



**RATE RIDER RCP
PARTIAL REQUIREMENTS SERVICE FOR
NEW ON-SITE SOLAR DISTRIBUTED GENERATION
RESOURCE COMPARISON PROXY EXPORT RATE**

AVAILABILITY

This rate rider is available to partial requirements customers with qualified on-site solar generation, served under an applicable residential rate. This rate rider may not be used in conjunction with a grandfathered residential Legacy rate schedule or Legacy rate rider.

DESCRIPTION

A Customer with solar generation exports power to the grid from time to time when their generation exceeds the load in their home. The Company will meter this export power on an instantaneous basis and provide a monthly bill credit based on the purchase rate in this schedule.

The purchase rates will be determined as follows:

- a. An RCP rate will be determined for each annual tranche of new DG Customers, effective September 1 each year or as determined by the Commission without proration. The RCP rate may not be reduced by more than 10% each year.
- b. Each Customer's bill credit will initially be based on the RCP in effect at the time they submit an interconnection application for their system before September 1 provided that they subsequently complete the installation and obtain approval by the appropriate Authority Having Jurisdiction within 180 days of their interconnection application unless, through no fault of the Customer or the Customer's installer, the interconnection is delayed by a third party or APS. In that circumstance, the Customer will have 270 days to complete their interconnection.
- c. Each Customer's initial RCP rate will be applicable for 10 years from the time of their interconnection.
- d. After each Customer's initial 10 year period the bill credit will be based on the purchase rate in effect at that time, and may change from year to year.

Further details are provided in the Resource Comparison Proxy Plan of Administration and Arizona Corporation Commission Decision Nos. 75859, 75932, 76295, and 78317.



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PURCHASE RATES

The Company will provide a bill credit for the exported energy based on the following purchase rates:

| | | | |
|---------------------|--|-----------|---------|
| Tranche 2017 | September 1, 2017 through September 30, 2018 | \$0.12900 | per kWh |
| Tranche 2018 | October 1, 2018 through September 30, 2019 | \$0.11610 | per kWh |
| Tranche 2019 & 2020 | October 1, 2019 through September 30, 2021 | \$0.10450 | per kWh |
| Tranche 2021 | October 1, 2021 through August 31, 2022 | \$0.09405 | per kWh |
| Tranche 2022 | September 1, 2022 through August 31, 2023 | \$0.08465 | per kWh |

Any bill credit in excess of the Customer's otherwise applicable monthly bill will be credited on the next monthly bill, or subsequent bills if necessary. After the Customer's December bill, a Customer may request a check for any outstanding credits from the prior year; however, if the outstanding credits exceed \$25, the Company will automatically issue a check to the Customer. Otherwise, the bill credits will carry forward to the following year.

GENERATOR REQUIREMENTS

Distributed generators must meet all of the following qualifications:

1. Electricity must be generated using solar photovoltaic panels;
2. The generator must be interconnected to the Company's distribution grid;
3. The generator must be on-site, installed behind the billing meter, and must serve the Customer's load.

Systems of any size are subject to the requirements found in the Arizona Administrative Code Distributed Generation Interconnection Requirements, APS's Interconnection Manual, Interconnection Agreement, and APS's Electric Service Requirements Manual.



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SPECIAL CASES

1. Switching from a grandfathered legacy solar rate. A Customer may switch from a grandfathered solar Legacy rate and net metering rider to a new retail rate and the RCP rider. However, they will lose their grandfathering status and may not subsequently switch back to the grandfathered rate or net metering program. In addition, the bill credits for export energy will be based on the annual RCP rate as it changes from year to year excepting where 10 or more years are remaining in the solar grandfathering status. In such instances, the Customer will be eligible for a 10-year lock in the purchase rate then in effect at the time of the switch.
2. Increasing Capacity. If a Customer modifies their generation system to include a material increase in capacity they will no longer be eligible for the initial RCP purchase rate they locked in for ten years; rather their bill credits will be based on the current RCP rate locked in for a period of ten years minus the number of years they received service under a prior RCP rate. For purposes of this rate rider, a material increase in capacity means increasing the capacity by 10% or 1 kW, whichever is greater. Over the term of the Customer's ten year RCP lock, they may only increase their system's capacity by a total of 10% or 1 kW, whichever is greater.
3. Transferring Service. If a Customer moves to a site that is currently being served under Rate Rider RCP they will continue service under the rider with the same rate tranche. If a Customer moves their solar system to another site they will no longer be eligible for the initial 10-year lock in the RCP purchase rate; rather their bill credits will be based on the annual RCP rate as it changes from year to year.

SERVICE DETAILS

1. All terms and charges in the Customer's retail rate schedule continue to apply.
2. The Customer must have a standard Advanced Metering Infrastructure (AMI) meter installed to measure the production from their solar generation system as well as an AMI meter for electrical service.
3. The Company provides service under this rider in accordance with its Interconnection Requirements Manual. Service terms and conditions may be included in a Customer's interconnection agreement.
4. Partial Requirements Service is electric service provided to a Customer that has an on-site distributed generation system interconnected to the Company's distribution grid that is configured so that the energy generated first supplies its own electric requirements, and any



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excess generation (over and above its own requirements at any point in time) is then exported to the Company. The Company supplies the Customer's supplemental electric requirements (those not met by their own generation facilities).