

MassDOER REQUEST FOR OFFERS:

10,000 Calendar Year 2013

MA SOLAR RENEWABLE ENERGY CREDITS

MAY 30, 2014 10:00 am – 3:00 pm

Request for Offers Participant Instructions

May 29, 2014

RFO Contact:

Email: rec@bgcpartners.com

Phone: (646) 346-6899

Background:

On June 7, 2013, DOER promulgated revisions to 225 CMR 14.00, the RPS Class I Regulation. As part of these revisions, DOER modified a formula used to calculate the annual Solar Carve-Out (SREC) compliance obligation for retail suppliers that comply with the RPS program. The immediate effect of this change was to increase the retail suppliers' 2013 compliance obligation from 135,495 megawatt hours (MWh) to 189,297 MWh, a net increase of 53,802 MWh.

As this change was being made retroactively for 2013, retail suppliers requested that DOER exempt any of their contracts that had been signed prior to the promulgation of the new regulation from complying with this higher obligation. DOER included this exemption in 225 CMR 14.07(2)(a)2.

Given that the inclusion of this exemption effectively negated the impact of the change to the compliance obligation formula by exempting a significant portion of the net increase for 2013, DOER committed itself to purchase 2013 SRECs impacted by the exemption. This amounts to a number of SRECs slightly less than the 53,802 MWh increase to the compliance obligation. The regulatory provision that requires DOER to make this purchase can be found in 225 CMR 14.07(2)(a)3.

In August 2013, DOER offered to purchase unsold SRECs the Annual Solar Credit Clearinghouse Auction it holds each year to satisfy a portion of its obligation to buy 2013 SRECs. DOER purchased 36,437 SRECs through this offer to purchase, representing a significant portion of the SRECs it is required to buy under 225 CMR 14.07(2)(a)3.

At this time, DOER is looking to purchase approximately 10,000 2013 eligible SRECs to satisfy the remainder its obligation to buy an amount of SRECs equal to the amount exempted under 225 CMR 14.07(2)(a)2.

BGC's Purchase of Renewable Energy Certificates on behalf of DOER:

MassDOER will encumber funds for the projected total purchase price to BGC Environmental Brokerage Services, L.P. (BGC) for the SREC purchases scheduled for May 30, 2014.

BGC facilitation of the SREC purchase with authorized sellers will include the following tasks:

- BGC shall send the signed confirmation letter to the SREC Seller the same business day as the transaction confirmation is received.
- Upon receipt of the signed confirmation letter, the Seller shall sign and send the fully executed confirmation letter to BGC
- BGC will notify the Seller of MassDOER's acceptance to purchase and the Seller will initiate the transfer of MA SRECs to the MassDOER within one (1) business day to MassDOER's NEPOOL GIS Account labeled '**MA DOER - 2013SRECPurchase**', account number 15531.
- Upon receipt of electronic or written confirmation from the Massachusetts Department of Energy Resources that the MA SRECs have transferred from the Seller's account to MassDOER's account, the Seller will invoice the MassDOER for total sum of purchased SRECs.
- The DOER will initiate funds to BGC in the full contract amount(s). This may take up to (10) business days.

- Upon receipt of MassDOER funds, BGC will wire electronically to selected counterparties within (3) business days. BGC Environmental Brokerage Services, L.P., is solely an agent for both you and your counterparty and any delay in receipt of funds from DOER will be the responsibility of DOER and not BGC's.

Definitions:

“Massachusetts Solar Renewable Energy Credit (MA SREC)” means a “Massachusetts Solar Renewable Energy Credit” as such term is defined in Massachusetts Law 225 CMR 14.02 Solar Carve-Out Renewable Generation Attribute.

“Massachusetts Renewable Portfolio Standard (RPS)” means the Mandatory Renewable Energy obligation set forth in M.G.L. ch. 25A, § 11F and 225 CMR 14.00.

“NEPOOL GIS” means the New England Power Pool Generation Information System issues and tracks certificates for all MWh of generation and load produced in the ISO New England control area, as well as imported MWh from adjacent control areas. The NEPOOL GIS tracking and transfer website is located at <http://www.nepoolgis.com/>

Warranty of Seller:

Seller warrants contemporaneously with each Delivery of Massachusetts Solar Renewable Energy Credits (MA SREC) made pursuant to this Agreement that (a) Buyer will have good and marketable title to such MA SRECs, (b) such MA SRECs are not subject to specific restrictions on their sale or transfer, (c) such MA SRECs are of the Vintage as set forth in this Agreement and can be used for compliance with the 225 CMR 14.00 Solar Carve-Out, (d) Seller has the power to sell such SRECs, (e) such MA SRECs are Delivered free from all liens, claims, security interests, encumbrances and other defects of title arising prior to Delivery and (f) such MA SRECs have not otherwise been sold to any other person or retired or claimed for Seller's own benefit.

