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BEFORE THE ARIZONA CORPORATION COMMISSION

2008 SEP 16 P 2:30

COMMISSIONERS

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- WILLIAM A. MUNDELL
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- GARY PIERCE

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01787A-07-0576
 NAVOPACHE ELECTRIC COOPERATIVE, INC.)
 FOR APPROVAL OF RENEWABLE ENERGY)
 STANDARD PLAN AND TARIFFS) COMPLIANCE
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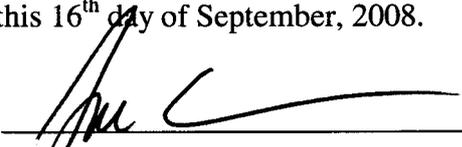
Navopache Electric Cooperative, Inc. ("NEC") is hereby filing its detailed Renewable Energy Incentive Program ("REIP") in compliance with Decision No. 70305, dated April 24, 2008. NEC has filed this REIP in advance of filing its 2009 Renewable Energy Standard and Tariff ("REST") Implementation Plan in compliance with Decision No. 70305 which is due by October 1, 2008. NEC has seven customers who have already installed photovoltaic systems and are waiting to receive the incentive that has been defined in this filing. One of these systems cost in excess of \$55,000. NEC would request that the Commission approve this REIP in advance of the approval of its REST Implementation Plan so that NEC may distribute these incentives to its existing customers as well as encourage other customers to install renewable energy systems.

RESPECTFULLY SUBMITTED this 16th day of September, 2008.

Arizona Corporation Commission

DOCKETED

SEP 16 2008

By 

John Wallace
Grand Canyon State Electric Cooperative Assn. Inc.

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1 **Original** and thirteen (13) copies filed this
16th day of September, 2008, with:

2 Docket Control
3 Arizona Corporation Commission
4 1200 W. Washington
5 Phoenix, AZ 85007

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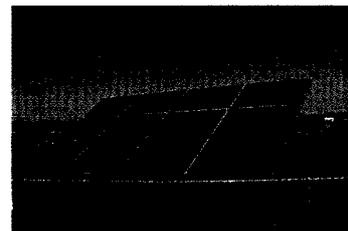
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RENEWABLE ENERGY INCENTIVE PROGRAM

With the Renewable Energy Incentive Program, NEC will pay its members \$ 3 / watt (installed nameplate capacity) of an acceptable renewable energy technology* such as a photovoltaic array or a wind turbine, up to 50% of the installed cost. The maximum amount of a payment incentive will be \$ 25,000 and only one incentive payment per service entrance** will be allowed.

(1) You select and have installed a qualifying solar electric system or wind turbine at your home or business. This home or business must be served by NEC. Furthermore, your system must meet all qualifications listed in the following "Qualifications" section.

(2) You must use a licensed contractor to install the system and the installation must meet IEEE standards, the National Electric Code, as well as the NEC Interconnection standards. The contractor must also certify the systems installed nameplate capacity in watts. **The incentive amount that you receive is dependent on the installed nameplate capacity in watts.**

(3) You sign an agreement assigning rights to the electrical output and all associated environmental credits to NEC. Since the co-op is paying up to half of the cost of the unit, the co-op will not buy any electric generation output from the unit.

(4) NEC does not have a net-metering program.*** You can waive the rebate option and choose to sell energy back to the co-op. Selling back requires you to install a special meter to record the energy that you are selling back. All kWh hours purchased by NEC will be at the current wholesale rate until such time as the Arizona Corporation Commission implements a net-metering program for affected utilities.

(5) You, the owner of the renewable energy system, are responsible for payment of normal system repairs and maintenance to the unit, including labor.

(6) In order to receive the rebate, you must submit the following to NEC:

- Certification from a NEC representative that the installed unit meets the qualifications as set out in the Incentive Program Systems Qualifications page.
- Proof of code inspection by the NEC representative and of the system's installed nameplate capacity in watts certified by a licensed contractor. Failure to pass a code inspection and have a licensed contractor perform the installation and certify the system's output will result in refusal of the rebate.
- A signed Renewable Energy Incentive Program Enrollment Form.

