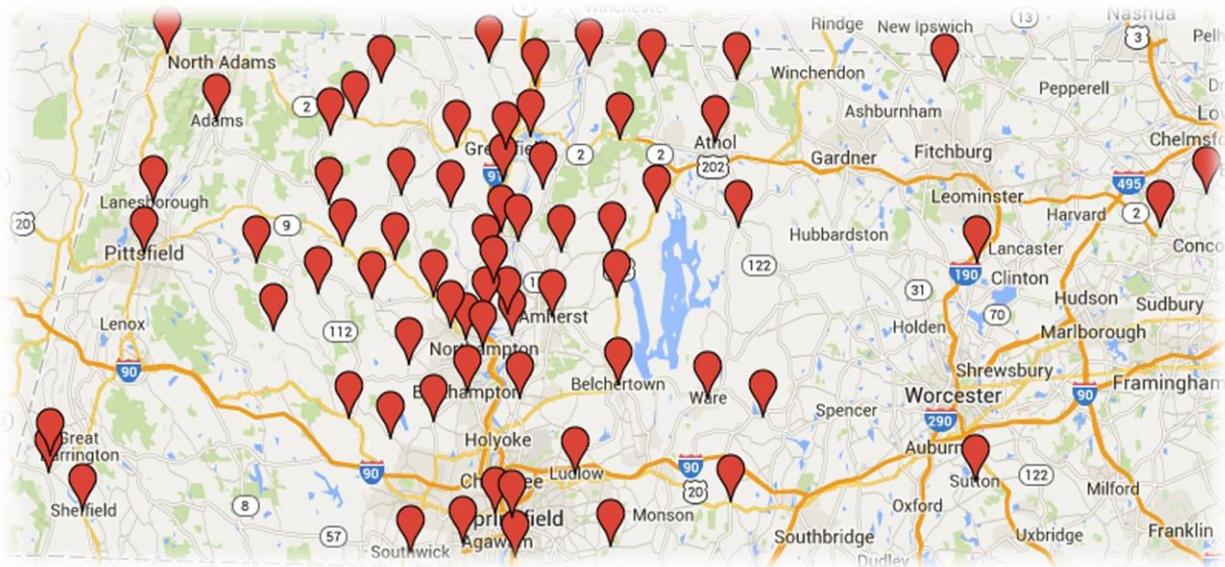




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**Solar Renewable Energy Credit Aggregation
Customer Information**

Thank you for choosing Hampshire Council of Governments as your Solar Renewable Energy Credit (SREC) Aggregator! We are excited to be working with you and keeping your solar dollars in the local economy. You're in good company – the map below shows all of the towns represented in our aggregation.



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99 MAIN STREET
NORTHAMPTON, MA 01060



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HAMPSHIRECOG.ORG

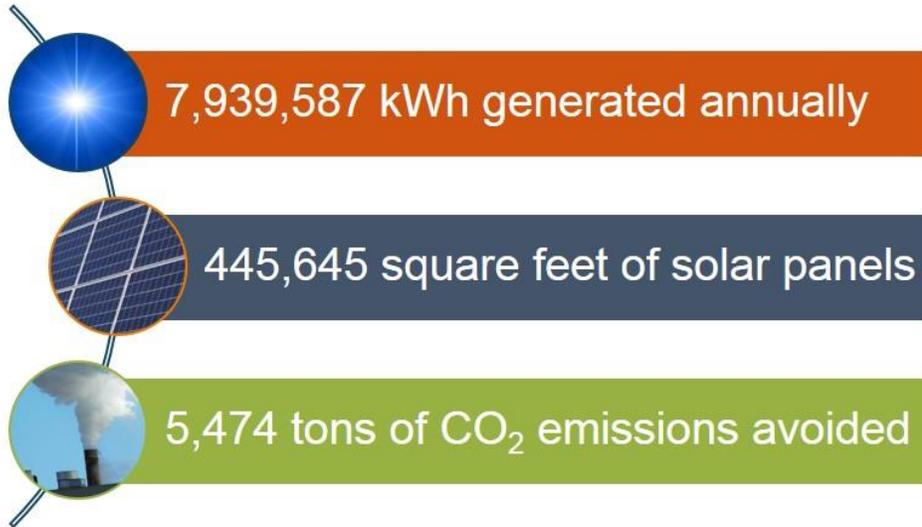


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Hampshire Council of Government's SREC Aggregation

