

Distribution Utility No. 1

|      |                      | 1. Percentage of FIT plants | 3.00%                | REC COMPLIANCE ACCOUNT     |                                      |                                    |                    |                            |                                |  |  |
|------|----------------------|-----------------------------|----------------------|----------------------------|--------------------------------------|------------------------------------|--------------------|----------------------------|--------------------------------|--|--|
|      |                      | 2. Growth Rate              | 3.00%                |                            |                                      |                                    |                    |                            |                                |  |  |
|      |                      | 3. Annual Increment         | 1.00%                |                            |                                      |                                    |                    |                            |                                |  |  |
| Year | 4. Energy Sales MWHs | 5. RPS Requirement (MWHs)   | 6. Beginning Balance | 7. RECs Allocated from FIT | 8. RECs Issued from PSAs with new RE | 9. RECs Surrendered for Compliance | 10. Ending Balance | 11. Additional RECs needed | 12. Additional Capacity needed |  |  |
| 2018 | <b>0</b>             | 22,470,710                  | -                    | 674,121                    | 210,240                              | 0                                  | 884,361            | -                          | -                              |  |  |
| 2019 | <b>transition</b>    | 23,144,831                  | -                    | 674,121                    | 210,240                              |                                    | 1,768,723          | -                          | -                              |  |  |
| 2020 | <b>1</b>             | 23,839,176                  | 925,793              | 1,768,723                  | 210,240                              | 925,793                            | 1,727,291          | -                          | -                              |  |  |
| 2021 | <b>2</b>             | 24,554,351                  | 1,191,959            | 1,727,291                  | 210,240                              | 1,191,959                          | 1,419,693          | -                          | -                              |  |  |
| 2022 | <b>3</b>             | 25,290,982                  | 1,473,261            | 1,419,693                  | 210,240                              | 1,473,261                          | 830,793            | -                          | -                              |  |  |
| 2023 | <b>4</b>             | 26,049,711                  | 1,770,369            | 830,793                    | 265,454                              | 1,770,369                          | -                  | 55,214                     | 18                             |  |  |
| 2024 | <b>5</b>             | 26,831,203                  | 2,083,977            | -                          | 1,409,856                            | 2,083,977                          | -                  | 1,144,402                  | 363                            |  |  |
| 2025 | <b>6</b>             | 27,636,139                  | 2,414,808            | -                          | 1,740,687                            | 2,414,808                          | -                  | 330,831                    | 105                            |  |  |
| 2026 | <b>7</b>             | 28,465,223                  | 2,763,614            | -                          | 2,089,493                            | 2,763,614                          | -                  | 348,806                    | 111                            |  |  |
| 2027 | <b>8</b>             | 29,319,180                  | 3,131,175            | -                          | 2,457,053                            | 3,131,175                          | -                  | 367,561                    | 117                            |  |  |
| 2028 | <b>9</b>             | 30,198,755                  | 3,518,302            | -                          | 2,844,180                            | 3,518,302                          | -                  | 387,127                    | 123                            |  |  |
| 2029 | <b>10</b>            | 31,104,718                  | 3,925,838            | -                          | 3,251,717                            | 3,925,838                          | -                  | 407,537                    | 129                            |  |  |
| 2030 | <b>11</b>            | 32,037,859                  | 4,354,660            | -                          | 3,680,539                            | 4,354,660                          | -                  | 428,822                    | 136                            |  |  |
| 2031 | <b>12</b>            | 32,998,995                  | 4,805,679            | -                          | 4,131,558                            | 4,805,679                          | -                  | 451,018                    | 143                            |  |  |
| 2032 | <b>13</b>            | 33,988,965                  | 5,279,839            | -                          | 4,605,718                            | 5,279,839                          | -                  | 474,160                    | 150                            |  |  |
| 2033 | <b>14</b>            | 35,008,634                  | 5,778,124            | -                          | 5,104,003                            | 5,778,124                          | -                  | 498,285                    | 158                            |  |  |
| 2034 | <b>15</b>            | 36,058,893                  | 6,301,554            | -                          | 5,627,433                            | 6,301,554                          | -                  | 523,430                    | 166                            |  |  |
| 2035 | <b>16</b>            | 37,140,660                  | 6,851,190            | -                          | 6,177,068                            | 6,851,190                          | -                  | 549,636                    | 174                            |  |  |
| 2036 | <b>17</b>            | 38,254,879                  | 7,428,132            | -                          | 6,754,011                            | 7,428,132                          | -                  | 576,942                    | 183                            |  |  |
| 2037 | <b>18</b>            | 39,402,526                  | 8,033,525            | -                          | 7,359,403                            | 8,033,525                          | -                  | 605,393                    | 192                            |  |  |
| 2038 | <b>19</b>            | 40,584,602                  | 8,668,556            | -                          | 7,994,434                            | 8,668,556                          | -                  | 635,031                    | 201                            |  |  |
| 2039 | <b>20</b>            | 41,802,140                  | 9,334,458            | -                          | 8,660,337                            | 9,334,458                          | -                  | 665,903                    | 211                            |  |  |
| 2040 | <b>21</b>            | 43,056,204                  | 10,032,514           | -                          | 9,358,392                            | 10,032,514                         | -                  | 698,055                    | 221                            |  |  |

1. Percentage of FIT eligible power plants: Represents the estimated share of total generation sales coming from FIT eligible plants.
2. Growth Rate: Represents the annual growth rate in sales for the Distribution Utility (DU)
3. Annual Increment: Represents the annual increase in the RPS requirement per the RPS Rules.
4. Energy Sales MWHs: Represents the actual sales level for the DU in 2018. The sales level is increased each year based on the Growth Rate (2).
5. RPS Requirement (MWHs): The RPS requirement starts out as the Percentage of FIT plants (1) times the prior years Energy Sales (4) plus the annual increment. Therefore, for the year 2020 the RPS requirement is 3% plus 1% times the Energy Sales for the prior year (2019) ( $4\% \times 23,144,831 = 925,793$ ). Each year after 2020 the percentage is increased by the annual increment. (4%, 5%,6%,...)
6. Beginning Balance: Represents the level of RECs in the Compliance Account at the start of the year.
7. RECs Allocated from FIT: Represents the percentage of FIT plants (1) times the Energy Sales for 2018. The number is the same for each year under the assumption that there will be no additional FIT beyond the existing plants.
8. RECs issued from PSAs with new RE: This represents RECs from PSAs with RE plants that have come on line after the affectivity of the RE Law. After 2022 it represents the level of new RECs needed to have the ending balance be zero after the RECs needed for compliance are surrender.
9. RECs Surrendered for Compliance: Represents the RPS requirement for a given year. The DU must surrender the number of RECs equal to the requirement for that year.
10. Ending Balance: Represents the balance in the REC Compliance Account at the end of the year.
11. Additional RECs needed: Represents the number of additional RECs that need to be augured in a given years so that the balance in the account is equal to the number of RECs that need to be surrendered in a given year. The simulation assumes that the RECs acquired in a given year will continue in future years based on a long term Power Supply Agreement with an eligible RE plant.
12. Additonal Capacity needed: Represents the capacity needed to produce the level of RECs needed (11) at an assumed capcity factor of 36%.