This document sets forth the requirements for participation in SRP’s Residential Distributed Energy Resources Program (the “Program”). SRP reserves the right to discontinue or suspend the Program or to modify these Program Requirements (including, without limitation, any equipment qualifications) at any time by posting a notice on SRP’s website.

If you have any questions about the Program or these Program Requirements, please contact Program representatives by phone at (602) 236-4661 or by e-mail at DER@srpnet.com.

SECTION I: GENERAL REQUIREMENTS
1. Customer Information: Application
   a. The Applicant on the Distributed Energy Resources Application (“Program Application”) must be the SRP Primary Account Holder on an active SRP account (“Customer”) or own the property at the proposed site of the Distributed Energy Resource Facility (the “DER Facility”). The DER Facility may be a generating facility (e.g. Photovoltaic) or it may be a storage system (e.g. Battery”), or it can be both (e.g. Photovoltaic with battery). Applicant must sign the Program Application. In addition, if Applicant does not sign the documents for the purchase or lease of the DER Facility, the individual who signs those documents must also sign the Program Application.
   b. If there is any material change to any information provided in the Program Application or other materials submitted by Applicant before the DER Facility is commissioned, Applicant must submit a Program Application Addendum.
2. General Participation Requirements
   a. The DER Facility must be installed in SRP’s electric service territory.
   b. Applicant’s participation in the Program is subject to these Program Requirements, as well as the SRP Rules and Regulations, Electric Service Specifications, and Technical Requirements for Generating Facilities Interconnecting to the Distribution System (collectively, the “SRP Rules and Requirements”), all of which are available on SRP’s website. SRP may reject any Program Application that does not comply with the SRP Rules and Requirements.
   c. Applicant must sign SRP’s Distribution Interconnection Agreement (the “Interconnection Agreement”) and must meet all SRP interconnection requirements (as set forth in the SRP Rules and Requirements) before interconnecting the DER Facility.
   d. Program participation is available for leased and customer-owned DER Facilities. Requirements particular to leased DER Facilities are set forth in Section V below.

SECTION II: BATTERY STORAGE INCENTIVE (If applicable)
1. SRP is offering a Battery Storage Incentive starting May 1, 2018.
2. Battery storage reservation applications must be submitted on or after May 1, 2018. Please visit www.srpnet.com/battery to submit a reservation application.

3. The Battery Storage Incentive is $150 per kWh-DC for residential customers who purchase and install qualifying lithium-based battery storage systems, up to $1,800 maximum per location. Battery systems commissioned after May 1, 2019 will qualify for a battery storage incentive of $300 per kWh-DC, up to $3,600 per location, as long as they meet all program requirements. Commissioning is a term used to describe an appointment when SRP performs safety testing of the system and installs new meters.

4. To qualify for the Battery Storage Incentive the battery storage system must be a lithium-based battery technology.

5. The Battery Storage Incentive will be available for up to 4,500 SRP residential customers on a first-come, first-served basis over a 36-month period (May 1, 2018 through April 30, 2021).

6. Customer may reserve a space in the program and hold it for 90 days while selecting a contractor and qualifying products. At the end of the 90-day reservation period, Customer must submit a complete Program Application, or lose their place in the queue.

7. The battery storage system must be connected to SRP’s electrical distribution system (by way of the residence).

8. To receive the Battery Storage Incentive, work must be performed by a contractor licensed in Arizona holding a current R-11 or C-11 license classification. Self-installed systems are not eligible for the Battery Storage Incentive.

9. Applicant has six months from the application approval date for the DER Facility to be installed and interconnected to the SRP electrical grid.

10. Customers accepting the Battery Storage Incentive must also be willing to participate in SRP’s Battery Storage Research Program. Research participation may require additional monitoring devices be connected to Customer’s battery system equipment. A separate set of terms and conditions must be acknowledged and signed by Customer for research participation and incentive payment.

11. Customer must provide a W-9 tax form to receive the Battery Storage Incentive.

12. After commissioning, an incentive check will be processed by SRP and mailed to Customer or their designee. Allow up to six (6) weeks for incentive check processing.

