



EARTHWISE™ COMMERCIAL SOLAR ELECTRIC PROGRAM PROGRAM REQUIREMENTS

If you have any questions, please contact the SRP EarthWise™ Commercial Solar Electric Program at (602) 236-4663, or by e-mail at EarthWiseSolarBiz@srpnet.com.

SECTION I: GENERAL

1. Applicant ("Customer") must be an SRP account holder.
2. The solar electric generating facility (the "Generating Facility") must be installed in SRP's electric service territory.
3. Generating Facilities installed before May 1, 2011, are not eligible for an EarthWise™ Solar Energy Incentive (the "Incentive").
4. SRP may reject any application that does not meet the requirements of the EarthWise™ Commercial Solar Electric Program (the "Program"), SRP's Rules and Regulations, Electrical Service Specifications or Interconnection Guidelines for Distributed Generators.
5. Leased Generating Facilities are eligible to participate in the Program, provided SRP receives a copy of the executed lease agreement and determines that it meets SRP's lease requirements including those set forth in Section IV below.
6. Customer must sign a Distribution Interconnection Agreement for Inverter Based Generators (the "Interconnection Agreement") and must meet all SRP interconnection requirements (as set forth in SRP's Rules and Regulations, Electrical Service Specifications and Interconnection Guidelines for Distributed Generators) before interconnecting the Generating Facility.
7. Customers participating in the Program can enroll in the Renewable Net Metering Rider for Generating Facilities 100 kilowatt-AC or less or the Buyback Service Rider which has no size restrictions. For details and rules, refer to SRP's applicable service riders located at srpnet.com/prices.

SECTION II: INCENTIVE

1. An annual capacity cap is set for the Program.
2. SRP reserves the right to adjust the Incentive level and Program capacity cap at any time.
3. SRP reserves the right to discontinue or suspend the Program or to modify the Program requirements at any time by posting a notice on the Program website.
4. The amount of the Incentive is as specified on the Program website.
5. SRP will reserve the Incentive after a completed application package is received by SRP as outlined in the EarthWise™ Commercial Solar Electric Checklist (the "Checklist").
6. Customer has 90 days from the date the Incentive is reserved to submit to SRP design drawings as outlined in the Checklist. If design drawings are not received by SRP prior to the 90-day deadline, Customer's Incentive reservation will automatically expire. If Customer plans to continue with the project, Customer must submit a new application package and will be eligible for the then current Incentive, which may be lower than the original reserved Incentive.
7. Customer has nine months from the date the Incentive is reserved for the Generating Facility to be installed and pass SRP final inspection. After nine months, Customer's Incentive reservation will automatically expire. If Customer plans to continue with the project, Customer must submit a new application package and will be eligible for the then current Incentive, which may be lower than the original reserved Incentive.
8. If Customer's account with SRP has a past due balance, the Incentive amount payable to the Customer will be reduced by the past due amount plus any interest and fees. SRP will apply the withheld amount against the Customer's account and remit the balance of the Incentive to the applicable recipient.
9. Only the Customer can cancel the Incentive reservation.

10. For the purpose of the Program, a location is considered an address or contiguous campus of buildings (the "Location").
11. SRP will pay the Incentive after the Generating Facility passes an SRP interconnection test, all paperwork as outlined in the Checklist has been verified and all program requirements have been met.

One-time Incentive payments:

12. Customer may not receive more than the current maximum Incentive as specified on the EarthWise™ Commercial Solar Electric website.
13. For Customers with multiple accounts at one Location, SRP will pay a separate Incentive for each Generating Facility. The sum total of all Incentives paid per Location cannot exceed the current maximum Incentive. All Generating Facilities must be placed in service on the same date. A separate application package is required for each account.
14. Customers can interconnect no more than three Generating Facilities per Location in a single SRP fiscal year (May 1 – April 30) (the "Fiscal Year").
15. Customers may not apply for Incentives on more than three Locations in a single Fiscal Year.
16. The reserved Incentive is calculated as follows:
 - A. Reserved Incentive = (Current Incentive/DC to AC De-rate %) x (Rating, kW-AC) x (Design Factor)
 - B. AC Rating = (CEC Module PTC Rating) X (CEC Inverter Efficiency) x 0.9
 - i. Module and inverter ratings based on CEC ratings
 - ii. Other losses (wiring, string mismatch, etc.) are assumed to be 10%
 - C. Design Factor = Estimated Annual Energy / Optimal Annual Energy
 - i. Estimated Annual Energy calculated with Clean-Power Estimator software using the Customer supplied tilt angle, orientation and shading for the Generating Facility
 - ii. Optimal Annual Energy = 2,078 kWh per kW-AC
17. The final Incentive will be re-calculated based on as-built conditions including equipment, tilt angle, orientation and shading. A Generating Facility with "optimal" performance as defined below will be eligible to receive the full Incentive. The California Energy Commission ("CEC") standard solar electric equipment ratings, available at <http://gosolarcalifornia.org/equipment/pvmodule.php>, are used to determine the AC rating of the Generating Facility.
 - A. Tilt Angle from Horizontal: 30 degrees
 - B. Orientation: Due South
 - C. Shading: None
 - D. Location: Phoenix, AZ
 - E. DC to AC De-rate Percentage: 77%
 - F. Annual Energy Production: 2,078 kWh per kW-AC