RFO Timeline:

Thursday, May 29 , 2014, 1:00 pm	DOER publishes intent to conduct the MA SREC Request for Offers and posts Request for Offers instructions. Interested counterparties notify BGC to receive bidding and contract instructions.
Thursday, May 29 , 2014, 1:00 pm – Friday, May 30, 10:00 am	BGC facilitates Question/Answer period to Interested Participants and stakeholders.
Friday, May 30, 2014, 10:00 am – 3:00 pm	RFO Open 'Offer' Period. Participants to submit a complete Offer (Price, Volume) on designated recorded phone line, instant messenger, or email address. Deadline for Offer submissions is no later than 3:00 pm.
Friday, May 30, 2014, 3:00 pm – 4:00 pm	Closed review period. DOER conducts internal review for all Submitted Offers.
Friday, May 30, 2014, 4:00 pm	DOER notifies BGC of final selected Submitted Offers.
Friday, May 30, 2014, 4:00 pm – 5:00 pm	(1) BGC notifies each Participant whether or not Participant's Offer(s) has (have) been selected by DOER. (2) BGC confirms transactions with selected Participants on a recorded line and (3) each selected Participant sends executed Agreements to BGC.

RFO Overview and Instructions:

1. Open Offer period:

- A. Participants are invited to submit offers from 10:00 am until 3:00 pm (Eastern Standard) on May 30, 2014. Participants must submit offer on a recorded phone line (646)-346-6899, via email rec@bgcpartners.com , or via recorded instant messenger.
- B. When submitting offers, participants will be asked to affirm that they are authorized to submit a binding offer on behalf of their organization, and that they accept without exception or limitation the terms outlined in this document and in the MassDOER Renewable Energy Certificate Sales Agreement, which is available from BGC for all participants to thoroughly examine prior to the RFO open offer period.
- C. Offers must be submitted in One U.S. Dollar (USD) (\$1) increments.
- D. The minimum offer tranche is for 100 MA SRECs. Tranches submitted in smaller sizes will not be eligible.
- E.
- F. Participants may only submit one (1) offer. Participants may cancel their offer at any time prior to the close of the RFO; however, they may not re-offer.
- G. Offers will have the ability to adjust their pricing but not volume during this three hour bidding process. Offers will be able to cancel their submission during the open offer period. Offers may not cancel their submission after the open offer period closes at 3:00 pm EST.
- H. The ceiling price for this RFO, as designated by MassDOER will be \$295.00/SREC. No submission over \$295.00/SREC will be eligible for review.
- I. Submitted offers by participants will constitute an offer to sell at least 100 Calendar Year 2013 MA SRECs, which if successful and subject to the approval of the MassDOER during final review period and subject to credit and contract, will create a binding obligation for offer to sell selected, successful tranche size on the stated terms.
- J. Participants submitting offers must have reviewed and agreed to the RFO terms when an offer is submitted to BGC. This includes a firm commitment to sell the offered volume at the price entered in during the open offer period. Should offers be successful, they have confirmed they agree to accept the MassDOER contract without any changes.

2. Closed review period:

- A. The “open offer” period is immediately followed by a one hour period of closed review conducted by the MassDOER. During the closed review, the MassDOER will collect and evaluate all offer entries from BGC. BGC will email MassDOER an “Offer Notification letter” containing all offers submitted to BGC by RFO participants.
- B. The lowest offer shall be the winning offer subject to credit and contract and the approval of the MassDOER.
- C. The MassDOER reserves the right to reject any and all offers, waive informalities and accept such offers that it considers in its best interest. Where there are multiple offers at the same price the winning offer will be determined at the discretion of the MassDOER.
- D. In the event of tied offers (identical price and volume), the tied participants will be contacted and given one opportunity to lower their offer. If BGC is unable to reach one or more of the tied participants within 30 minutes of the close of RFO at 3:00 pm, these offers will forego their right to submit a lower offer. If no tied participant lower their offer, or both participants lower their offer by the same price, MassDOER may decide to purchase the SRECs based on the time each offer was placed or to split the quantity evenly between tied offers at the final offer price.
- E. MassDOER reserves the right not to accept any offer.

3. DOER Notification to BGC:

- A. At 4:00 pm, the MassDOER will notify BGC to initiate notification and confirmation process to the successful offering entities.
- B. BGC EBS will issue confirmations to each selected offer. The information contained in this confirmation will include, but not be limited to, price, delivery, volume and settlement.
- C. Once offering entity receives confirmation, they will initiate delivery of RECs to MassDOER.
- D. Once MassDOER receives confirmation of REC delivery, they will initiate payment to BGC.
- E. Total contract volume is cash cleared through BGC EBS bank account and is wired to successful participants upon BGC receiving funds from MassDOER.
- F. BGC will invoice selected and successful participants upon receipt of payment confirmation for the 1.0% brokerage fee.

4. Results and Miscellaneous:

- A. Release of RFO results within 1 Business Day: Once the transaction confirmation letters have been issued, BGC notifies the remaining RFO participants that their offers were not accepted. The MassDOER will then release the results of the RFO on their website and through a stakeholder announcement.
- B. If another broker acts as a participant and submits an offer on behalf of a client, BGC does not need the client's name, even if that offer is a winning offer. All participants will be responsible for all filing fees associated with the transaction.

For more information, please contact Supria Ranade at BGC / (646) 346-6899 / sranade@bgcpartners.com