The Hampshire COG's SREC aggregation currently represents almost 900 homeowners, small business owners, and municipal building managers across Massachusetts and we are growing every day. Our mission is to remove the hassles and mitigate the barriers that small scale solar generators experience when participating in the Massachusetts Solar Renewable Energy Credit (SREC) market. We aggregate our members' credits and sell them to competitive suppliers and distribution companies in need of credits to attain compliance with Massachusetts' Renewable Portfolio Standards. Apart from a small broker fee (5%), the money is returned directly to you. The broker fee is reinvested into local sustainability projects in need of funding.

The Hampshire
COG SREC
Aggregation
represents:



If you have questions or concerns about your array, SREC credits, or participation in our aggregation, feel free to reach out Yashira Ortiz. She can be reached at yortiz@hampshirecog.org or 413-584-1300 x. 150.



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Parties & Responsibilities:

Generator (You!)	Hampshire Council of Governments	Massachusetts Clean Energy Center
<ul style="list-style-type: none">• Reports monthly production to the Production Tracking System if your array is less than 10 kW.• Informs HCOG if you would like to sell credits quarterly or annually.• Informs HCOG of any changes in your contact information or ownership of the array.	<ul style="list-style-type: none">• Registers your solar array with our SREC aggregation through the Massachusetts Clean Energy Center.• Monitors monthly production data to identify potential reporting problems.• Sells credits quarterly or in the annual auction and remits payment to you.	<ul style="list-style-type: none">• Manages the Production Tracking System where you input your monthly production.• Reviews and registers aggregation applications.
	<p>Contact: Yashira Ortiz 413-584-1300 x. 150 yortiz@hampshirecog.org</p>	<p>Contact: Production Tracking System Support Team 866-314-9367 pts@masscec.com</p>





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Solar Terminology:

Aggregator – Most generators looking to purchase SRECs don't want to have to manage hundreds of small transactions in order to fulfill their credit requirements. Aggregators bundle SRECs from numerous small arrays to create attractive packages for generators to purchase.

Auction – The Massachusetts Department of Energy Resources (DOER) sponsors an auction each July for SRECs generated in the previous calendar year. The DOER guarantees a price floor for credits in each auction, thereby reducing price volatility by removing the influence of supply and demand.

Capacity – The maximum amount of power an array is capable of generating under standardized test conditions. An array's output at any given time may be more or less than its capacity.

Data Acquisition System (DAS) provider – A third party organization that reports your monthly production data on your behalf. A DAS is required by law for all solar arrays larger than 10kW.

Installer – The organization that physically installed your solar array. Your installer should be your first point of contact for mechanical issues with your system.

Inverter – Equipment used to convert variable direct current (DC) to alternating current (AC).

kWh – (Power in kilowatts) x (Hours of production); this is a common unit of measurement used in billing for energy.

Meter - Equipment used to track the energy production of solar PV systems. A “revenue-grade” solar meter is a meter that is accurate to at least +/- 0.2%.

Meter Load – The amount of energy you are using at any given time.

NEPOOL GIS – A database that tracks data for all tradable Renewable Energy Credit programs in the United States. NEPOOL GIS is used to conduct transactions between buyers and sellers of credits. It is entirely separate from the Production Tracking System.

Production Tracking System (PTS) – A database administered by the Massachusetts Clean Energy Center. If you report your own production, you will receive log-in information for the PTS and will input your production data here each month.



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Remote Data Collection – This is another term for working with a Data Acquisitions System (DAS) provider. If your production reporting is done by a DAS, your array is referred to as having remote data collection.

Renewable Energy Portfolio Standards – Require competitive suppliers and distribution companies in Massachusetts to derive a certain percentage of power in their portfolios from renewable energy sources. These parties may purchase SRECs to cover their renewables requirement if it is cheaper than generating the power themselves.

Solar Carve-Out I / SREC I – Legislation requiring that a percentage of the energy generated for compliance with Renewable Portfolio Standards come from solar photovoltaics. Financial support for new solar PV production was capped at 400 MW under Solar Carve-Out I.

