



SRP COMMERCIAL SOLAR ELECTRIC PROGRAM PROGRAM REQUIREMENTS

If you have any questions, please contact the SRP Commercial Solar Electric Program at (602) 236-4663 or by e-mail at SRPSolarBiz@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. SRP may reject any application that does not meet the requirements of the SRP Commercial Solar Electric Program (the "Program"), SRP's Rules and Regulations, Electrical Service Specifications or Interconnection Guidelines for Distributed Generators.
4. 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 III below.
5. A Power Purchase Agreement (PPA) may be used only for public schools, not-for-profit charter schools, eligible government customers and 501(c) (3) organizations.
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 will be enrolled in the Buyback Service Rider.
8. Energy generated by the Generating Facility shall only be applied to the account to which the Generating Facility is connected. For details and rules, refer to SRP's business service riders located at www.srpnet.com/prices/pdfx/BusinessRiders.pdf.
9. SRP's price plans and riders are subject to change by SRP's Board of Directors.
10. For non-profit customers entering into a Power Purchase Agreement, Solar Service Agreement, or any Contractual Agreement wherein the customer is obligated to purchase all power from the Generating Facility, the Generating Facility cannot offset more than 75% of the 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 customer account has no prior usage history, a third party estimate reasonably acceptable to SRP must be supplied by the customer.
11. Under the Distributed Solar Option, the solar provider must have an account established with SRP. For more information regarding the Distributed Solar Option, please contact the Solar Initiatives group at 602-236-4663.

SECTION II: INSTALLATION AND EQUIPMENT

1. Customer must use a properly Arizona licensed installer to qualify for the 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. Modules must be installed no less than 90 degrees east and no more than 270 degrees west of true south (180 degrees)

For for-profit customers, 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 may be required to install a Transfer Trip Device that provides SRP the ability to disconnect the Generating Facility.
13. Customer's with dedicated substations may be required to, at their own expense, pay for any metering upgrades to the Service Entrance Section to accommodate the Generating Facility.

SECTION III: 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. Title to the energy produced by the Generating Facility must vest with the Customer.
6. 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.

7. The lease agreement must specify the installation address, size (watt-DC and AC), and length of the lease term for the Generating Facility.