

ORIGINAL



0000124237

P.O. Box 711
Tucson, Arizona 85702-0711



April 1, 2011

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Decision No. 71464, Docket No. E-04204A-09-0347
2011 Renewable Energy Standard and Tariff Compliance Report

Pursuant to A.A.C. R14-2-1812, each Affected Utility shall file with Docket Control a report that describes its compliance with the requirements of the Renewable Energy Standard and Tariff ("REST") Rules. Decision No. 71464 (January 26, 2010) approved UNS Electric, Inc.'s ("UNS Electric") 2010 REST Plan. Please find enclosed an original and thirteen copies of UNS Electric's 2011 REST Compliance Report for year-end 2010. This report contains confidential information that is being provided to Arizona Corporation Commission Staff separately.

If you have questions or comments please contact me at (520) 884-3680.

Sincerely,

Jessica Bryne
Regulatory Services

Enclosures: Compliance Report

cc: Compliance, ACC
Shannon Kanlan, ACC

Arizona Corporation Commission
DOCKETED

APR - 1 2011

DOCKETED BY

AZ CORP COMMISSION
DOCKET CONTROL

2011 APR - 1 P 1:22

RECEIVED

UNS Electric, Inc.

Response to R14-2-1812 Utility Reporting Requirements

of the

Arizona Corporation Commission

RENEWABLES DATA FOR YEAR-END 2010

Executive Summary

This report covers UNS Electric, Inc.'s ("UNS Electric") Renewable Energy Standard and Tariff ("REST") progress from January 1, 2010, through December 31, 2010. UNS Electric's specific REST target for this period was 46,211,150 Renewable Energy Credits ("REC"). That amount represents 2.5% of UNS Electric's retail energy sales for 2010, which was 1,848,446,000 kilowatt-hours ("kWh").¹ The REST requires that 20% of those RECs be met through distributed energy ("DE") renewable resources, which represents a total of 9,242,230 ("kWh"). Of the 20% met through DE resources, 50% must come from residential customer systems and 50% must come from non-residential, non-utility applications. The remaining portion of the REST required RECs for 2010, 80% or 36,968,920 kWh, comes from utility-scale renewable energy resources.

UNS Electric far exceeded its 2010 utility-scale REC requirement with 56,559,351 available RECs. Of these RECs, 36,968,920 will be retired to meet compliance, including RECs that were carried over (not retired) from 2009, as well as RECs purchased in 2010. RECs in excess of what is needed for compliance will be carried forward for use in future years.

DE reservations exceeded compliance requirements in all categories at 103% compliant. Annualized-actual production compliance in 2010 increased dramatically over 2009 by 174% and was 51% compliant excluding outstanding customer projects still in construction. UNS Electric expects this type of annualized-actual increase to continue into 2011 and 2012 as reserved customer-sited projects continue to come on line and the average development time of larger projects continues to decline.

As required by Decision 70234 (December 10, 2010), UNS Electric is required to report a list of any cases within the previous three calendar years where UNS Electric has received damages or other considerations as a result of non-compliance related to RES contracts. UNS Electric has had no such cases in the previous three years.

UNS Electric shall also disclose, as part of future annual REST plan filings, whether its affiliates, its employees, or its directors have any direct financial or other interest in renewable energy projects that are owned or whose output is contracted for by UNS Electric. No affiliates, employees, or directors have any direct financial or other interest in renewable energy projects that are owned or whose output is contracted for by UNS Electric.

1.0 REST Requirements

The REST Rules contained in Arizona Administrative Code R14-2-1801 became effective August 14, 2007 following approval from the Arizona Corporation Commission ("Commission"). Among other things, the REST rules require UNS Electric to generate or purchase at least 15% of its total annual retail energy requirements from eligible renewable energy resources by 2025, with smaller amounts required in earlier years. The Commission determined that the REST should supersede the then existing Environmental Portfolio Standard ("EPS"), which like the REST, was designed to encourage development of renewable generation. When the REST supplanted the EPS, the Commission ordered that all remaining EPS funds be transferred to the REST program and that UNS Electric be released from all EPS requirements. Accordingly, some of the RECs generated during the EPS program were transferred

¹ One renewable energy credit, or REC, is equivalent to one kWh of production from an eligible renewable energy resource. Except for RECs from distributed energy resources, in order to receive credit for energy from an eligible renewable energy resource, the energy must be delivered to retail customers.

UNSE Electric 2010 REST Compliance Report

to the REST compliance period. UNSE Electric's first REST Implementation Plan was approved by the Commission in Decision No. 70314 (April 28, 2008), and became effective on June 1, 2008. At that time, the RES Tariff was added to customer bills. After this date, the REST compliance period began, and the EPS compliance period ended.

