

## **RIDER GP**

### **DUKE ENERGY'S *GoGREEN* KENTUCKY GREEN POWER / CARBON OFFSET RIDER**

#### **APPLICABILITY**

Applicable to any residential customer (Rate RS) who wishes to purchase "Green Power" and/or "Carbon Offsets" from Duke Energy's *GoGreen* Kentucky program. The pilot program will end December 31, 2012.

#### **DEFINITION OF GREEN POWER AND CARBON OFFSETS**

Green Power includes energy generated from renewable and/or environmentally friendly sources, including:

Wind, Solar Photovoltaic, Biomass Co-firing of Agricultural Crops and All energy crops, Hydro – as certified by the Low Impact Hydro Institute, Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-firing of All Woody Waste including mill residue, but excluding painted or treated lumber. Green Power includes the purchase of Renewable Energy Certificates.

Carbon Offsets are financial instruments representing a reduction in greenhouse gas emissions. One Carbon Credit represents the reduction of one metric ton of carbon dioxide (CO<sub>2</sub>) or its equivalent in other greenhouse gases. Each Carbon Offset available under this tariff represents a 500 pound (lbs) block reduction of CO<sub>2</sub> (approximately ¼ of a Carbon Credit).

#### **NET MONTHLY BILL**

Customers who participate under this rider will be billed for electric service under all applicable tariffs including all applicable riders.

Green Power purchased under this rider, will be billed at the applicable Green Power rate times the number of 100 kWh blocks the customer has agreed to purchase per month.

The Green Power rate shall be \$2.00 per 100 kWh block with a minimum monthly purchase of two 100 kWh blocks.

Carbon Offsets purchased under this rider, will be billed at the applicable Carbon Offset rate times the number of Carbon Offsets the customer has agreed to purchase per month.

The Carbon Offset rate shall be \$4.00 per 500 lbs offset block.

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Issued by authority of an Order of the Kentucky Public Service Commission dated February 5, 2010 in Case No. 2009-00408.

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Issued by Julie Janson, President

## **TERMS AND CONDITIONS**

1. The customer shall enter into a service agreement with Company that shall specify the number of kWh blocks and/or Carbon Offsets to be purchased monthly and the corresponding rates(s) per unit. The Customer shall give Company thirty (30) days notice prior to cancellation of participation in this rider.
2. Funds collected from this tariff will be used to purchase Renewable Energy Certificates (RECs) and/or carbon credits from renewable and environmentally friendly sources as described in the DEFINITION OF GREEN POWER AND CARBON OFFSETS section and for customer education, marketing, and costs of the GoGreen Power Program.
3. Renewable Energy Certificate (REC) shall mean tradable units that represent the commodity formed by unbundling the environmental attributes of a unit of renewable or environmentally friendly energy from the underlying electricity. One REC would be equivalent to the environmental attributes of one MWh of electricity from a renewable or environmentally friendly generation source.
4. Carbon Credit shall mean tradable units that represent the reduction of the release of a greenhouse gas in the equivalent of one metric ton of CO<sub>2</sub>. A Carbon Offset represents approximately ¼ of a Carbon Credit.
5. Company reserves the right to terminate the Rider or revise the pricing or minimum purchase amount of the Rider after giving 60 days notice to the Kentucky Public Service Commission.
6. Company may obtain RECs from purchased power, company owned generation, or third party brokers purchased with funds collected from this rider.

Company may obtain Carbon Credits from third party brokers or company owned projects with funds collected from this rider.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations, as filed with the Kentucky Public Service Commission.

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