



Dear NRLP customer,

NRLP is excited to be your energy partner as you explore customer-owned solar generation. Distributed energy resources (DER), such as rooftop solar systems, are an important part of a modern electric grid. With current homeowner tax incentives, they are becoming a viable option for customers.

When planning your rooftop solar installation, working with a reputable, certified contractor who can offer quality advice about your solar system is important. The financial benefit of installing solar can vary based on everything from the amount of energy you consume to the size of your system and its ability to generate based on its location.

NRLP's electric rates are regulated by the North Carolina Utilities Commission (NCUC). North Carolina statutes require that customers who install their own generation system still pay for the full fixed cost of service approved by the NCUC to ensure no cross-subsidization by non-generating customers. [NC Statute 62-126.4](#).

The customer generation credit is approved by the NCUC. This generation credit is based largely on the wholesale cost of energy. NRLP adjusts its rates based on the wholesale cost of energy. These adjustments are also approved by the NCUC.

If the electric costs go down based on the wholesale cost of energy, so does any generation credit. When determining the financial benefit of installing generation, please be aware that there will be a fluctuation of the credit that is based on NRLP's cost to provide energy.

Please sign below to acknowledge your understanding of the variable nature of customer-owned generation credits.

I understand that the credit for customer-owned generation will vary based on the wholesale cost of energy or other related costs approved by the North Carolina Utilities Commission (NCUC).

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Owner

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Date