Table 1.1 – The REST mandate from 2008 to 2025 as required percentages of retail sales

Year	REST Requirement	Year	REST Requirement
2008	1.75% (10% DG)	2017	7.00% (30% DG)
2009	2.00% (15% DG)	2018	8.00% (30% DG)
2010	2.50% (20% DG)	2019	9.00% (30% DG)
2011	3.00% (25% DG)	2020	10.00% (30% DG)
2012	3.50% (30% DG)	2021	11.00% (30% DG)
2013	4.00% (30% DG)	2022	12.00% (30% DG)
2014	4.50% (30% DG)	2023	13.00% (30% DG)
2015	5.00% (30% DG)	2024	14.00% (30% DG)
2016	6.00% (30% DG)	2025	15.00% (30% DG)

Source: Renewable Energy Standard and Tariff, Section R14-2-1804 and R14-2-1805

Table 1.2 – 2010 compliance requirements by category in kWh

Category	kWh Goal
Jan - Dec 2010 UNSE Electric Retail Sales	1,848,446,000
REST Target @ 2.5% of Retail Sales	46,211,150
Distributed Energy @ 20% of REST Goal, including:	9,242,230
50% Residential DE	4,621,115
50% Non-Residential, Non-Utility DE	4,621,115
Utility Scale @ 80% of REST Goal	36,968,920

Table 1.3 – kWh of energy or equivalent obtained from Eligible Renewable Energy Resources for utility-scale and DE

UNSE 2010 RECs:

	Category	Production (kWh)	REST Multiplier(s) Applied	Multiplier Value	Extra Credits (from multipliers)	Total RECs
Utility-Scale (Non-Distributed Energy)	Global Solar		Manufacturing Partial Credit	2,190 * kW capacity produced and sold in 2010	1,414,351	1,414,351
	Other-Short Term Purchases	55,145,000	Annual kWh Production		N/A	55,145,000
	Total Non-DE Production	55,145,000				
	Subtotal Non-DE RECS					56,559,351
Distributed Energy		2,968,853	Annual kWh Production			
	Solar PV (Residential)		In-State Manufacturing and Installation Content	0.15	8,548	
			In-State Power Plant Installation Credit	0.5	28,494	
			Distributed Generation Credit	0.5	28,494	
			Subtotal			3,034,389
	Solar Hot Water (Residential)	220,222	Annual kWh Production			220,222
	Wind (Residential)	273,614	Annual kWh Production	N/A		273,614
	Solar PV (Small Commercial)	329,366	Annual kWh Production	N/A		329,366
	Wind (Commercial)	8,354	Annual kWh Production	N/A		8,354
	Total DE Production	3,800,409				
Subtotal DE RECS					3,865,945	
Summary	Total DE RECs To Be Retired					3,865,945
	Total 2010 Non-DE RECs					56,559,351
	Carryover Non-DE RECs from 2009					5,545,683
	Total (Non-DE 2010 new production + 2009 carryover)					62,105,034
	Total Non-DE Retired in 2010					39,968,920
Total Non-DE Carryover to 2011					22,136,114	

UNS Electric reports DG production in three compliance scenarios: (1) metered production from currently installed systems; (2) production that is annualized to more accurately reflect currently installed systems; and (3) the annualized production from currently installed plus the annualized production of reserved systems in construction to fully reflect the most accurate compliance picture.

Table 1.4 – DE kWh equivalent obtained from actual production, from production normalized to reflect a full year’s production and also to demonstrate the reserved kWh equivalent for DE

	Residential			Commercial			Total DE kWh		
	Actual (Actual production Jan-Dec 2010)	Annualized (production prorated Jan-Dec for current systems)	Annualized production + Annualized Reservations	Actual (Actual production Jan-Dec 2010)	Annualized (production prorated Jan-Dec for current systems)	Annualized production + Annualized Reservations	Actual (Actual production Jan-Dec 2010)	Annualized (production prorated Jan-Dec for current systems)	Annualized production + Annualized Reservations
Installed kWh	3,462,689	4,060,525	4,892,317	337,720	683,137	4,616,019	3,800,409	4,743,661	9,508,335
Required kWh	4,621,115	4,621,115	4,621,115	4,621,115	4,621,115	4,621,115	9,242,230	9,242,230	9,242,230
% Compliance met	75%	88%	106%	7%	15%	100%	41%	51%	103%

2.0 Generation Capacity and Technology

The REST rules allow for a variety of renewable technologies to be utilized for compliance. UNS Electric’s utility scale efforts are strategically designed to minimize resource costs to consumers, capture economy of scale, utilize proven technologies, have a benefit to UNS Electric area residents, rely very little on transmission capacity, and have a sustainable environmental footprint. DG projects are not controlled by UNS Electric and customers have graduated toward almost exclusively solar PV and solar water heating. The industrial market place is looking more toward chilling and cogeneration or hybrid PV and water heating. UNS Electric promotes technologies that provide the most cost-effective RECs.

Table 2.1 – Generation capacity disaggregated by technology type

Technology Type	kW Capacity, Cumulative	2010 kW Capacity, New	2010 Actual kWh production	Annualized kWh production
Distributed Energy:				
Solar PV	2,790	1,628	3,298,219	4,743,000
Solar Thermal	66	13	220,222	181,500
Wind	359	78	281,968	682,100
TOTALS	3,215	1,719	3,800,409	5,606,600

3.0 REST Costs, Surcharges, and Expenditures

The costs of the REST are covered by revenue collected from the REST surcharge on customer bills. These caps are set by the Commission and vary by customer class. The surcharge is set to collect the money required to cover the Commission approved REST budget. UNS Electric prepares the budget as a part of its annual implementation plan filing.

