If you have any questions, please contact SRP at (602) 236-4662, or by email at SolarSWH@srpnet.com.

SECTION I: GENERAL

1. Applicant ("Customer") must be an active SRP account holder.
2. The solar water heating system (the "Solar System") must be installed in SRP’s electric service territory.
3. SRP may reject any application that does not meet the requirements of the Residential Solar Water Heating Program (the “Program”) or SRP’s Rules and Regulations.
4. The term “Contractor” can refer to either the Dealer or the Installer.
5. **Only systems with an electric backup will qualify for this program.**

SECTION II: INCENTIVE

1. An annual spending cap is set for the Program and will be available online at www.srpnet.com/solar.
2. SRP reserves the right to adjust the Incentive level and Program spending 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 contractor agrees to apply the incentive at the time of purchase to reduce the purchase price of the Solar System by the amount of the incentive. The Incentive must be shown as a line item on the Customer’s final invoice.
5. SRP will pay the Incentive to the Contractor on the Customer’s behalf after all Program requirements have been met.
6. For tax purposes, an IRS Form 1099-MISC will be issued to the Customer for the amount of the Incentive paid to the Contractor on the Customer’s behalf (before any reevaluation fees).
7. SRP will reserve the Incentive after a completed application package is received by SRP as outlined in the Residential Solar Water Heating Checklist (the “Checklist”).
8. The Incentive will be calculated based on the OG-300 rating at the time the application package is processed by SRP.
9. The maximum amount of the Incentive is as specified on the Program website. The actual Incentive may be prorated for performance as specified in section 10 below.
10. The Incentive will be prorated as outlined below. For the purposes of this requirement, tilt is defined as the angle in degrees to which the solar collector panels are tilted from a horizontal placement. Azimuth is defined as the horizontal distance the solar collector panels are facing from due north in a clockwise direction measured in degrees (for example, panels facing due south would have an azimuth of 180 degrees).

<table>
<thead>
<tr>
<th>Azimuth</th>
<th>Tilt</th>
<th>Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>0°-89°</td>
<td>Greater than 0°</td>
<td>0%</td>
</tr>
<tr>
<td>90°-149°</td>
<td>0°-33°</td>
<td>80%</td>
</tr>
<tr>
<td>150°-210°</td>
<td>0°-17°</td>
<td>80%</td>
</tr>
<tr>
<td>150°-210°</td>
<td>18°-48°</td>
<td>100%</td>
</tr>
<tr>
<td>150°-210°</td>
<td>49°-75°</td>
<td>80%</td>
</tr>
<tr>
<td>211°-270°</td>
<td>0°-33°</td>
<td>80%</td>
</tr>
<tr>
<td>271°-360°</td>
<td>Greater than 0°</td>
<td>0%</td>
</tr>
</tbody>
</table>

Solar collector panels must be substantially un-shaded between the hours of 9:00 a.m. and 3:00 p.m.
11. Customer has six months from the date the Incentive is reserved for the Solar System to be installed and the Program process to be completed. After six 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 current Incentive, which may be lower than the original reserved Incentive. The entire Solar System must be in new condition to receive an Incentive.

12. Only the Customer can cancel the Incentive reservation.

13. SRP reserves the right to inspect the Solar System at its sole discretion prior to providing the Incentive payment.

14. Direct Forced Circulation systems (also known as open-loop systems) that utilize automatic freeze drain valves are not eligible to receive an Incentive.

15. Solar pool heating systems are not eligible to receive an Incentive.

SECTION III: INSTALLATION AND EQUIPMENT

1. Customer must use a properly licensed Arizona Dealer and Installer to qualify for this program.
   Eligible license classifications for Dealers include: B-, R-37, B-1, KB-2, CR-77, CR-78, or other license approved by SRP.
   Eligible license classifications for Installers include: R-37, CR-77, CR-78, or other license approved by SRP.

2. All Contractors must submit, and keep current, an IRS W-9 form so they can be set up as an SRP Vendor.

3. SRP shall not be responsible for any damages or other problems resulting from the installation or operation of the Solar System.

4. Solar Systems must be permitted and inspected as required by applicable law as enforced by the Authority Having Jurisdiction. If no permit or inspection for installation of or modification to a Solar System is required, then the Customer and Contractor must sign an SRP-provided Certificate In-Lieu of Plumbing Clearance for Solar Thermal Projects.

5. All Solar Systems must comply with applicable construction codes and safety standards.

6. All Solar Systems must have the following minimum warranty requirements and a copy of the warranty must be provided to the Customer by the Contractor.
   A. A ten-year warranty from the manufacturer for all solar collectors against defect or component breakdown.
   B. A five-year warranty from the manufacturer for the storage tank against defect or component breakdown.
   C. A two-year warranty from the Installer against defects in the overall installation of the Solar System, including roof penetration leaks, 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.

7. Solar Systems must be OG-300 certified by a third party entity approved by SRP and must be installed per the rating agency’s qualifications and standards.

8. Integral Collector Storage (“ICS”) systems must have a minimum collector piping wall thickness of 0.058 inches. When specifying an ICS system, please enclose documentation to support this requirement.

9. SRP reserves the right to modify equipment qualifications at any time.

10. Pipe insulation shall be properly sized. Split seams, joints or other breaks in the insulation should be taped or glued according to manufacturer’s recommendations. Elastomeric Foam or Fiber Glass pipe insulation located outdoors and exposed to weather and sunlight shall be protected using one or more of the following methods:
   A. Continuously enclosed in UV-inhibited ABS, PVC, or aluminum pipe or jacketing, secured in accordance with the jacket manufacturer's recommendations. Joints shall be applied so they will shed water and shall be sealed completely.
   B. Continuously enclosed in a chase painted to match house exterior.
   C. Continuously wrapped in an overlapping manner with aluminum foil tape then painted over with an UV-resistant paint to match the house exterior.
   D. Continuously wrapped in an overlapping manner with UV-inhibited tape then painted over with an UV-resistant paint to match the house exterior.
11. All roof penetrations shall be made using roofing industry-standard methods of flashing that protects the warranty of the roof. Sealant compounds shall be appropriate for the roofing material and application and shall not be the sole method of waterproofing.

12. If any material changes to the information provided in the Residential Solar Water Heating Incentive Application occur, the Customer must update such information by submitting a Residential Solar Water Heating Addendum.