(7) Once the documentation is submitted, please allow 30 days for your rebate to be processed. In the event that funding is not sufficient to provide all rebate requests, then rebates will be provided on a first-come, first-served basis based on the date of the Enrollment Form, as soon as funding is replenished through the Environmental Surcharge.

(8) A more in-depth interconnection standards requirement is contained in this packet.

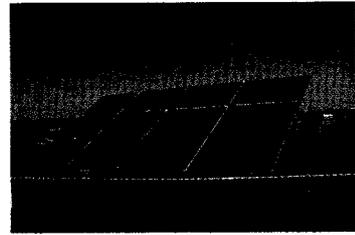
Documents should be submitted to:

**Navopache Electric Cooperative, Inc.
Renewable Energy Incentive Program
1878 W. White Mountain Blvd.
Lakeside, Arizona 85929**

* Those renewable energy technologies which qualify for inclusion in the Arizona Corporation Commission Renewable Energy Standard & Tariff.

** A service entrance is the electric meter location and associated wiring on the member's premises.

*** "Net Metering" refers to a system which deducts energy produced by a system and delivered to the grid from the energy purchased from the grid.



RENEWABLE ENERGY INCENTIVE PROGRAM

ENROLLMENT FORM

By signing below, I am assigning my rights to the electrical output of the unit and all associated environmental credits to NEC. **Further, I understand that the cooperative will not buy from me any electric power generated by the renewable energy system.** Instead, this generation will be used solely to offset my regular electric energy usage provided by NEC. I further agree that any generation above and beyond this amount will flow through to the electric grid at no charge.

I understand that as the owner of the equipment, I am fully responsible for the unit's operation and safety. I will pay for normal system maintenance and repairs to the unit, including labor.

I also agree to allow NEC to inspect my unit after installation to ensure it meets requirements set forth in the Renewable Energy Incentive Program Systems Qualifications documentation. I agree that NEC is not in any way responsible for the unit, its safety, operation, insurance or repair.

I, _____ (Print Name), hereby certify that I have read and reviewed the Renewable Energy Incentive Program Systems Qualifications. I understand that I am solely responsible for ensuring that these qualifications are met and maintained for the life of my electric generating system and I am responsible for any consequences if they are not met. I understand they are needed for safe operation of my and NEC's electrical system. I also understand that if they are not met, I am not eligible for any rebate from NEC.

DATE _____ SIGNATURE(S) _____

PLEASE PRINT:

Name: _____

Address: _____

Phone: (_____) _____

Account Number: _____

Service Location: _____

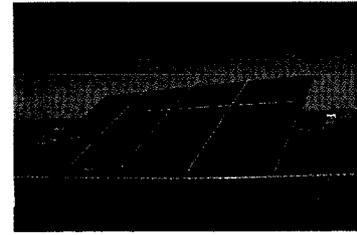
Description of Renewable Energy Resource: _____

Projected Cost: _____

Signature(s): _____

Date: _____

Processing of the rebate is contingent on the accurate certification/testing of the unit. Rebate processing may take up to 30 days. NEC reserves the right to refuse payment of a rebate based on the following reasons, including but not limited to: failure to meet the qualifications set forth in the Renewable Energy Incentive Program Systems Qualifications documentation, incomplete enrollment packets, insufficient system testing or certification, installation and/or testing/certification by an unlicensed electrician.

