



### **What is an SREC?**

A Solar Renewable Energy Credit, SREC, is a tradable certificate that represents the production of 1MWh of solar energy that has been produced and verified. It signifies the clean or “green” attributes of the power that was generated. This is not the actual electricity produced, but the environmental and social attributes of that electricity – income from SRECs is in *addition* to the electricity savings you will see from your solar installation. SREC transactions occur in many regions based on the production of clean power; utilities purchase a specific number of RECs from clean power generators, to meet mandated (legislated) Renewable Portfolio Standards (RPS). SRECs may also be traded on an open market to willing buyers.

### **How do you get a credit or 1 SREC?**

Every megawatt hour (MWh) your system generates earns you 1 credit. A megawatt hour is equal to 1000 kilowatt hours. The average solar PV installation produces 1000 to 1200 kilowatt hours/year/ 1 kilowatt of DC installed capacity. Therefore, a 10kW PV system will produce ~ 10-13 RECs per year depending on site conditions. SREC values vary by state and market conditions.

### **What’s a megawatt hour (MWh)?**

One MWh is equal to One Million watts of green energy going back either to the grid or into your electrical consumption. It is measurable through the electrical tie in that we provide to your electric meter. One megawatt hour equals 1000 kilowatt hours. The average home uses 7000 to 12000 kilowatt hours per year. For example, if you buy a 6.0 kW system your estimated production will be 7,382 kWh per year. In megawatts, you simply move the decimal point over 3 spots and you get 7.38 Renewable Energy Credits per year.

### **What do I do with these credits?**

Solardelphia will aggregate them together with other customer’s credits and sell them back to the utility or on the open market, wherever we get the best return. By aggregating the SRECs together, we can demand a higher price from the utilities given its less “leg-work” for them to achieve their RPS requirements. From that sale, you will get the proceeds, less our commission of 10%, generating income from your solar system and reducing your payback period!