

**RAPPAHANNOCK ELECTRIC COOPERATIVE
Fredericksburg, VA**

RESIDENTIAL ON-BILL TARIFF PROGRAM RIDER

SCHEDULE OBT

I. INTRODUCTION

REC's On-Bill Tariff Program is a voluntary tariff program that allows eligible Customers (i) to arrange through the cooperative for its provision and installation, including by Approved Vendors, from which Customers can choose, of Energy Efficiency Measures at the Customer's premises without an upfront payment and (ii) to pay a monthly Energy Savings Charge over time to cover the cost of the Energy Efficiency Measures and Program Costs..

II. AVAILABILITY AND APPLICABILITY

Schedule OBT is available on a voluntary basis as a companion rate to certain Customers for the purposes of improving resource efficiency and reducing net utility bills. Schedule OBT is available to Customers taking service under Rate Schedule A-1 (Residential and Church Service) and Rate Schedule A-1-P (Prepaid Electric Service) in all territory served by the Cooperative, subject to the Terms and Conditions of the Cooperative on file with the Virginia State Corporation Commission.

To participate in the Cooperative's On-Bill Tariff Program, a Customer must: 1) request from the Cooperative an Assessment and analysis of the cost-effectiveness of qualifying energy efficiency measures, 2) agree to the terms of the Assessment and, and 3) sign the On-Bill Tariff Agreement that defines member benefits and obligations.

Participants must own the premises at which the Cooperative will implement the Energy Efficiency Measures and must also sign the On-Bill Tariff Agreement. If a participant does not own the premises at which the Cooperative will implement the Energy Efficiency Measures, then the premises' owner must sign the On-Bill Tariff Agreement to participate in the program. In either case, the participant and signatory to the On-Bill Tariff Agreement agree to not remove or damage the installed Energy Efficiency Measures, to maintain them, and to provide notice of the benefits and obligations associated with the installed Energy Efficiency Measures at the premises to the next owner or Customer before the next subsequent sale or rental of the premises.

Premises under construction or constructed within five years prior to the Customer's request to participate in the On-Bill Tariff Program ineligible to participate in the On-Bill Tariff Program. Premises that are unlikely to be habitable or to serve their intended purpose for the duration of Cooperative's cost recovery are ineligible to participate in the On-Bill Tariff Program unless the owner performs the necessary repairs to extend its life through the Cooperative's cost recovery period. Generally, manufactured homes built on a permanent foundation and fabricated after 1982 are eligible for the On-Bill Tariff Program. In all cases, the Cooperative shall solely determine the eligibility of any premises to participate in the On-Bill Tariff Program.

The terms and conditions of the Cooperative's On-Bill Tariff Program apply automatically to the participating Customer as well as any future Customers at each upgraded premises. For additional qualifications, please see the Cooperative's Terms and Conditions.

III. ASSOCIATED MONTHLY CHARGES AND FEES

Assessment Fee: The Cooperative will treat the Assessment Fee as a Program Cost and will not seek to recover it directly from the Customer through the Energy Savings Charge.

Energy Savings Charge: The Cooperative will recover the costs for the Energy Efficiency Measures it implements to the Participant's premises (including any related fees as described in Schedule OBT and the Cooperative's Terms and Conditions) through a monthly Energy Savings Charge assigned to the premises where the Cooperative implemented the Energy Efficiency Measures. Energy Savings Charges shall be paid by the Participant or successive Customers who occupy the premises until all Cooperative costs have been recovered. The Cooperative will set the Energy Savings Charge for a duration not to exceed the greater of: i) the length of the applicable parts and labor warranty, or ii) 80 percent (80%) of the estimated life of the installed Energy Efficiency Measures. The Energy Savings Charge and duration of payments will be included in the On-Bill Tariff Agreement.

IV. TERMINATION

Once the Cooperative has recovered the cost of its upgrades, including all applicable charges and fees from a Customer's premises, the Cooperative will no longer bill the Energy Savings Charge at that location, except as required for maintenance of installed energy efficiency measures or vacancy, as described in the Cooperative's Terms and Conditions.