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ARIZONA CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF SULPHUR SPRINGS  
 VALLEY ELECTRIC COOPERATIVE, INC.  
 APPLICATION FOR APPROVAL OF ITS  
 PROPOSED 2010 REST PLAN

) DOCKET NO. E-0575A-09-0429  
 )  
 ) Sulphur Springs Valley Electric, Inc,  
 ) CONFORMING CHANGES AND  
 ) CORRECTIONS REQUESTED BY  
 ) STAFF FOR DECISION 71458

During the Commission Staff review of SSVEC's REST Implementation Plan that it filed in compliance with Decision 71458, Staff found sections that were not corrected. SSVEC hereby submits a corrected version in compliance with the decision.

RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of February, 2010.

By: David K. Bane  
 David K. Bane  
 Sulphur Springs Valley Electric Co-op  
 311 E. Wilcox  
 Sierra Vista, Arizona 85635

Original and thirteen copies of the foregoing filed this 17<sup>th</sup> day of February, 2010, with:

Docket Control  
 Arizona Corporation Commission  
 1200 West Washington Street  
 Phoenix, Arizona 85007

Arizona Corporation Commission  
DOCKETED

FEB 17 2010

DOCKETED BY	<i>[Signature]</i>
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**SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE**

**REST PLAN FOR 2010**

**A.A.C. R14-2-1814**

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## **I BACKGROUND**

The Arizona Corporation Commission (“Commission”) approved the Renewable Energy Standard and Tariff Rules (“REST Rules”) in Decision No. 69127 dated November 14, 2006. Following Attorney General Certification, the REST Rules took effect on August 14, 2007. Among other things, the REST Rules require the affected utilities serving retail electric load, such as Sulphur Springs Valley Electric Cooperative (“SSVEC”) to derive certain percentages of the total energy that they sell at retail from eligible renewable energy resources.

After the REST Rules took effect, SSVEC filed tariffs to establish a REST surcharge for our members pursuant to R14-2-1808. The Commission approved these tariffs as part of Docket No. E-01575A-07-0310 Decision No. 70096. SSVEC is requesting modifications to these approved tariffs in this filing.

The REST Rules contain a section that specifically addresses electric power cooperatives. R14-2-1814 instructs the cooperatives to file “an appropriate plan for acquiring renewable energy credits for eligible renewable energy resources for the next calendar year.” Upon Commission approval, its provisions substitute for the requirement of R14-2-1804 and R14-2-1805 for SSVEC.

Pursuant to the requirements of the REST Rules, SSVEC submits this REST Plan for calendar year 2010 (the “2010 REST Plan”) for approval by the Commission.

## **II SSVEC 2010 REST PLAN**

SSVEC will use surcharge dollars, any proceeds from consumer participation in the Green Energy Purchase Program and other potential sources (principally from approved grants and Federal clean renewable energy bonds) to fund its renewable program. These programs include both residential and commercial photovoltaic and wind project distributed generation rebates, and large-scale renewable installations, including possible participation in multi-utility joint projects. Surcharge funds will also be used to pay for the administration, advertising and promotion of these programs, as well as educational activities.

The primary parts to the SSVEC REST plan, which is called SunWatts:

- (1) The Sun Watts Green Contribution Program
- (2) The Sun Watts Residential Rebate Program
- (3) The Sun Watts Commercial Rebate and Performance Based Incentives
- (4) The public schools Clean Renewable Energy Bond program
- (5) The Sun Watts Large-Scale Generating Program
- (6) Sun Watts Residential and Small Business Loan Program
- (7) Sun Watts Loan Program for Large (over 20 kW) Systems
- (8) Solar Water Heating
- (9) Other Renewable sources from the UCPP guidelines
- (10) Additional Program incentives and grants
- (11) NET Metering
- (12) System Capacity
- (13) Third Party Assignment of Incentives

Each of these programs components will be presented in detail in the following pages:

(1) **Sun Watts Green Contribution Program:** SSVEC will continue to offer our Sun Watts Green Power Contribution Program. In this current program, members may elect to contribute additional dollars on their bills to be used to fund various renewable energy programs.

(2) **Sun Watts Residential Rebate Program and Performance Based Incentives:**

The SunWatts rebate program pays customers rebates or Performance Based Incentives (PBI) for the installation of qualifying photovoltaic (PV) and small wind installations. To qualify for the rebate the system can not be larger than 125% of the customers connected load. If demand data is not available, the Cooperative will estimate the annual kWh production of the unit and compare it to the prior 12 months usage history. This program will also be used in support of the Customer Self-Directed Renewable Energy Option as described in proposed Rule 1809. The Customer is eligible to participate in NET Metering. If residential customer chooses to install systems that exceed the 125% production capacity (see section 12), they will be paid using the Performance Based Incentives listed below. Payments will be made following inspection and approval of the installed unit prior to energizing the system.

**For Photovoltaic systems:** SSVEC will pay \$3.00 per installed watt, up to 50% of the total cost of the system or up to 60% of the installed cost using the Performance Based Incentive as listed below. For systems over 10kW or with a cost higher than \$75,000 will be paid by the Performance Based Incentive only, with a maximum total incentive payment of 60% of the system cost The Customer will provide a meter socket to record the system production if they choose to use a PBI.

<b>Performance Based Incentive *</b>	<b>10-Year REC and Payment Agreement (\$/kWh)</b>	<b>15-Year REC and Payment Agreement (\$/kWh)</b>	<b>20-Year REC and Payment Agreement (\$/kWh)</b>
Grid Connected	0.202	0.187	0.180
Off-Grid	0.121	0.112	0.108

\*with maximum total PBI payments of **60% of system cost**:

**For all wind systems:** SSVEC will pay up to 60% of the installed cost using the Performance Based Rebate listed below. The Customer will provide a meter socket for the meter to record the output of the wind generated renewable system.