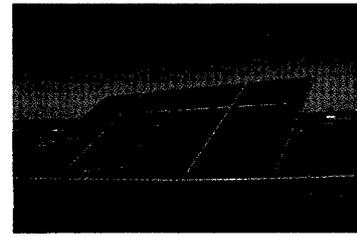


RENEWABLE ENERGY INCENTIVE PROGRAM

INCENTIVE PROGRAM SYSTEM QUALIFICATIONS

All member-owned renewable energy system components must meet the following system and installation requirements to be connected to the NEC electric distribution system:

1. The system components must be certified as meeting the requirements of IEEE-929 – Recommended Practice for Utility Interface of Photovoltaic Systems.
2. The system components must be certified as meeting the requirements of UL – 1741 – Power Conditioning Units for use in Residential Photovoltaic Power and be covered by a non-prorated manufacturer's warranty of at least two years.
3. The system design and installation must meet all requirements of the latest edition of the National Electric Code (NEC), including Article 690 and all grounding, conductor, raceway, over-current protection, disconnect and labeling requirements.
4. The system and installation must meet the requirements of all federal, state and local building codes and have been successfully inspected by the building official having jurisdiction. To do so, the installation must be completed in accordance with the requirements of the latest edition of the NEC in effect in the jurisdiction where the installation is being completed, including, without limitation, Sections 200-6, 210-6, 230-70, 240-3, 250-26, 250-50, 250-122, all of Article 690 pertaining to photovoltaic systems, thereof, all as amended and superceded.
5. A wind turbine system must be certified as meeting the requirements of UL – 1741 – Standard for Safety for Inverters, Converters, Controllers, and Interconnection System Equipment for Use With Distributed Energy Resources, 1st Edition; IEEE 1547 – 2003; CAN/CSA-C22.2 No 107.1-01, 3rd Edition.
6. The system must meet NEC Interconnection requirements for self-generation equipment.
7. An AC disconnect means shall be provided on all ungrounded AC conductors and shall consist of a lockable gang-operated disconnect clearly indicating open or closed. The switch shall be visually inspected to determine that the switch is open. The switch shall be clearly labeled stating "Renewable Energy System AC Disconnect."
8. All system installations must be completed in a professional, workman-like and safe manner.
9. All system installations must be completed by a licensed electrical contractor. **NO EXCEPTIONS.**



RENEWABLE ENERGY INCENTIVE PROGRAM

OPERATION OF RENEWABLE ENERGY SYSTEM, SALE OF PROPERTY & MEMBER'S REFUND OBLIGATION

Your participation in the NEC Renewable Energy Incentive Program assumes that you will operate your system continuously for a period of ten (10) years after you receive the incentive payment from NEC. If you fail to do so, then you will be considered to be out of compliance with the program requirements and NEC will be entitled to take certain actions described below.

You are required to notify NEC within five (5) business days after your system is either removed from your property or is no longer operational. NEC will consider this notification as the removal date. If you fail to maintain and operate your system for at least one year after the date you receive the incentive payment, liquidated damages may apply. In such event, you will be required to reimburse us the total amount of the incentive payment in certified funds no later than five (5) business days after your receipt of our request that you refund the incentive payment to NEC. If the removal date occurs after the first year but before the end of the tenth year, we reserve the right to request a pro-rated refund of the incentive payment. If your removal date occurs in Year 2, you would refund to NEC 80% of the incentive payment, Year 3, 70%, in Year 4, 60% and so on.

NEC may waive the foregoing reimbursement obligation or any other instance of your noncompliance if it is determined that the renewable energy system is not operational due to equipment malfunction or other disrepair that is not attributable to you, and, you are actively and reasonably making diligent, good faith efforts to repair the renewable energy system and return it to operation.

When NEC receives your reimbursement payment this incentive agreement will be deemed terminated and neither NEC nor you will have any further obligation to each other, but resolution of our respective obligations and rights will continue to be determined by this agreement until our relationship with each other is finally and completely resolved.

There are certain important conditions to consider if you sell your property where the renewable energy system is installed.

- You are required to notify NEC in writing promptly in the event that you intend to sell your property.
- If you sell your property within one (1) year after we pay you the incentive payment and your buyer does not continue to operate and maintain the renewable energy system you will be required to reimburse NEC the total amount of the incentive payment.
- If you sell your property more than one (1) year after you receive the incentive payment, you must make arrangements to have your buyer agree to these terms and conditions whereby your buyer will continue to operate the renewable energy system.