

NSTAR Solar Renewable Energy Certificate Procurement Process

NSTAR Electric follows an established Request for Proposal (RFP) process to purchase NEPOOL-GIS Solar Renewable Energy Certificates (SRECs) in compliance with the Massachusetts Renewable Energy Portfolio Standards. The process is intended to ensure the Company procures SREC certificates in a robust and cost effective manner by allowing all qualified bidders the opportunity to participate in a competitive bidding process.

The Company welcomes all qualified bidders to participate in the solicitation and procurement process.

Overview

In 2003 the Massachusetts Division of Energy Resources (Mass DOER) issued Renewable Energy Portfolio Standard (RPS) regulations requiring all retail electricity providers in the Commonwealth (other than municipal utilities) to utilize qualified renewable energy sources for at least 1% of their power supply needs, increasing to 4% by 2009 (and higher amounts thereafter). The Green Communities Act of 2008 further modified the requirements to include older renewables as well as to advance and foster development of alternative energy facilities. Under the Green Communities Act a Retail Electricity Supplier ("RES") is required to source a minimum portion of its supply needs from new on-site solar energy generating resources located in the Commonwealth. The Mass DOER regulations (225 CMR 14.00, 225 CMR 15.00, 225 CMR 16.00) implementing these requirements can be found at:

<http://www.state.ma.us/doer/rps/index.htm>.

Procurement Process

Three to four RFP's will be distributed each year for current calendar year or prior year certificate compliance. The number of solicitations will vary depending on the ability to satisfy SREC requirements. A copy of the Company's most recent RFP can be obtained at the following link:

http://www.nstar.com/business/energy_supplier/supply_rec.asp

Both price and non price factors will be considered in evaluating the proposals received.

Price Factors

- Competitiveness of SREC bid price;

Non-Price Factors

- Firmness of delivery

- Ability to accept the terms of the Certificate Purchase Agreement. A copy of the Company's most recent Purchase Agreement can be obtained at the following link:
http://www.nstar.com/docs3/energy_supplier/wholesale/rec-agreement.doc
- The supplier's past experience in providing similar services to other companies in New England or in other regions.

Any agreement(s) entered into for the delivery of MA Solar Renewable Energy Certificates is subject to internal review and approval in accordance with the requirements and timetables of the RFP issued.