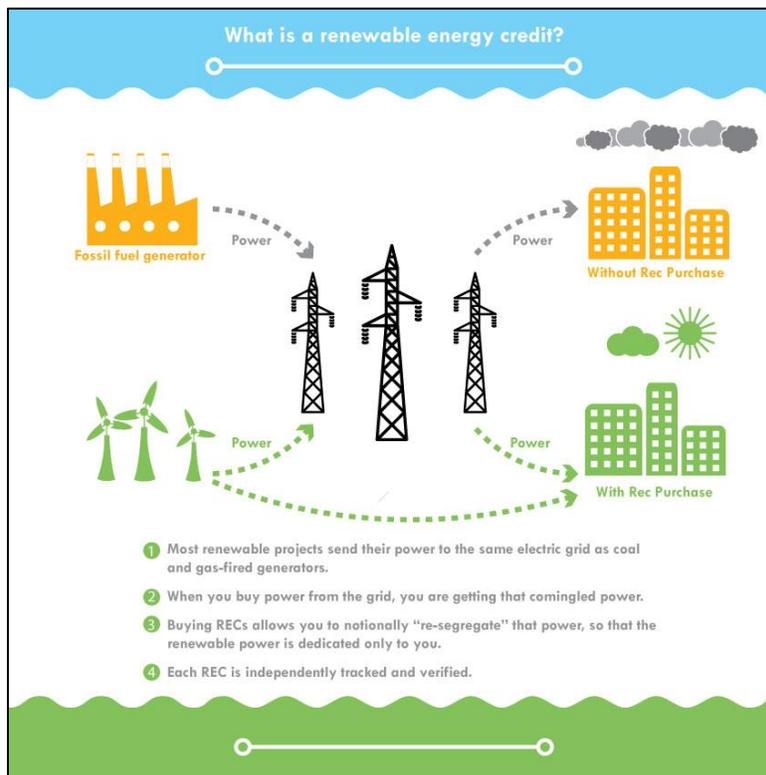


## Renewable Energy Credits (REC)

### What is a REC?

- When renewable energy is generated by wind, solar, biomass, geothermal, and certain hydropower sources, two things are created: (1) the actual electricity, and (2) the environmental benefits associated with the fact that the electricity was produced without burning fossil fuels like coal or natural gas. RECs are the way those environmental benefits or “attributes” are tracked and accounted for.



Also known as a Green tag or Renewable Energy Certificate it represents proof that 1 megawatt-hour (MWh) or 1,000 kWh's of electricity has been generated from an eligible renewable energy resource and was fed into the electric grid for transport of the energy. The Co-op Community Solar facility is designated as a renewable energy resource and by virtue of its purchase power agreement with TVA, has the rights to the Renewable Energy Credits produced by the facility.

### How are the REC's apportioned to the solar array?

We have chosen to include the prorated share of the renewable energy credits produced by the entire solar array to each panel individually. One panel on average will produce about 0.2 REC's per year. This number will vary based upon production over time. Since a REC is equivalent to

the production of 1,000 kWh's of renewable energy, the total amount produced by the solar array will be apportioned equivalently to each of the 9,471 panels.

### **How are REC's retired?**

A renewable energy credit is to be retired once the energy associated with the REC has been used by the subscriber. AEC will officially track and retire the REC's as subscribers use the energy. Any unused REC's will be made available to others.

### **What is the value of the REC?**

Each REC is valued at \$1.00. That value is imbedded within the subscription price per panel or about \$0.20 per panel.