Table 3.1 – 2010 Commission Approved REST Line-item Budget

	2010 Budget REST Collections (\$)	2010 Budget Expenditures (\$)
REST Collections	\$ 7,834,136	
2008 REST Funding Carried Forward	871,183	
REST Expenditures		
Purchased Renewable Energy		
<i>Above Market Cost of Conventional Generation</i>		\$ 1,877,284
<i>Other</i>		27,000
Customer Sites Distributed Renewable Energy		
<i>Up-Front Payments Customers</i>		5,146,623
<i>Production Based Payments to Customer</i>		782,412
<i>Outreach Efforts</i>		200,000
<i>Other</i>		471,000
Information Systems		50,000
Net Metering		36,000
Reporting		60,500
Outside Coordination and Support, Research and Development		
<i>Support to University Research</i>		20,000
<i>Other</i>		34,500
Total	\$ 8,705,319	\$ 8,705,319

UNSE Electric 2010 REST Compliance Report

Part of the annual budget process is creating an estimate of the surcharges by customer class. Because these customer REST surcharges are paid in correspondence with actual kWh used by the customer, the estimated surcharges will differ from actual collections in accordance with the variance from forecast customer consumption and actual kWh consumption.

Table 3.2 – Forecast surcharges by customer class and Table 3.3 the actual surcharge collected from customers, by customer class in 2010

Date	Residential	Commercial	Industrial	Total
Jan-10	\$235,003.21	\$121,797.02	\$5,140.00	\$361,940.23
Feb-10	\$367,502.74	\$171,408.63	\$13,460.00	\$552,371.37
Mar-10	\$382,023.45	\$205,202.38	\$13,740.00	\$600,965.83
Apr-10	\$341,265.77	\$192,469.16	\$14,109.97	\$547,844.90
May-10	\$306,235.66	\$182,751.43	\$13,460.00	\$502,447.09
Jun-10	\$419,457.40	\$217,552.42	\$19,000.00	\$656,009.82
Jul-10	\$499,163.07	\$239,154.08	\$17,805.82	\$756,122.97
Aug-10	\$536,716.50	\$246,959.09	\$17,486.02	\$801,161.61
Sep-10	\$491,557.73	\$228,860.86	\$15,113.98	\$735,532.57
Oct-10	\$412,841.99	\$207,663.96	\$16,020.00	\$636,525.95
Nov-10	\$319,184.98	\$172,574.11	\$16,251.86	\$508,010.95
Dec-10	\$372,350.23	\$183,238.80	\$17,437.89	\$573,026.92
	\$4,683,302.73	\$2,369,631.94	\$179,025.54	\$7,231,960.21

Actual REST spending by UNSE Electric is tracked by line item. Money not spent will be carried over into the 2012 REST budget.

Table 3.3 – Cents per actual kWh of energy obtained for utility scale generation charged to REST (“AMCCG”)

	Generation (kWh's)	Total Cost	MCCCG (\$/kWh)	PPFAC COST	AMCCCG (\$/kWh)	AMCCCG COST
TOTAL	55,145,000	\$ 3,525,812	\$ 0.05042	\$ 2,780,411	\$ 0.0135	\$ 745,401

Although significant savings were achieved from the 2010 purchased renewable energy, under collections and advanced reservations result in a negative balance carried forward to the 2011 budget. Please see Table 3.4.

Table 3.4 – 2010 collections and expenditures and any funds carrying over into the 2012 REST Implementation Plan

2010 REST Collections & Expenditures		
	2010 REST Collections (\$)	2010 REST Expenditures (\$)
REST Collections	\$7,231,960	
REST Funding Carried Forward from Prior Years	871,183	
Total		
Purchased Renewable Energy		
<i>Above Market Cost Conventional Generation</i>		500,115
<i>Other</i>		62,570
Customer Sited Distributed Renewable Energy		
<i>Up-Front Payments Customers - Residential</i>		5,417,235
<i>Reserved Funds for Up-Front Payments Customers - Residential</i>		843,288
<i>Up-Front Payments Customers - Commercial</i>		711,614
<i>Reserved Funds for Up-Front Payments Customers - Commercial</i>		375,001
<i>Outreach Efforts</i>		175,955
<i>Other Customer Sited Distribution</i>		131,334
Information Systems		39,206
Net Metering		72,898
Reporting		16,768
Total	\$ 8,103,143	\$ 8,345,984
Total Expenditures	8,345,984	
Carried Forward to 2011	\$ (242,841)	

4.0 Further Discussion of Utility Scale Generation

4.1 RFP Process for PPA's

UNS Electric did not issue any Request for Proposal's ("RFP") in 2010. However, TEP and UNS Electric did complete the RFP process from fall 2009. Results of that RFP and Accion's Independent Auditing report were filed with the Commission in 2010. As a result of that RFP, a total of eight (8) new solar Power Purchase Agreements ("PPA") were signed by TEP, two (2) PPA's were signed by UNS Electric, and two (2) additional self-build contracts were signed by each company and the Solon Corporation. TEP expects to self-build approximately 5 MW in 2011 and 2012, and UNS Electric expects to build approximately 1.25 MW in 2011 and 2012. Listed in Table 4.1 is all of the current contracts both under construction and planned.

