

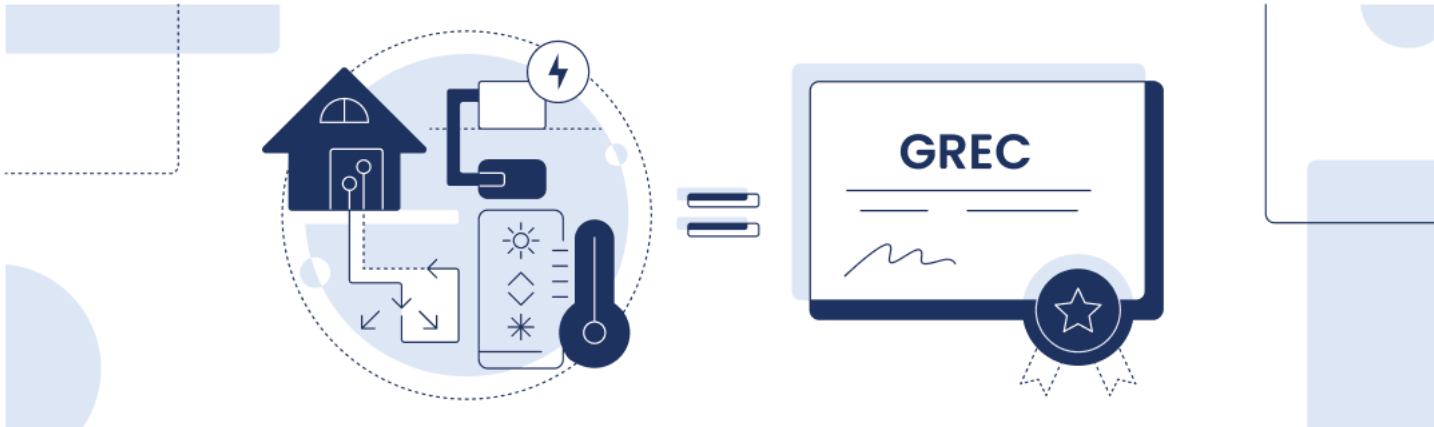


**Maryland
Installer
GSHP Offering**

Distributed
Decarbonization

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What is a GREC



GRECs are incentives that allow ground source heat pump system owners to monetize the environmental benefits of their system's energy efficiency. System size, fuel type replacement, installation date, property specification, and other home energy efficiency factors are all factors of eligibility and determining the quantity and value of the GRECs a system will generate.

What Contract Options do we offer in Maryland?



Full Upfront – One Upfront Lump-Sum Payment

This option is one payment upfront. This is a pre-payment for the renewable energy credits generated over the system's useful life. We calculate this payment based on the system size (tons). The price is discounted from the current market price and payment is made within 45 days of all registrations being approved. See Pricing Table below.



Market-Based – Current Market Rate Minus Commission

The timing and amounts of the payments will fluctuate with the market. We will sell your SRECs (based on the actual production) at least once per year. Payments will be made within 45 days of the sale of the SREC and a set commission will be deducted from your payment.

Customer Payment Options

New Installs	Payment Type	Customer Payment
Installation date after: 1/1/2023	Upfront Lump Sum	\$3,300 per ton upfront payment
	Or	
	Annual Market Based Sale	Market Price less 5% CSG commission
Example Payment	Upfront Payment: 5 Ton system installed X \$3,300 per ton = \$16,500 upon system registration.	

Existing Installs	Replaced System	Customer Payment
Installation date between 1/1/2015 - 1/1/2023	Upfront Lump Sum	\$1,300 per ton upfront payment
Example Payment	Upfront Payment: 5 Ton system installed X \$1,300 per ton = \$6,500 upon system registration.	

Referral Payments for Installers

As a partner you will receive a set price per ton referral bonus for information sharing and converting your customer to be our registered customers. CSG is currently offering \$200/ton.

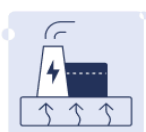
Example:

Ton	\$/ton Referred	Total Referral Earnings
6	\$200	\$1,200

Registration

Overview of the Process and Timeline

The registration process will begin after a system has been installed and the system owner has signed a REC Agreement with Carbon Solutions Group. From there CSG handles all aspects of registration of the system and payment to the customer. The system registration process generally takes between 4-6 weeks. First payment to the customer is net 45 from the system registration date.



1. Installation

Installer provides GREC quote, CSG introduction, and installs the system



2. Application Started

System entered into CSG Portal, and CSG contacts customer



3. Contracting

SREC Contract Signed



4. Registering

CSG registers the facility with applicable state and tracking systems registrations



5. Active

Payment

Required Information

- System Details
- Owner and Installer Affidavits (sent by CSG)
- Local building permit final approval and/or proof of paid invoice
- ClimateMaster Saving Calculator: Residential only
- Installer's Engineering Study: Non-residential only
- Schedule A (sent by CSG)

Market Overview

Introduction of GRECs in Maryland RPS:

Introduction of Geothermal Heating and Cooling (GHC) in Maryland RPS: Maryland was the first state to include energy generated by Geothermal Heating and Cooling (GHC) technologies in its Renewable Portfolio Standard (RPS) as a Tier 1 renewable source. This inclusion was established through House Bill 1186 in 2012. GHC system owners are eligible to earn Renewable Energy Credits (RECs) equivalent to 1 MWh of electricity.

Market Forces:

The Maryland GREC market operates as an open market, with prices influenced by market forces such as supply and demand and the Alternative Compliance Penalty (ACP). The ACP serves as a soft benchmark for GREC values and is a fee paid by utilities for shortfalls in REC procurement.

Eligibility for GRECs:

Systems installed after January 1, 2023, a person can receive GRECs based on the amount of thermal energy saved by a geothermal heating and cooling system if the person: 1) Owns and operates the systems; 2) Leases and operates the systems; or 3) Contracts with a third party who owns and operates the systems. The term for generating GRECs from a qualified geothermal system in Maryland is 8 years from the date of certification. After the expiration of the 8-year GREC eligibility period, the system may qualify for another REC class (e.g., Class I or Class II).

Residential: To qualify for residential renewable energy credits (RECs) only, the geothermal heating and cooling system must be installed in a residential home that is not owned by a business. The system must meet ENERGY STAR standards (see Energy Efficiency Requirements for Geothermal Heat Pumps) and not feed electricity back into the grid. A single residential home qualified as low or moderate-income housing is also eligible for RECs under the new carve-out if the system was installed on the property on or after January 1, 2023.

Non-Residential: To qualify for non-residential RECs, the geothermal heating and cooling system must be installed in a non-residential facility. Non-residential facilities include commercial buildings and multi-family housing units. Supporting documentation must be provided to prove that the system is not for a single residential home.

We appreciate the opportunity to work with you.

Carbon Solutions Group
Contact Information

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[Schedule A Call](#)