SECTION III: INSTALLATION AND EQUIPMENT

1. Licensing
   a. The DER Facility sales contractor (the “Dealer”) must be licensed in Arizona under one of the following license classifications: B-, R-11, KB-1, KB-2, or CR-11.
   b. The DER Facility installation contractor (the “Installer”) must be licensed in Arizona under one of the following license classifications, R-11, CR-11, or R-39 (for HVAC with solar only).
   c. Applicants that “self-install” must comply with the Arizona Revised Statutes (A.R.S.) § 32-1121.A.14 (“Persons not required to be licensed; penalties”).

2. Compliance with law; Inspection
   a. The DER Facility must be permitted and inspected as required by applicable law. If no permit or inspection for installation or modification to a DER Facility is legally required, the Applicant and the Installer must sign an SRP-provided Certificate In-Lieu of Electrical Clearance for DER Facilities.
b. The DER Facility must comply with all applicable construction laws, codes, and safety standards. SRP is not responsible for any interruptions, maintenance, operation, inspection, or removal of DER Facility.

3. **Warranties & Sales Agreements**
   a. The DER Facility must be covered by a 2-year warranty from the installer against defects in the overall installation of the DER Facility or that result in degradation in electrical output.
   b. All Warranties and Sales Agreements must meet A.R.S. § 44-1761 through § 44-1764.

4. **Equipment**
   a. All self-generating equipment must be tested by a nationally-recognized testing laboratory and installed per manufacturer’s instructions.
   b. Inverter(s) must comply with UL 1741, IEEE 1547, and UL 1741 SA requirements and be installed per the manufacturer’s instructions.
   c. All batteries must be certified to UL1973 and battery systems must be certified to UL9540, installed per the manufacturer’s instructions, and listed on the application. Include battery power (kW) and energy (kWh) on the Program Application.
   d. The manufacturer and model number for demand system, if installed at residence, must be listed on the Program Application.

**SECTION IV: PRICING AND METERING**
Program participants with generating facilities (e.g., Photovoltaic), must take service under one of SRP’s four qualifying customer generation price plans (E13, E14, E15 and E27), as they may be modified, supplemented, or superseded (the “Customer Generation Price Plans”), subject to certain exemptions set forth in the Customer Generation Price Plans. Advanced meter technology is required for all customers with DER Facilities. All SRP price plans and service riders, available on SRP’s website, are subject to change in accordance with the SRP Rules and Regulations. Due to current meter technology associated with M-Power, SRP’s prepay program, a customer who wants to install a DER Facility must switch to any of the Customer Generation Price Plans at the time of commissioning.

**SECTION V: DOCUMENTATION AND LEASE REQUIREMENTS**
1. **Required Documents** – In addition to any other documents required under these Program Requirements or the Distributed Energy Resources Application Checklist (the “Checklist”), Applicant must deliver to SRP the following: (i) a copy of the fully executed price quote, with any/all costs of non-distributed generation expenses itemized (if Applicant owns the DER Facility) or lease agreement (if Applicant leases the DER Facility) for the DER Facility, and (ii) such other documentation that SRP may reasonably request to demonstrate Applicant’s compliance with these Program Requirements.

2. **Lease Requirements** – If Applicant leases the DER Facility, the lease must meet all of the following requirements:
   a. The lease must specify a fixed term, with no automatic renewal at the end of the initial term.
   b. The lease must have a fixed monthly payment or pre-pay amount. While payment may increase over time (e.g., an annual percentage increase), the amount cannot be tied to the amount of energy produced by the DER Facility (e.g., no “overproduction” adders). The lessor may guarantee system performance.
   c. The lessor may not charge a fee to review or approve the assignment of the lease if Applicant transfers ownership or possession of the building where the DER Facility is installed.
   d. Initial title to the energy produced by the DER Facility must vest with Applicant.
e. Initial title to the environmental attributes and environmental attribute reporting rights must vest with the lessor.
f. The lease must specify the installation address and size (kW-DC) of the DER Facility. If AC-coupled batteries are included then battery inverter information must be included.
g. The lease may be signed by either the SRP Primary Account Holder (Customer), the SRP Primary Account Holder’s spouse (if listed on the account), or the Property Owner (if other than the Primary Account Holder).
h. The lease must be governed by Arizona law, without regard to principles of conflicts of laws. Jurisdiction and venue of any dispute arising out of or relating to the lease must be located in the county where the DER Facility is installed.