Table 4.1 – TEP & UNS Electric Renewable Contracts and Projects

Resource/ Counterparty	Technology	Location	Operator	Completion Date	Term (Years)	Purchase Option	Capacity MW	
Solar								
PPAs	Amonix	Concentrating PV	Tucson, AZ	Amonix	2011	20	On or after yr. 6 at FMV	2
	Swan Solar	Concentrating PV	Tucson, AZ	Amonix	2011	20		12
	NRG Solar	Fixed PV	Tucson, AZ	NRG Solar	2011	20		25
	First Light	Fixed PV	Tucson, AZ	CTC	2011	20		5
	Emcore Solar	Concentrating PV	Tucson, AZ	Emcore	2011	20		2
	Solon	SAT PV	Kingman, AZ	Solon	2011	20		5
	Solon	SAT PV	Santa Cruz County	Solon	2012	20		5
	FRV Tucson Solar	SAT PV	Tucson, AZ	Renewable Ventures	2012	20		25
	FSP Solar One	SAT PV	Tucson, AZ	Foresight Solar	2012	20		4
	FSP Solar Two	SAT PV	Tucson, AZ	Foresight Solar	2012	20		12
	Avalon Solar	Fixed PV	Marana, AZ	Avalon	2012	20		35
	Renewable Fuel	Solar Thermal	Tucson, AZ	Bell IPC	2013	20		5.5
Wind								
	Western Wind Energy US Corp	Wind	Kingman, AZ	Western Wind	2011	20	None	11
	Macho Springs	Wind	Deming, NM	Element Power	2011	20	None	50
Landfill Gas								
	Sexton Energy	Landfill Gas	Tucson, AZ	Sexton Energy	2013	15	None	2.2

Owned / Under Construction

Fuel/ Plant	Technology	Status	Completion Date	Net Capacity MW
Solar				
Springerville Solar Station	Fixed PV	Complete	2002	4.6
Springerville Solar Expansion	Fixed PV	Complete	2010	1.8
UASTP	SAT PV	Complete	2010	1.6
Tucson Airport Project	SAT PV	In progress	2011	5
TBD	SAT PV	Scheduled	2012	5

4.2 Manufacturing Credits

UNS Electric buys RECs from Global Solar, under the REST Manufacturing Partial Credit (R14-2-1807) rule. This rule stipulates that an affected utility (UNS Electric) can earn RECs using the following calculation:

$$\text{Nameplate capacity produced in AZ and sold Year } X * 2190 = \text{Total RECs}$$

As a result of its investment in Global Solar, UNS Electric obtained 1,414,351 RECs in 2009 that are eligible to contribute to its REST requirement.² In 2010, Global Solar sold PV modules that were produced and sold at the Tucson facility with a combined nameplate capacity of 4,613 kW. Using the 2,190 factor implies a 25% capacity factor for these units when they are deployed.

² Manufacturing Partial Credits obtained from Global Solar are prorated between TEP and UniSource Energy Services, at a rate of 86% and 14%, respectively.

5.0 Further Discussion of DE

5.1 Residential DE

The residential DE market was very active in the UNS Electric service territory in 2010. Due to this market rush and a massive consumer demand for solar, UNS Electric funds were exhausted in July 2010. Special Commission proceedings were held to transfer additional funds into residential DE and the incentives were lowered from \$3.00 per Watt DC to \$2.00 per Watt for the first \$200,000 of additional funds and to \$1.75 per Watt for the second \$200,000 in additional funds.. The residential marketplace continues to be a dynamic and rapidly changing environment.

5.2 Small Commercial DE

Similar high volume installation activity occurred in the small commercial marketplace in 2010, despite the limited availability of capital in the small commercial marketplace. This is due largely to increases in UFI upper limits for both PV and hot water. UNS Electric raised the maximum PV UFI level from 20 kW A/C to 100 kW. Incentives were reduced for PV in this area as well from \$2.50 per watt DC to \$1.50 per Watt.

5.3 Large Commercial and Industrial DE

UNS Electric's large commercial budget is allocated to the Lake Havasu City High School solar installation in the final stages of project development. Construction will be complete by December 31, 2011.

