



**APX**

Energy. Environment. Market Integrity.

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Jose Ibieta Torremendia  
Vice President & General Counsel

111 River Street, Suite 1204  
Hoboken, NJ 07030  
Tel: 201 748 7917  
jibieta@apx.com

**FILED**  
**FEB 07 2011**  
Clerk's Office  
N.C. Utilities Commission

February 1, 2011

Sam Watson  
North Carolina Utilities Commission  
430 North Salisbury Street  
Raleigh, NC 27603

*E-100 Sub 121*

Re: First Amendment to Memorandum of Agreement

Dear Sam,

Attached please find two copies of the First Amendment to the Memorandum of Agreement (MOA) between APX and the North Carolina Utilities Commission, duly executed by APX's CEO, Brian Storms. Please have both executed by the NCUC and send one copy back to me at your earliest convenience.

Thank you for all of your attention to this over the last few months. Looking forward to continuing to work with you on this project, I remain,

Very truly yours,

  
Jose Ibieta Torremendia

Atts.

*(22)  
OK  
? Brian  
Bernard  
Vasquez  
Watson  
Spencer  
Thompson  
Hite  
Frisman  
Jones  
Rudge  
Smith  
Legg  
Adel  
K/Res. 2  
Elect. 3*

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FEB 07 2011

Clerk's Office  
N.C. Utilities Commission

10 86121  
EXECUTION COPY

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**FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT**

This First Amendment to Memorandum of Agreement (Amendment) made and entered into this 1<sup>st</sup> day of February, 2011, between the North Carolina Utilities Commission (Commission) and APX, Inc., a California corporation (Vendor), is to amend the Memorandum of Agreement (MOA), dated February 2, 2010, between the Commission and Vendor.

**WHEREAS** Vendor has requested to expand the scope of the North Carolina Renewable Energy Tracking System (NC-RETS) by making an addendum to Vendor's Response to the Commission's RFP, Docket No. E-100, SUB 121; and

**WHEREAS** the parties wish to amend the MOA as required by Section 29 thereof to include the proposed expansion of scope and to make certain other amendments, as set forth herein;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants hereinafter contained and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS.** Capitalized terms not otherwise defined herein shall have the meaning set forth in the MOA.
2. **AMENDMENT TO SERVICE DESCRIPTION, SUPPORT AND MAINTENANCE, PRICING.** The Vendor's Proposal is hereby amended to include the following changes to service descriptions, support and maintenance and pricing:

**Services Term:** The services under this Amendment shall commence no sooner than July 1, 2010 and continue through the MOA contract term.

**Definition:** Application Programming Interface (API) is an interface implemented by a software program to enable its interaction with other software. It is similar to the way the user interface facilitates interaction between humans and NC-RETS software. APIs will be implemented to provide routine access to transferring and updating NC-RETS data based on specific data protocols.

**Fees:** No fees will be assessed for the development, maintenance or operation of the APIs described below. New API capability or changes to the APIs will be addressed through the established NC-RETS change control process.

**Scope of Portfolio Access Service:** Vendor has implemented a new service for NC-RETS account holders. This service is optional and is not required to use NC-RETS. If account holders wish to access this service, they will contact Vendor directly to agree to payment terms and separate Terms of Use. This service will integrate with the NC-RETS registry software, but will be a separate technology platform to ensure that the existing registry infrastructure is insulated from potential performance degradation. The Portfolio Access service will allow an NC-RETS account holder to interface with its NC-RETS account in an automated fashion through an API.

**Access to Service:** The API will offer NC-RETS account holders the means through Portfolio Access to:

- Initiate and confirm the transfer of RECs from Portfolio Access to NC-RETS account holders;
- Retire RECs from Portfolio Access back to NC-RETS; and
- Move RECs to NC-RETS compliance sub-accounts.

Portfolio Access will:

- routinely query NC-RETS for an account holder's account balance to ensure the accounts are kept in synch;
- query NC-RETS for historical transactions as part of the Environmental Management Account (EMA) setup process; and
- pull data from the NC-RETS public reports.

To begin using the Portfolio Access service, an NC-RETS account holder will need to open an EMA account with Vendor's wholly owned subsidiary, APX Environmental Markets, by accessing <http://www.emaccount.com>. Here, the account holder will begin to register for an EMA account using the online account application submittal process. The account holder will provide account manager, organization and billing details, agree to the Terms of Use with APX Environmental Markets for the EMA account and specifically request the Portfolio Access service.

APX Environmental Markets will perform internal know-your-customer (KYC) checks and review the information to ensure completeness. Once the EMA account is approved, the account holder will establish the registry link to NC-RETS by providing its NC-RETS account holder ID and signing the NC-RETS agency agreement between the account holder and APX Environmental Markets. This agency agreement will be provided to NC-RETS in accordance with the current NC-RETS Terms of Use allowing the account holder to provide a third party access to the account and its data.

Once the account ID is verified and the agency agreement is sent to NC-RETS, the link will be established for the API to begin accessing the NC-RETS account on behalf of the account holder.

The NC-RETS Administrator may also use the API infrastructure to communicate public NC-RETS report information into the EMA Project Track database to facilitate market oversight and auditing. The Project Track database houses public renewable generator information across all renewable registries in the United States. The API would dynamically update this database for the NC-RETS staff to see the current state of generator registration nationwide. Access to the Commission to manage such market oversight and auditing is also possible.

**Changes to Scope:** Any changes to scope as detailed in this services description will follow the standard NC-RETS change control process.

**Third-Party Access:** Third-Party access to this API is not limited. Vendor will charge third-parties a cost for maintaining the interface and assisting them with the implementation. Costs to third parties would be set by the Commission and Vendor jointly on a cost plus basis.

**Security:** *API communications will be done via SSL (encryption).* The NC-RETS application will allow third-party access with a client certificate issued by Vendor in combination with the agreed-upon set of IP addresses. Vendor will routinely monitor system performance and will, if necessary, limit the quantity of system requests placed by any API client to ensure that no single API client creates too much burden on the NC-RETS system.

3. **SUBSEQUENT CONTRACT.** Section 1 of the MOA is amended and restated as follows:

1. **TERM.** The initial term of this MOA shall be through December 31, 2013. The parties may extend this MOA upon mutual written agreement. Vendor and the Commission agree to enter into good-faith negotiations to extend the MOA for an additional term. Vendor and the Commission agree that Vendor's fees for operating the NC-RETS system under a subsequent MOA will not exceed \$350,000 per year; *provided, however*, that changes to the NC-RETS system requirements may require an increase in such maximum operations fee.

4. **NO OTHER AMENDMENT.** Except as specifically amended hereby, the terms and conditions of the MOA shall remain in full force and effect.

5. **EXECUTION IN COUNTERPARTS.** This Amendment may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document.

**IN WITNESS WHEREOF**, each party has caused this Amendment to be executed by its authorized representative as of the date written below.

**SIGNED BY:**

North Carolina Utilities Commission

BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

APX, Inc.  
(Vendor)

BY: Brian M. Stone TITLE: Chairman & CEO DATE: 2/1/11