary

Under the Massachusetts Renewable Portfolio Standard (RPS) and Alternative Portfolio Standard (APS) regulations, all retail electricity suppliers must provide a minimum percentage of kilowatt-hours (kWh) sales to end-use customers in Massachusetts from eligible renewable and alternative energy generating sources. As a result, there is a market for energy generated by such sources and Eligible Entities may be able to receive revenue for generating it. Renewable Energy Certificates (RECs) and Alternative Energy Certificates (AECs) are tools used to trade such energy.

This contract is relevant for Eligible Entities that own onsite sources of renewable or alternative energy, or would like to purchase RECs. The contract has been divided into the following categories:

1. Category 1, Combined Heat and Power (CHP), Flywheel and Other Alternative Portfolio Standard renewable energy systems.

- As needed, qualify CHP and other applicable renewable energy systems for APS.
- As needed, provide equipment, devices, data collection and testing to meet APS eligibility requirements.
- Maintain registration requirements for CHP and other applicable systems as required by APS.
- Market and sell the AECs generated from CHP and other applicable systems.

Awarded Contractor: Nexant, Inc.

2. Category 2, Wind, Solar Photovoltaic, Hydroturbine and Hydrokinetic renewable energy systems.

- As needed, qualify solar, wind and hydro renewable energy systems for RPS.
- Maintain registration requirements for solar, wind and hydro systems as required by RPS.

- Market and sell the RECs and/or SRECs from solar, wind and hydro renewable energy systems.

Awarded Contractors:

- **Category 2 Part 1 (Class 1 and Class 2 Renewable Energy Certificates): EnergyROI**
- **Category 2 Part 2 (SRECs): Nexant, Inc.**

3. Category 3, Purchase Renewable Energy Certificates on behalf of Commonwealth Customers.

- Purchase Green-E Certified RECs on behalf of Commonwealth Customers as needed. Green-E RECs must be purchased from Class 1 eligible technologies.

Awarded Contractor: BGC Environmental Brokerage Services L.P.

Under this contract, the Contractor must provide all equipment, devices, data collection, testing and any additional products and/or services necessary to qualify Customer Assets for RPS and/or APS. Furthermore, the contractor will compile and submit all necessary documentation required to create and certify all environmental certificates as being marketable and maintain all ongoing certifications as required.

In cases where an Eligible Entity requires services above and beyond those described above, Contractors will be allowed to provide additional/consulting services on a fee-for-service basis related to the markets, assets and types of ECs traded.

Benefits and Cost Savings

- **Revenue Generating Contract** – This contract is designed as a user-friendly way to bring Eligible Entities revenue for generating renewable and alternative energy.
- **No Upfront Cost** – Eligible Entities do not incur any upfront cost for assessing the feasibility of their participation in the program or for qualifying their energy generating sources for RPS and APS. The Contractor is responsible for those costs.

Who Can Use This Contract?

Applicable Procurement Law: MGL c. 7, § 22; c. 30, § 51, § 52; 801 CMR 21.00

Eligible Entities:

01. Cities, towns, districts, counties and other political subdivisions
02. Executive, Legislative and Judicial Branches, including all Eligible Entities and elected offices therein;
03. Independent public authorities, commissions and quasi-public agencies;
04. Local public libraries, public school districts and charter schools;
05. Public Hospitals, owned by the Commonwealth;
06. Public institutions of higher education including colleges and universities;
07. Public purchasing cooperatives;

08. Non-profit, UFR-certified organizations that are doing business with the Commonwealth;
09. Other states and territories with no prior approval by the State Purchasing Agent required; and
10. Other entities when designated in writing by the State Purchasing Agent.

Pricing and Purchase Options

Purchase Options:

- In Categories 1 and 2, this contract is not associated with any expenditures on the part of the Eligible Entity. The Contractor is paid by taking a percentage of the sale of Renewable Energy Certificates (RECs) and Alternative Energy Certificates (AECs) for energy generated at your facility to buyers.
- In Category 3, the acquisition method for this contract is outright purchase.