Table 5.1 – Residential, Small and Large Commercial REC prices for DE by technology

Incentive Summary Tables

RECPP – CONFORMING PROJECT INCENTIVE MATRIX

2010 Program Year

Technology/Application	UP FRONT INCENTIVE ¹ 20-Year REC Agreement	10-Year REC Agreement ² 10-Year Payment (\$/kWh)	15-Year REC Agreement ² 15-Year Payment (\$/kWh)	20-Year REC Agreement ² 20-Year Payment (\$/kWh)
BIOMASS/BIOGAS (Electric)	NA	0.060	0.056	0.054
BIOMASS/BIOGAS – CHP (Electric) ³	NA	0.035	0.032	0.031
BIOMASS/BIOGAS – CHP (Thermal) ³		0.018	0.017	0.016
BIOMASS/BIOGAS (thermal)	NA	0.015	0.014	0.013
BIOMASS/BIOGAS (cooling)	NA	0.032	0.030	0.029
DAYLIGHTING (Non-Residential)	\$0.18/kWh ⁷ See this note for clarification	NA	NA	NA
GEOTHERMAL – (electric)	NA	0.024	0.022	0.022
GEOTHERMAL – (thermal)	NA	0.048	0.045	0.043
Ground Source Heat Pump – (cooling)	\$500/ton	NA	NA	NA
SMALL HYDRO	NA	0.060	0.056	0.054
SMALL WIND (grid-tied) ⁴	\$2.25/Watt AC	NA	NA	NA
SMALL WIND (off-grid) ⁴	\$1.80/Watt AC	NA	NA	NA
SOLAR ELECTRIC:				
RESIDENTIAL (GRID-TIED)	\$3.00/Watt DC ⁴	NA	NA	NA
Non-Residential (Grid-Tied) 100 kW or less	\$2.50/Watt DC ⁴	NA	NA	NA
NON-RESIDENTIAL (GRID-TIED)	NA	0.182	0.168	0.162
More than 100 kW				
RESIDENTIAL (OFF-GRID)	\$2.00/Watt DC ⁴	NA	NA	NA
NON-RESIDENTIAL (OFF-GRID)	\$2.00/Watt DC ⁴	NA	NA	NA
SOLAR SPACE COOLING ⁵	NA	0.116	0.108	0.104
SOLAR WATER HEATING/SPACE HEATING ^{6,8,10} (Non-Residential, 35,000 annual kWh output production equivalent or less)	\$750 plus \$0.50/kWh	NA	NA	NA
RESIDENTIAL SOLAR WATER/SPACE HEATING (35,000 annual kWh output production equivalent or less) ^{6,8,10}	\$750 plus \$0.25/kWh	NA	NA	NA
NON-RESIDENTIAL POOL HEATING	NA	0.012	0.011	0.011

Notes:

- 1) Residential projects are eligible for an up-front incentive (UFI). UFI payments cannot exceed 60% of the cost of renewable energy equipment.
 - 2) Non-residential systems under 100 kW is a UFI but can be a PBI. Non-residential 100 kW and greater is PBI only. The total of payments under a production based incentive cannot exceed 60% of the project costs for any project.
 - 3) The CHP incentives may be used in combination for the appropriate components of one system.
 - 4) This PBI applies to a maximum system size of 1 MW.
 - 5) The solar space heating and cooling incentives may be used in combination for the appropriate components of one system.
 - 6) This category includes both traditional water heating and those systems combined with residential solar water heating used for space heating. Space heating applications require a report detailing energy saving for the complete system.
 - 7) Rate applies to measured first five years of energy savings only. Payments are made over a five year period.
 - 8) Some UFI based installations will require an adjustment of the incentive as detailed in the PV Incentive Adjustment Chart.
 - 9) Energy savings rating is based on the SRCC OG-300 published rating or the TEP-RECPP Space Heating Calculator. The customer contribution must be a minimum of 15% of the project cost after accounting for and applying all available Federal and State incentives.
 - 10) Rate applies to forecast/measured first year energy savings only.
- NA – Not Available

Table 5.2 – 2010 DE Project Volume and Capacity

Commercial	PV	Total
Applications Reserved in 2010	42	42
Annualized kWh	814,026	814,026
Capacity (kW)	479	479
Installed in 2010	29	29
kWh	564,137	564,137
Capacity (kW)	332	332
Reservations Carried Into 2011	5	5
kWh	144,857	144,857
Capacity (kW)	85	85

Residential	PV	Solar Hot Water	Wind	Total
Applications Reserved in 2010	304	29	17	350
kWh	3,932,243	77,317	97,774	4,107,334
Capacity (kW)	2,313	28	51	2,392
Systems installed in 2010	195	13	29	237
kWh	2,204,125	35,909	147,554	2,387,588
Capacity (kW)	1,297	13	78	1,388
Reservations Carried Into 2011	73	17	3	93
kWh	790,986	44,559	14,820	1,000,624
Capacity (kW)	465	16	8	489

Exhibit 1

Attestation for utility receipt of purchase of renewable energy and credits



RENEWABLE ENERGY CREDIT CERTIFICATE

In connection with that certain Confirmation dated May 17, 2010, subject to that certain WSPP Agreement (the "Agreement"), by and between Powerex Corp and Tucson Electric Power Company, the undersigned certifies, as of the February 28, 2011, as follows:

1. The generators (the "Facilities") are renewable electric generating facilities located in the Province of British Columbia.

2. The Facilities commissioning dates and nameplate generating capacities are as follows:

Table with 4 columns: Facility, C.O.D., Location, Capacity. Rows include Armstrong Tolko Woodwaste, Tembec Pulp and Paper, Vancouver Landfill Gas - Unit 1, Vancouver Landfill Gas - Unit 2, Canfor Prince George Bioenergy, and Domtar Kamloops.

