

## Renewable Energy Credit (REC) Contract

Empire Electric Association, Inc. and \_\_\_\_\_  
(Customer Name, Please Print)

This Contract is made and entered into this \_\_\_ day of \_\_\_, 20\_\_\_, by and between EMPIRE ELECTRIC ASSOCIATION, INC., 801 North Broadway, Cortez, Colorado (“Empire”) and \_\_\_\_\_ (“Customer”) whose address is \_\_\_\_\_ (“Customer’s Address”). Empire and the Customer may be referred to herein individually as a “party” or the “parties” to this Contract.

**1. Purchase and Sale.** On the terms and subject to the conditions set forth in this Contract, the Customer agrees to sell and Empire agrees to purchase all of the Renewable Energy Credits (“REC’s”) generated by the Customer’s renewable energy generation system (the “Renewable System”) at the Customer’s Address for a term of five (5) years beginning on the date listed above. The Customer’s renewable system shall conform to the interconnection requirements provided in the System Installation Information attached to this Contract as Exhibit A, which Exhibit is hereby incorporated by this reference into this Contract.

**2. Purchase Price.** The price paid by Empire for the REC's shall be based on Empire’s receipt of all REC’s generated by the renewable system. The total price for the REC’s shall be as determined by Empire’s Board of Directors.

**3. Representations.** Customer makes the following representations:

- a) Customer has installed a Renewable System at the Customer’s Address, which Renewable System conforms to the specifications of Empire’s net metering program;
- b) Customer owns the Renewable System at the Customer’s Address, and Customer’s primary business is not the generation of electricity for retail or wholesale sale from the Customer’s Address; and
- c) Customer is authorized to enter into and sign this Contract and has read the Contract and agrees to be bound by its terms.

**4. Terms and Conditions.** The parties agree to the following terms and conditions:

- a) Customer shall be solely responsible for ensuring that the Renewable System equipment installed for this program meets all applicable codes, standards, and regulatory requirements.
- b) The Renewable System shall be located at the Customer’s Address at all times during the term of this Contract.
- c) The Renewable System shall be a maximum capacity not to exceed 10 kilowatts for residential services and 25 kilowatts for commercial / industrial services, nameplate DC output capacity.
- d) The term of this Contract shall be five (5) years beginning on the date listed above (“Term”). The Renewable System shall be considered a fixture and attached to the land located at the Customer’s Address. This Contract shall run with the land and be binding on any successor in

interest or assign of the Customer, pursuant to section 4 (r) below. Empire shall purchase and own all RECs produced by the renewable system during the Term, and Customer shall be prohibited from selling, conveying, assigning or otherwise transferring such RECS to any other person during the term of the Contract.

- e) Empire shall make the REC payments as set forth in Section 2 above.
- f) Qualification for the REC payment does not imply any representation or warranty by Empire of the design, installation or operation of the renewable system equipment, and Empire expressly disclaims any and all warranties of the equipment as to workmanship, quality, or performance, including the fitness of the equipment for the purpose intended.
- g) Empire shall not be responsible or liable for any claims made by suppliers or service providers for the Renewable System, or for any personal injury or property damage caused by the Renewable System or any individual component of the system.
- h) Customer shall indemnify, defend, and hold Empire, its employees, agents, successors, assigns, subsidiaries and affiliates harmless against any and all claims, demands, liens, lawsuits, judgments or actions of whatsoever nature that may be brought on account of the installation, maintenance, operation, repair, interconnection, or replacement of the Renewable System or any equipment of the system.
- i) Customer shall maintain the Renewable System and the individual components of the system in good working order at all times during the Term. If during the Renewable System or any of the individual components of the system should be damaged or destroyed, Customer shall promptly repair or replace the equipment to its original specifications, at Customer's sole expense. Remedies for breach of this provision of the Contract are limited to the repayment by Customer of the pro-rata share of the REC payment made to Customer under this Contract, if any, or to forego future REC payments.
- j) This Contract shall be binding and enforceable against the parties, their successors and assigns, for as long as the Contract remains in effect. In order for an assignment to be effective, Customer is required to provide to assignee the following documents: Assignment Agreement, a copy of this Contract, a copy of the Net-Metering/Interconnection Application and any remaining warranty information. Empire may record this Contract with the clerk and recorder's office of the county in which the Renewable System is located, and the Contract shall constitute an encumbrance on the property on which the Renewable System is located binding successors in interest.
- k) If any disputes arise concerning this Contract, including but not limited to enforcement of any term or condition of the Contract, the prevailing party in any action brought for the purpose of enforcing such provisions shall be entitled to recover its reasonable attorney fees, expenses and costs of such action from the non-prevailing party.
- l) Failure of either party to enforce any term or condition of this Contract shall not constitute a waiver of that term or condition or of any other term

or condition of this Contract.

- m) The parties agree that a cause of action for breach of any provision of this Contract shall not accrue until the non-breaching party actually discovers the breach.
- n) If any of the representations of the Customer are false or incorrect, such false or incorrect representation shall, at Empire's discretion, constitute a material breach of this Contract.
- o) This Contract shall be governed by and interpreted in accordance with the laws of the State of Colorado.
- p) Empire may use the National Renewable Energy Lab's pvWatts model to calculate the expected energy production from the proposed Renewable System based on tilt angle and orientation of the solar panels.
- q) This Contract may be executed in two or more counterparts, each of which is deemed original but all constitute one and the same instrument. The parties agree that a facsimile copy of a signature will be deemed original and binding.
- r) This Contract serves as a bill of sale, transferring from Customer to Empire all of Customer's right, title and interest in and to the RECs associated with the Renewable System.. Customer warrants that it is transferring good title to all RECs associated with the renewable System to Empire. Customer warrants that all RECs transferred by Customer to Empire are free and clear from all liens, claims, security interests, encumbrances and other defects of title.
- s) By executing this Contract, Customer grants to Empire permission to share with third parties the location of the Renewable System and other information concerning the RECs sold to Empire by Customer under this Contract. Customer further allows Empire reasonable access to the aforementioned property for the purpose of ensuring that the Renewable System is still functioning and in operation at all times relevant under this Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

EMPIRE ELECTRIC ASSOCIATION, INC.:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Customer: (Name)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_