Production Based Incentive ("PBI") payments:

18. Only Generating Facilities sized between 30 kW-DC and 600 kW-DC are eligible. Customer may apply for up to three Generating Facilities per Location per Fiscal Year with a minimum size of 30 kW-DC per Generating Facility.
19. Customers and their affiliates applying for Incentives for Generating Facilities at multiple Locations are limited to 600 kW-DC per Fiscal Year. For the purposes of this Program, affiliate means, with respect to any Customer, each entity that directly or indirectly controls, is controlled by, or is under common control with such Customer. For purposes of this definition, "control", as used with respect to any Customer, shall mean (a) the direct or indirect right to cast at least 50% of the votes exercisable at an annual general meeting (or its equivalent) of such Customer or, if there are no such rights, ownership of at least 50% of the equity or other ownership interest in such Customer, or (b) the right to direct the policies or operations of such Customer.
20. SRP will credit the PBI Incentive to the Customer's SRP monthly electric bill based on the kilowatt-hour production for each billing cycle from the SRP dedicated photovoltaic meter. SRP will not pay the Incentive to any third party on Customer's behalf.

SECTION III: INSTALLATION AND EQUIPMENT

1. Customer must use a properly Arizona licensed installer to qualify for this program. Eligible license classifications for installers include: K-05 (Solar), K-11, L-05 (Solar), L-11, or other license approved by SRP.
2. SRP shall not be responsible for any damages or other problems resulting from the installation or operation of the Generating Facility.
3. Generating Facilities must be permitted and inspected as required by applicable law. If no permit or inspection for installation of or modification to a Generating Facility is required, then the Customer and installer must sign an SRP-provided Certificate In-Lieu of Electrical Clearance for Solar Projects.
4. All Generating Facilities must comply with applicable construction codes and safety standards.
5. All Generating Facilities must have the following minimum warranty requirements:
 - A. A 10-year performance warranty from the manufacturer for all modules against degradation in electrical output of more than 10% from the originally rated output.
 - B. A 20-year performance warranty from the manufacturer for all modules against degradation in electrical output of more than 20% from the originally rated output.
 - C. A 10-year warranty from the manufacturer for all inverters against defect or component breakdown.
 - D. A two-year warranty from the installer against roof penetration leaks from the date of completed installation.
 - E. A five-year warranty from the installer against defects in the overall installation of the Generating Facility that result in degradation in electrical output of more than 15% from the originally rated output from the date of completed installation. This warranty must provide for no-cost repair or replacement of affected components, including any associated labor during the warranty period not otherwise provided by the manufacturer.
 - F. Leased Generating Facilities have two options for complying with SRP's warranty requirements:
 - i. The SRP warranty requirements must be passed on to the Customer; or
 - ii. The performance guarantees within the lease agreement must be equal to or better than SRP's warranty requirements.
6. Modules must be UL listed and installed per the manufacturer's instructions.
7. Inverter(s) must be tested to UL1741 and installed per the manufacturer's instructions.
8. SRP reserves the right to modify equipment qualifications at any time.
9. If any material changes to the information provided in the Commercial Solar Electric Incentive Application occur, the Customer must update such information by submitting a Commercial Solar Electric Addendum.
10. Modules must be substantially unshaded between the hours of 9:00 a.m. and 3:00 p.m.
11. The Generating Facility must interconnect to a Customer's electrical load and cannot offset more than 125% of the Customer's electrical usage for that specific load. The Customer's total kilowatt-hour usage for the previous 12 months will be compared to the estimated energy production as calculated in PowerClerk. In the event the commercial structure is under new construction and no prior usage history is available, a third party estimate will be substituted.
12. Generating Facilities greater than one megawatt based on the sum of the nameplate inverter ratings must install a Remote Disconnect Device that provides SRP the ability to remotely disconnect the Generating Facility.

SECTION IV: LEASE REQUIREMENTS

1. The lease agreement will not automatically renew at the end of the initial term.
2. The lease agreement must be governed by Arizona law, without regard to principles of conflicts of laws.
3. Jurisdiction and venue of any dispute arising out of or relating to the lease agreement must be located in the county where the Generating Facility is installed.
4. The lessor will not charge a fee to review or approve the assignment of the lease agreement if the Customer sells the building where the Generating Facility is installed.
5. Initial title to the energy produced by the Generating Facility must vest with the Customer.
6. Initial title to the environmental attributes and environmental attribute reporting rights must vest with the Customer.

7. The lease agreement must have a fixed monthly payment. While the payment can increase over time (e.g. an annual percentage increase), the amount of the payment cannot be tied to the amount of energy produced by the system (e.g. no “overproduction” adders). Minimum guarantees of system performance by the lessor are acceptable.
8. The lease agreement must specify the installation address, size (watt-DC-STC), and length of the lease term for the Generating Facility.