Each Facility was certified by TerraChoice as an Ecologo Class III Certified facility.

3. This Renewable Energy Credits Certificate represents the Renewable Energy Credits (as defined in the Confirmation) associated with 91,102 MWh of electric energy generated at the Facilities during July through November 2010 pursuant to the Agreement. This Renewable Energy Credits Certificate has no stated or intrinsic value.

4. The Renewable Energy Credits sold to Purchaser pursuant to the Agreement have not been and shall not be sold, pledged, hypothecated or assigned to any party other than Purchaser. Seller has good and marketable title to such Renewable Energy Credits, free and clear of all mortgages, liens, security interests, pledges, charges, encumbrances, or claims of any nature except as created by this Agreement, and Seller has full right, power and authority to sell, transfer and deliver such Renewable Energy Credits.

5. WITH PURCHASER'S KNOWLEDGE AND CONSENT, SELLER EXPRESSLY NEGATES ANY REPRESENTATION OR WARRANTY, OTHER THAN THOSE EXPRESSLY STATED IN THE AGREEMENT, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE ELIGIBILITY OF THE RENEWABLE ENERGY CREDITS SOLD UNDER THE AGREEMENT TO BE APPLIED, USED OR SUBMITTED TO ANY PROGRAM, GOVERNMENTAL OR OTHERWISE, AND ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

Powerex Corp.

Dated: February 28, 2011

By:
Name:
Title:

Handwritten signature of Robert Campbell
Robert Campbell
Managing Director

**Table 1
RECs Delivered to TEP in Jul 10 for Deal CRN 703 / CRN 716**

Date	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL
1-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
2-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
3-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
4-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
5-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
6-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
7-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	24	24	25	22	19	20	25	25	25	25	25	25	584
8-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
9-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
10-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
11-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	19	12	12	12	12	13	16	16	18	511
12-Jul-10	19	19	19	19	19	19	16	19	12	19	17	17	15	11	11	14	15	15	16	16	16	16	16	16	391
13-Jul-10	16	17	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	583
14-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
15-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
16-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
17-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
18-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
19-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
20-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
21-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
22-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
23-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
24-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
25-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
26-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
27-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
28-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
29-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
30-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	24	25	25	25	25	25	25	25	25	25	599
31-Jul-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600

18,268

Table 2
RECs Delivered to TEP in Aug 10 for Deal CRN 703 / CRN 716

	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL	
1-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
2-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
3-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	20	16	16	16	24	25	24	25	25	25	566
4-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
5-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
6-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
7-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
8-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
9-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
10-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
11-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
12-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
13-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
14-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
15-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
16-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
17-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
18-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
19-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
20-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
21-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
22-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
23-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
24-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
25-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
26-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
27-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
28-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
29-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
30-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	594
31-Aug-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600

18,560

Table 3
RECs Delivered to TEP in Sep 10 for Deal CRN 703 / CRN 716

Date	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL
1-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
2-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
3-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
4-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
5-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
6-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
7-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
8-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
9-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
10-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
11-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
12-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
13-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
14-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
15-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
16-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
17-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	551
18-Sep-10	25	25	25	25	25	25	25	0	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	575
19-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
20-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
21-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
22-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	586
23-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	591
24-Sep-10	25	25	25	25	25	25	25	25	25	25	13	11	12	13	17	16	17	19	19	17	15	14	13	14	460
25-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
26-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
27-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	597
28-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	598
29-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	580
30-Sep-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600

17,738

Table 4
RECs Delivered to TEP in Oct 10 for Deal CRN 703 / CRN 716

Date	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL
1-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
2-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
3-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
4-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
5-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
6-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
7-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
8-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
9-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
10-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
11-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
12-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
13-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
14-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
15-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
16-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	559
17-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
18-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
19-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
20-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
21-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
22-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
23-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	593
24-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	593
25-Oct-10	0	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	18
26-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	575
27-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	591
28-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
29-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
30-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
31-Oct-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600

18,511

Table 5
RECs Delivered to TEP in Nov 10 for Deal CRN 703 / CRN 716

Date	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL
1-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
2-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
3-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
4-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
5-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
6-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
7-Nov-10	25	50	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	625
8-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
9-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
10-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
11-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
12-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
13-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
14-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
15-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
16-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
17-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
18-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
19-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
20-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
21-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
22-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
23-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
24-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
25-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
26-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
27-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
28-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
29-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600
30-Nov-10	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	600

18,025



RENEWABLE ENERGY CREDIT CERTIFICATE

In connection with that certain Confirmation dated December 28, 2009, subject to that certain WSPP Agreement (the "Agreement"), by and between Powerex Corp and Tucson Electric Power Company, the undersigned certifies, as of the October 18, 2010, as follows:

1. The generators (the "Facilities") are renewable electric generating facilities located in the Province of British Columbia.

2. The Facilities commissioning dates and nameplate generating capacities are as follows:

Table with 4 columns: Facility, C.O.D., Location, Capacity. Rows include Armstrong Tolko Woodwaste, Tembec Pulp and Paper, Vancouver Landfill Gas - Unit 1, etc.

