PENNSYLVANIA/NEW JERSEY RURAL ELECTRIC COOPERATIVES

Renewable Energy Assistance Program
REAP

Funding Application Overview & Instructions

A. INTRODUCTION

The Pennsylvania/New Jersey Rural Electric Cooperatives' Renewable Energy Assistance Program (REAP) is designed to assist Pennsylvania and New Jersey electric distribution cooperatives to support the development of consumer member-owned, renewable/distributed generation systems, or alternative energy systems (AES). Grant funds under the program are directly available to cooperative members to defray some of the cost of the installation and operation of AES interconnected to cooperatives' electric distribution systems. These costs would otherwise be borne by the consumer-members of the cooperative.

The REAP Committee will review the REAP program guidelines at the second REAP meeting of each program year.

B. AES ELIGIBILITY CRITERIA

Projects eligible for the REAP must meet the following criteria:

- AES must have a nameplate capacity of no greater than 500 kW.
- AES must meet cooperative's, local, state and national interconnection and safety requirements and policies as defined in the attached REAP Guidelines.
- Owned, operated, leased or otherwise exclusively controlled by a consumer-member of a Pennsylvania or New Jersey electric distribution cooperative.
- AES must meet the definition of a "qualified facility" as defined by the Public Utility Regulatory Policies Act of 1978 or the definition of a "distributed resource" as defined under the Pennsylvania Alternative Energy Portfolio Standards Act of 2004 or the New Jersey Electric Discount and Energy Competition Act (PL 1999, C.23).
- AES must be interconnected to a Pennsylvania or New Jersey electric distribution cooperative's electric system.
- The cooperative, consumer-member and Allegheny must execute the cooperative's/Allegheny's Interconnection and Power Purchase Agreement.
- Electric cooperatives, in conjunction with the member-owner of the AES, must complete and submit a REAP Application to the Pennsylvania Rural Electric Association prior to the REAP Grant Review Committee meeting.
- REAP funds will be available to PREA member cooperatives from January 1, 2020 until December 31, 2022, or until funds are no longer available to support the program.

C. PAYMENT/APPLICATION SUBMISSION

- Electric cooperatives, in conjunction with the member-owner of the AES, must complete and submit a REAP Application and meet all of the AES eligibility criteria to the Pennsylvania Rural Electric Association at the REAP Grant Review Committee meeting.
- A qualifying year is defined as the full calendar year preceding the review and approval year.
- The deadline date for REAP application submissions is the second Friday of February, prior to the REAP meeting.
- REAP grants are awarded at the first REAP meeting of each program year after a Committee review.

D. APPLICATION AND AMOUNTS OF GRANT FUNDS

Each PREA member cooperative is eligible to receive an annual grant to assist in the recovery of the electric cooperatives stranded fixed distribution system costs, which it cannot recover due to reduced electricity purchases from the consumer-member with the AES.

- Each project is eligible for REAP grant funding for lost distribution revenue for up to 36 months from the interconnection date, or until the program ends or funds are no longer available. These fixed distribution system costs would otherwise be borne by other consumer-members of the cooperative.
- Grants will be based on a pro-rata formula using the REAP budget, divided by the total AES nameplate capacity eligible for the REAP period, multiplied by the eligible AES nameplate capacity connected to each cooperative member for that period.
- The project will be considered eligible the month following the cooperative approval and acceptance based on the date the cooperative provides its final review and acceptance of the project, on Schedule A of the Interconnection and Power Purchase Agreement. Specifically, the month and year will be used to determine the ratio of eligibility for the REAP grant allocation period.

REAP funds will be available to cooperative members from January 1, 2020, until December 31, 2022, or until funds are no longer available to support the program.

E. APPLICATION INSTRUCTIONS AND PROCESS

The REAP Funding Application must be completed in full by a representative of a Pennsylvania or New Jersey electric cooperative and the consumer-member owner of the AES. The REAP Application is intended to provide sufficient information to determine the eligibility of AES projects for funding assistance. Although an Application for

funding may be pre-approved, actual funding is contingent upon the electric cooperative providing the following information to the REAP Grant Review Committee:

- Execution of cooperative/Allegheny "Interconnection & Power Purchase Agreement" between cooperative, Allegheny and the consumer-member.
- Confirmation of approval of the AES interconnection by an electrical inspection agency acceptable to the cooperative and review and approval of the interconnection by the cooperative and/or Allegheny, with the interconnection meeting or exceeding all applicable local and national codes and ordinances as specified in the cooperative's current "Policy for Cogeneration and Small Power Production," and cooperative's current "Renewable or Alternative Energy Production policy."
- Completion and submittal of the REAP Application with the AES.