Eligible Entity Classification for This Contract: For the purpose of this contract, all Eligible Entities are divided into two groups with contract activity coordinated by different Commonwealth agencies:

Group	Who is Included	Point of Contact
DCAMM Coordinated	Executive, Legislative and Judicial Branches, including all Departments and elected offices therein, and public hospitals owned by the Commonwealth	Dave Lewis Energy Efficiency and Sustainable Buildings Group Division of Capital Asset Management 1 Ashburton Place, 16th Floor Boston, MA. 02108 Phone: 617-727-4030 x472 dave.lewis@State.MA.US
MassDEP Coordinated	Includes independent public authorities, commissions and quasi-public agencies, public institutions of higher education, municipal government entities and all other entities outside of the DCAMM Coordinated group	Patricia Arp Engineer, SRF Program Department of Environmental Protection Central Regional Office 627 Main Street Worcester, MA 01608 Phone: 508-792-7650 x2771 Patricia.Arp@State.MA.US

Process for Engaging the Contractor:

Contract users are instructed to contact the contract manager for the contract (see the table above) for guidance on engaging the contractor. In addition, Eligible Entities will be required to:

- Provide access to all necessary areas of its facilities and all available utility information as needed by the Contractor, and,
- Assist MassDEP, DCAMM and the Contractor in a one-time preparation and submittal of information required by DOER for a proper RPS/APS Statement of Qualifications Application (SQA). Information will include but not be limited to: appropriate electrical drawings, equipment specifications, metering specifications (including DAS provider information), utility interconnection authorization and other information as required. The Municipal or Governmental Entity may utilize the Contractor for the SQA application with the understanding that an additional fee will be charged by the Contractor for the service.
- Provide to the Contractor contact lists with names and contact numbers for key employees, and keep the lists current.
- Provide to the contract administrators at least one contact for resolution of operating issues (such as data acquisition issues) and monetary transactions (such as payment confirmation or setting up EFT).

Contract Pricing:

In Categories 1 & 2: For the duration of their enrollment, Eligible Entities will be paid quarterly a percentage of certificate sales made by the Contractor on behalf of the Eligible Entity's energy generating assets. The Contractor's fee is also a percentage of certificate sales.

Certificate type	Contractor	Fee if Contractor provides DOER SQA Approval services	Fee if site is already qualified
Alternative Energy Certificates (AECs)	Nexant	9%	9%
Class One Solar RECs (SRECs)		3.5%	3.5%
Class 1 RECs excluding SRECs	energyROI	10% (2 yrs then reverts to 5%)*	5%*
Class 2 RECs		10% (2 yrs then reverts to 5%)*	5%*

*The price is determined by whether the Contractor will be required to file an SQA and obtain DOER generator approval for the generating asset.

Payments for DCAMM Coordinated assets will be directed to DCAMM for disbursement to individual facilities. MassDEP will arrange for participating non-DCAMM entities to receive their payments directly from the Contractor either electronically or through paper checks.

Please note that if the Eligible Entity fails to provide metering data to the third-party meter-reading firm or does not obtain an Interconnection Approval from the local electric utility, it will not qualify for credit sales, and will receive no payments.

In Category 3, the Eligible Entity will pay a percentage markup based on the transaction amount. The price is as follows:

Certificate type	Contractor	Fee
Purchase of	BGC Environmental Brokerage Services L.P.	1.5%

Sites may require non-routine work to become eligible to apply as an approved generator of Energy Certificates. Under this contract, non-routine work costs are not included in the above fee structure, but may be included under this contract as a separate charge based on the contracted hourly rate(s) and materials. These non-routine costs can be paid through program revenue if approved by one contract administrator and the Eligible Entity.

Contractor Information

Contractor	EnergyROI	Nexant	BGC
Contact	Bill Sullivan	Erin Riley	Rouba Farah
	Owner	Director of Financial Operations	Vice President Renewable Energy Markets
Address	381 Congress St #501 Boston, MA 02210	1805 Old Alabama Road, Suite 315 Roswell, GA 30076	199 water street, 19th flr New York, NY 10038
Phone	617-270-6220	678-954-8156	646-346-6899
email	bill@energyROI.net	eriley@nexant.com	rfarah@bgcpartners.com

Contract Term

The initial contract term is two years with two renewal options, each for two-years. The initial contract term ends December 31, 2015. Credits for sale under this contract must be minted during the term which means created by NEPOOL prior to January 1, 2016 or minted within the 15-day period following contract expiration. This 15-day period is intended to provide flexibility and a smooth transition for the credits minted on January 10th for the NEPOOL trading period that begins on January 15th. All unsold credits at the end of the contract term plus thirty calendar days are to be promptly transferred to the owner or a new vendor.

Eligible Entities may opt-out of the contract at any time with written notice to the contract administrators and the vendor.

Performance and Payment after Contract Expiration

All agreements for Energy Certificate services entered into by Eligible Entities whose performance and payment time frames extend beyond the duration of this Contract shall remain in effect for performance and payment purposes (limited to the time frame established per each agreement).

