

UI LREC/ZREC Six-Month Extension of Termination Date

This document summarizes the process for requesting a six-month extension of the automatic termination date for both the Standard Contract utilized for Large ZREC, Medium ZREC and LREC projects (“Contract”), and the Tariff Service Agreement used for Small ZREC projects (“Service Agreement”).

1. Definition of Six-Month Extension The 6 month extension provided for in Section 13.3.3(b) of the Contract or Service Agreement allows for the extension of the date by which a LREC/ZREC project must be placed in service to avoid automatic termination. The Contract and Service Agreement both provide for automatic termination if the project is not placed in service prior to the 12 month anniversary of the Delivery Term Start Date (“DTSD”) specified in the Contract or Service Agreement. The 6 month extension extends the automatic terminate date to the 18 month anniversary of the DTSD. The actual in-service date is as specified in the Approval to Energize letter issued by the UI Distributed Generation group.

The six-month extension is NOT an extension of the DTSD. The DTSD remains the same regardless of when the actual in-service date is achieved. What this means is that, if a project receives a six-month extension and the in-service date occurs on the last day allowed before automatic termination, the project would only be eligible to receive 13 ½ years of payments for LRECs or ZRECs.

2. Process for Requesting Extension: The Seller must take two actions prior to the 1 year anniversary of the Contract or Service Agreement’s DTSD: First, the Seller must send an email to lrec.zrec@uinet.com requesting a six-month extension of the automatic termination date. This request must clearly identify the Contract or Service Agreement number, and the address of the project. Second, seller must provide additional Performance Assurance in the amount specified in the Contract or Service Agreement (i.e. the Performance Assurance is doubled). The Performance Assurance must be provided in accordance with UI’s LREC/ZREC Performance Assurance Requirements document posted on the UI LREC/ZREC web page. Acceptable forms of Performance Assurance are wire transfer, ACH or bank/cashiers check. **Business checks or personal checks are not acceptable.**

Sellers seeking a six-month extension are strongly advised to start the process early and not wait until the last few days immediately preceding the automatic termination date.