Each Facility was certified by TerraChoice as an Ecologo Class III Certified facility. *Facility is Ecologo Class II.

3. This Renewable Energy Credits Certificate represents the Renewable Energy Credits (as defined in the Confirmation) associated with 70,224 MWh of electric energy generated at the Facilities during February through June 2010 pursuant to the Agreement. This Renewable Energy Credits Certificate has no stated or intrinsic value.

4. The Renewable Energy Credits sold to Purchaser pursuant to the Agreement have not been and shall not be sold, pledged, hypothecated or assigned to any party other than Purchaser. Seller has good and marketable title to such Renewable Energy Credits, free and clear of all mortgages, liens, security interests, pledges, charges, encumbrances, or claims of any nature except as created by this Agreement, and Seller has full right, power and authority to sell, transfer and deliver such Renewable Energy Credits.

5. WITH PURCHASER'S KNOWLEDGE AND CONSENT, SELLER EXPRESSLY NEGATES ANY REPRESENTATION OR WARRANTY, OTHER THAN THOSE EXPRESSLY STATED IN THE AGREEMENT, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE ELIGIBILITY OF THE RENEWABLE ENERGY CREDITS SOLD UNDER THE AGREEMENT TO BE APPLIED, USED OR SUBMITTED TO ANY PROGRAM, GOVERNMENTAL OR OTHERWISE, AND ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

Powerex Corp.

Dated: October 18, 2010

By: [Signature]
Name:
Title:

Mark Holmann
President

Table 1
RECs Delivered to TEP in Feb 10 for Deal CLA 998 / CLB 175

Date	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL
1-Feb-10	20	20	13	0	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	453
2-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
3-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
4-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
5-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
6-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
7-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
8-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
9-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
10-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
11-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
12-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
13-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
14-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
15-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
16-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
17-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
18-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
19-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
20-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
21-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
22-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
23-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
24-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
25-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
26-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
27-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	467
28-Feb-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480

TOTAL 13,400

Table 2

RECs Delivered to TEP in Mar 10 for Deal CLA 998 / CLB 175

	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL
1-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
2-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
3-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
4-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
5-Mar-10	20	20	20	20	20	20	20	20	16	18	20	20	20	20	20	20	20	20	20	20	20	20	20	20	474
6-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
7-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
8-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
9-Mar-10	20	20	20	20	20	20	0	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	460
10-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
11-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
12-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
13-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
14-Mar-10	20	20	0	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	460
15-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	17	20	20	20	20	477
16-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
17-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
18-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
19-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
20-Mar-10	20	20	20	20	20	20	20	7	11	11	13	12	11	11	11	12	11	10	12	14	12	12	20	20	350
21-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
22-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
23-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
24-Mar-10	20	20	20	20	20	20	20	20	20	20	16	20	20	20	20	20	20	20	20	20	20	20	20	20	476
25-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
26-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
27-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
28-Mar-10	20	20	20	20	20	19	17	17	17	17	17	17	17	14	14	15	17	17	17	17	17	17	20	20	423
29-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
30-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
31-Mar-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
																								TOTAL	14,640

Table 3
RECs Delivered to TEP in Apr 10 for Deal CLA 998 / CLB 175

Date	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL	
1-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
2-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
3-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
4-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	19	20	20	20	20	20	20	20	20	20	20	479	
5-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
6-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
7-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
8-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
9-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
10-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
11-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
12-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
13-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
14-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
15-Apr-10	13	13	13	13	13	13	13	13	13	12	11	11	11	11	11	11	11	13	13	13	13	13	13	5	361	
16-Apr-10	13	13	13	13	13	13	13	13	13	10	9	11	11	11	12	11	12	12	12	12	12	11	12	12	12	297
17-Apr-10	12	12	12	12	12	12	12	12	12	11	12	4	9	12	11	12	12	11	12	12	12	9	5	12	263	
18-Apr-10	12	11	12	12	12	12	12	12	12	11	12	9	12	12	12	12	12	12	12	12	12	12	12	12	274	
19-Apr-10	12	12	12	12	12	12	12	12	12	10	12	12	12	12	12	12	12	12	12	12	11	12	6	6	272	
20-Apr-10	8	8	4	4	4	4	4	4	4	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	393	
21-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
22-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
23-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
24-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
25-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
26-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
27-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
28-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
29-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	
30-Apr-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480	

TOTAL **13,185**

Table 5
RECs Delivered to TEP in Jun 10 for Deal CLA 998 / CLB 175

Date	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	TOTAL
1-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
2-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
3-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
4-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	16	476
5-Jun-10	15	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	6	20	12	16	20	449
6-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	19	20	20	479
7-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
8-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
9-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
10-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
11-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
12-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
13-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
14-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
15-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
16-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
17-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
18-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
19-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
20-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
21-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
22-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
23-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
24-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	479
25-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	439
26-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
27-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
28-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
29-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480
30-Jun-10	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	480

TOTAL 14,322



**Commercial Operations
1800 Larimer
Suite 1000
Denver, CO 80202**

March 1, 2010

UniSource Energy
Attn: Carmine Tilghman, Director – Renewable Energy Resources
One South Church Avenue
Mail Stop UE2004, PO Box 711
Tucson, AZ 85702

Carmine,

For the month of February, 8,435 MWs of bundled energy was delivered to TEPM. All of the MWs delivered were under the fixed price option at \$66.25. Below, I have listed out the deliveries by farm:

Resource	EIA#	MWs
Logan:	56613	8,185
CO-Green:	56173	250
Total:		8,435

Please feel free to contact me with any questions or concerns. We have enjoyed doing business with you and look forward to meeting Tucson's future needs.