Solar Carve-Out II / SREC II – This legislation was essentially an extension of the Solar Carve-Out I program. Under this legislation, the cap on new solar PV was raised to 1,600 MW. All solar PV systems registered after April 25, 2014 are part of the Solar Carve-Out II / SREC II program.

Solar Renewable Energy Credit (SREC) – SRECs represent the environmental benefits of producing solar power. 1 SREC is generated for every megawatt hour of energy production. SRECs are usually purchased by distribution companies and competitive suppliers to comply with Massachusetts' Renewable Energy Portfolio Standards. Organizations subject to renewable portfolio standards have the option of either generating the renewable power themselves or purchasing the equivalent amount of SRECs; they will generally elect to do whichever is cheaper.



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Selling Your SRECs:

Hampshire COG can sell your SRECs in either the annual state auction or in quarterly open market trading periods.



State Auction:

The Massachusetts Department of Energy Resources sponsors an auction each July for SRECs generated in the previous calendar year. Therefore, the next auction in July 2017 will cover all credits generated during 2016. The state guarantees a price floor for each auction so you will know in advance what to expect.

The auction process has several different levels and it is possible that not all credits will be sold in each auction. If the number of SRECs in the auction is larger than the number bid upon, unsold SRECs will be allocated back to sellers in a pro-rated manner. Unsold credits remain eligible for sale in the next 3 years' auctions.



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Quarterly Open Market:

There are four trading periods each year in which SRECs can be sold in the open market:

- October 15 – December 15
- January 15 – March 15
- April 15 – June 15
- July 15 – September 15

Quarterly sales take place in an open market environment so the rate is influenced by supply and demand in any given quarter. The resulting price may be higher or lower than the annual auction rate. However, if you choose to sell quarterly, you may specify the lowest price that you are willing to accept per SREC and we will not sell unless we can meet that price. This should give you some level of protection against market volatility.

There is a three month delay between when credits are generated and when they can be sold. You are allowed to hold credits for future trading periods up to a point. The rule is that credits can be held until the time of the auction that they will be eligible for. This may be easier to understand through an example. If you generated credits from your production in Q1 of 2016, these credits will become eligible for sale in Q3 of 2016. Their eligibility will continue through Q4 of 2016 and Q1 and Q2 of 2017. They are eligible for sale in the July 2017 auction so if they are still unsold at that point, they will have to be sold at auction or their value will be lost.



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Strategies for Selling:

The decision of how to sell credits depends primarily on the relative importance you place on maximizing revenue, receiving consistent cash flow, and ease of transactions.

Priority	Strategy	Notes
Maximize Return on Credits	Quarterly sales with a floor price equal to the next auction rate.	Allows you to take advantage of competitive trading periods, but you won't be hurt by trading periods with low prices.
Maintain Consistent Cash Flow	Quarterly sales with a floor price likely to be met, but without undervaluing credits too much.	Most aggregation members in this category set a floor price in the vicinity of \$250.

Payment:

You will receive payment by check or direct deposit after your sale of credits has cleared. Payments are due from buyers in the auction within 10 days of the sale. If your mailing address changes throughout the year, please update us so that your check reaches you in a timely manner.

You will be taxed on your SREC income and consequently, we are required by law to have a W-9 on record for everyone to whom we are paying SREC revenue. A blank copy of a W-9 is provided as part of our registration packet. Enrollment information for direct deposit is also included.





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Reporting:

To be eligible for SRECs, your monthly production must be reported to the Production Tracking System.

If your solar array is less than 10kW, you may choose to report your monthly production to the Production Tracking System (PTS) yourself or you can work with a Data Acquisition Systems (DAS) provider. The DAS is a third party who will report your production each month on your behalf. If you've elected to report yourself, you should have received an email from the PTS with log-in information and instructions on how to report. If you do not have a log-in or if you have questions on how to use the PTS system, their support team can be reached at PTS@MassCEC.com. They are very helpful and responsive!

If your solar array is greater than 10 kW, you are required by law to have a third party report your production for you. Your solar installer may have Data Acquisition Systems providers that he or she works with regularly or I can provide referrals upon request.

As an SREC aggregator, the Hampshire COG is responsible for monitoring the production of PV units included within our aggregation. We will review all reported production each month and will also relay information to you about upcoming Production Tracking System reporting deadlines. If you are working with a DAS, we will verify that your data has been reported each month.