REAP applications will only be reviewed after completion of a tri-party agreement with Allegheny Electric Cooperative, Inc.

All REAP applications should be submitted to:

Pennsylvania Rural Electric Association
c/o REAP
212 Locust Street, P.O. Box 1266
Harrisburg, PA 17108-1266
OR
REAP@ccsenergy.com

PENNSYLVANIA/NEW JERSEY RURAL ELECTRIC COOPERATIVES

Renewable Energy Assistance Program
REAP

I. MEMBER SECTION

(To be Completed by Electric Cooperative Member)

Member Name: _____

Address: _____

_____

_____

Telephone: (____)_____-_____

E-Mail Address: _____

Type of Application: *(Check Appropriate Choice)*:

( ) Residential Premise; ( ) Farm Premise; ( ) Commercial; ( ) Industrial; ( ) Other _____

Type of Alternative Energy System (AES):

(Check Appropriate Choice or Complete)

( ) Solar ( ) Anaerobic Digester ( ) Small Hydroelectric ( ) Wind Turbine

( ) Other: _____

Nameplate Rating of AES (kW):_____kW

I am the: *(Check All That Apply)*

Owner ____ (Yes/No) Operator ____ (Yes/No) Lessee ____ (Yes/No) or

Otherwise Have Exclusive Control of AES ____ (Yes/No).

I, Mr./Mrs. _____ Acknowledge and Attest that the Statements/Information Provided Above Are True/Correct to the Best of My Knowledge. *(Member Must Complete)*

_____ _____

(Signature of Member Applicant for REAP Funds) (Date)

PENNSYLVANIA/NEW JERSEY RURAL ELECTRIC COOPERATIVES

Renewable Energy Assistance Program
REAP

II. ELECTRIC COOPERATIVE SECTION

(To be Completed by Electric Cooperative Staff)

Cooperative Name: _____

Cooperative Staff Completing Application

Name: _____

Title: _____

Telephone: (____)_____-_____

E-Mail Address: _____

Member Name: _____

Member Address: _____

Years of Service as a Member of the Cooperative: _____ Years

Member Credit Rating with Cooperative: _____ Date: _____
(Select One: Very Good, Good, Average, Poor, Very Poor)

Type of Application: *(Check Appropriate Choice)*:

( ) Residential Premise ( ) Farm Premise ( ) Commercial ( ) Industrial ( ) Other _____

Type of Alternative Energy System (AES):

(Check Appropriate Choice or Complete)

( ) Solar ( ) Anaerobic Digester ( ) Small Hydroelectric ( ) Wind Turbine

( ) Other: _____

Nameplate Rating of AES (kW): _____kW

AES Meets the Definition of a "Qualified Facility" (QF) as Defined by the Public Utility Regulatory Policies Act of 1978 or the Definition of a "Distributed Resource" (DR) as Defined Under the Pennsylvania Alternative Energy Portfolio Standards Act of 2004 (Act 213) or New Jersey Electric Discount and Energy Competition Act. (PL 1999. C.23):____(Yes/No)

Cooperative/Member and Allegheny Electric Cooperative, Inc. Have Executed *Interconnection and Power Purchase Agreement*?** ____(Yes/No);

If Yes, Date of Agreement: _____(MM/DD/YY)**

***** Note: Cooperative/Member/Allegheny Must Execute Interconnection & Power Purchase Agreement Prior to Program Reimbursement***

Cooperative Has Completed Review of the Interconnection: ___(Yes/No)***

If Yes, Date of Review:_____(MM/DD/YY)***

****** Note: Cooperative Must Complete and Approve Interconnection Prior to Program Reimbursement***

*Signature Cooperative Representative:*_____

*Name Cooperative Representative*_____