Regards,

Eric Pierce
Managing Director, Energy Trading



**Commercial Operations
1800 Larimer
Suite 1000
Denver, CO 80202**

February 2, 2010

UniSource Energy
Attn: Carmine Tilghman, Director – Renewable Energy Resources
One South Church Avenue
Mail Stop UE2004, PO Box 711
Tucson, AZ 85702

Carmine,

Below is a quick summary of our bundled deliveries for the month of January:

9,967 MWs of bundled energy was delivered to TEPM for the month of January. 9,284 MWs were delivered at a fixed price and the additional 683 MWs were delivered at a real time price. Please see below the total MWs by resource delivered:

Resource	EIA#	MWs
Cedar	56371	1,125
CO-Green	56173	750
Logan	56613	8,092
Total MWs		9,967

Please feel free to contact me with any questions or concerns.

Regards,

Eric Pierce
Managing Director, Energy Trading

Exhibit 2

Attestation from an independent auditor that project selection procedures are fair and unbiased

CONFIDENTIAL

Exhibit 3

Description of extra credit multipliers

The REST order allows utilities to earn RECs from sources other than actual energy production based on applicable extra credit multipliers ("Multipliers"). These Multipliers include the Early Installation Extra Credit Multiplier, the In-State Power Plant Installation Extra Credit Multiplier, the In-State Manufacturing and Installation Content Extra Credit Multiplier, and the Distributed Solar Electric Generator and Solar Incentive Program Extra Credit Multiplier.

The Multipliers are applied to the energy generated by an eligible renewable energy resource. The energy generated by a given facility during a compliance period is multiplied by the multiplier, producing the "extra credit" earned by that facility. This "extra credit" is then added to the RECs produced by the facility as a result of its energy production to provide the total number of RECs generated by that facility during a given compliance period. The multipliers are additive, but the total multiplier cannot exceed 2.0. Table E3.1, below, shows each multiplier and its related value.

Table E3.1 - REST Extra Credit Multipliers

Extra Credit Multipliers	Value
Early Installation Extra Credit: Installed and Began Operating in	
2001	0.3
2002	0.2
2003	0.1
In-State Power Plant Extra Credit (1997-2005)	0.5
In-State Manufacturing and Installation Content (1997-2005)	0.5 * (% in-state content in installed plant)
DE Solar Electric Generator and Solar Incentive Program (1997-2005)	0.5

Source: Renewable Energy Standard and Tariff, R14-2-1806.

The Multipliers only apply to systems installed between January 1, 1997 and December 31, 2005. In some cases, the definition is even narrower. There is no expiration date for any of the Multipliers except the Early Installation Extra Credit Multiplier. The Early Installation Extra Credit Multiplier is only applied during the first five years following a facility's operational startup; as a result, 2008 will be the final year for applying this multiplier. The remaining Multipliers can be applied to facility generation for the life of the facility.

Exhibit 4

Documentation of UNS Electric REC Retirements for 2010

(Signed Certificate available upon request)

CERTIFICATE OF RETIREMENT OF RENEWABLE ENERGY CREDITS

Original Certificate Issue

Certificate No. UNSE/REST: WRE 30,334,852 – 70,303,772

Certificate No. UNSE/REST: DERES 2,310,571 – 5,773,260

Certificate No. UNSE/REST: DECOM 115,917 – 453,637

On March 31, 2011 UNS Electric, Inc (UNSE) retired 39,968,920 Utility-Scale/Wholesale Renewable Energy Credits (WRE); 3,462,689 Distributed Energy - Residential Credits (DERES); and 337,720 Distributed Energy – Commercial Credits (DECOM) towards meeting its 2010 Renewable Energy Standard requirements.

1. UNSE certifies that it derived the Wholesale Renewable Energy Credits from certified wholesale market trades that were delivered, and verified through WebTrader™, into the UNSE service territory.
2. UNSE certifies that it derived all other Utility Scale Solar and Distributed Energy Solar from actual generation of electricity and the application of the multipliers as permitted by the EPS and the RES.
3. UNSE further certifies that, at the time of this transfer, it had title to the Credits transferred to UNSE and that such Credits have not previously expired, have not been otherwise used by UNSE to meet its Environmental Portfolio Standard or Renewable Energy Standard requirements, and have not been transferred by UNSE to any other entity.

Attested to:

Name of UNSE officer – David G Hutchens

Title – Executive Vice President

Date – March 31, 2011

Signature /s/ David G. Hutchens