<b>Performance Based Incentive *</b>	<b>10-Year REC and Payment Agreement (\$/kWh)</b>	<b>15-Year REC and Payment Agreement (\$/kWh)</b>	<b>20-Year REC and Payment Agreement (\$/kWh)</b>
Grid Connected	0.202	0.187	0.180
Off-Grid	0.121	0.112	0.108

\*with maximum total PBI payments of **60% of system cost**:

**(3) The SunWatts Commercial Rebate and Performance based Incentives:**

For grid connected systems, SSVEC will pay an Upfront incentive or a Performance Based Incentive for C&I customers. For systems with less than 10kW of DC capacity the customer may choose either the upfront or Performance Based Incentive outlined below. For systems over 10kW or with a cost higher than \$75,000 will be paid by the Performance Based Incentive only, with a maximum total incentive payment of 60% of the system cost.

**Upfront incentive:** \$2.50 per DC watt up to 50% of system cost or \$75,000 max.

or

<b>Performance Based Incentive *</b>	<b>10-Year REC and Payment Agreement (\$/kWh)</b>	<b>15-Year REC and Payment Agreement (\$/kWh)</b>	<b>20-Year REC and Payment Agreement (\$/kWh)</b>
Grid Connected	0.202	0.187	0.180
Off-Grid	0.121	0.112	0.108

\*with maximum total PBI payments of **60% of system cost**:

Customer will provide the meter socket for the meter to record the Performance Based Incentive kWh production. Production based incentives will be paid monthly as a bill credit. The Cooperative will provide the meter.

Off-grid C&I systems will be paid an Upfront incentive of \$2.00 per Watt up to half the system cost or the Performance Based Incentive as listed above.

**(4) The Clean Renewable Energy Bonds for Schools:** As part of the Federal Energy Bill of 2006, there was a provision for electric cooperatives to borrow monies at no interest. SSVEC submitted 41 projects for a total of \$11,480,000 in order to fund solar shade structures for each public school in SSVEC's service territory. SSVEC was informed by its banker in early December 2007 that the federal government has approved all of the projects submitted by SSVEC. This project was approved by the Commission as part of the SSVEC 2008 REST Plan. These systems are in operation and have a total capacity of 984,000 watts (984kW). For 2010 these bonds will continue to be repaid from the REST funds collected. Repayment budget for CREBs is \$1,045,000 per year.



**(5) The SunWatts Large-Scale Generating Program:** To address the need for utility grade and size renewable projects, we have added a budget line item to the REST budget for the purpose of purchasing, financing, or acquiring PPA's for large scale (over 1MW) projects. SSVEC has applied for Clean Renewable Energy Bonds (CREB) to fund a 750kW system for the new Sonoita Substation site and will use the balance of the budget for PPA's from projects from local governments and businesses that are in the process of developing large scale projects.

**(6) Sun Watts Residential and Small Business Revolving Loan Program.** SSVEC will continue to offer its 3% revolving loan program for residential and small business at \$2.00 per watt. The loan caps will remain at \$8,000 for residential and \$20,000 for small businesses and can be no more than 25% of the cost of the project. Loan amounts up to \$10,000 are repayable over five years and loans in the amount of \$10,001 or more will be repayable over 10 years. These will be secured loans and liens will be placed against the property.

**(7) Sun Watts Loan Program for Large (Over 20 kW) Systems.** SSVEC will offer a revolving loan program for large (over 20 kW) systems for our commercial and industrial customers. These customers will be able to borrow \$1.00 a watt up to \$75,000 or 25% of the cost of the project whichever is less. The interest rate on these loans will be 3%. Payments and interest from the Sun Watts Loan Program will be remitted back to the REST fund. Payments would be monthly and payable over a 60, 90, or 120 month period. These will be secured loans and liens will be placed against the property.

**(8) Solar Water Heater Program.** SSVEC will pay a rebate equal to \$0.75 per kWh of estimated energy saved during the system's first year of operation (this conforms to the Uniform Credit Purchase Program "UCPP" amount) based on the OG-300 ratings of the Solar Rating and Certification Corporation. Only OG-300 certified solar systems are eligible for the Sun Watts rebate. A list of OG-300 certified Solar Systems is available at the Solar Rating and Certification Corporation's website at [www.solar-rating.org](http://www.solar-rating.org). In addition, the solar water heating system will be eligible for the Sun Watts loan program up to a maximum of 25% of the system cost. Residential and commercial water heater systems will be covered. Solar swimming pool heating systems are not eligible. SSVEC highly recommends that systems be installed by licensed contractors but if the member chooses to do a "self install" that the local building inspector must approve the installation to qualify for the SunWatts Rebate.

**(9) UCPP Approved Technologies:** SSVEC will use the incentive, specifications, and criteria developed by the UCPP Working Group as the basis for Performance Based Incentives.

<b>Technology</b>	<b>UFI</b>	<b>PBI</b>
Solar Day lighting	\$.20 per kWh for first year savings	
Geothermal Electric Thermal		\$.024 per kWh over 10 years \$.048 per kWh over 10 years
Biogas/Biomass Electric Thermal Cooling CHP-Electric CHP-Thermal		\$.060 per kWh over 10 years \$.015 per kWh over 10 years \$.032 per kWh over 10 years \$.035 per kWh over 10 years \$.018 per kWh over 10 years
Solar Space Cooling		\$.129 per kWh over 10 years

PBI is limited to 60% of the total cost of the project

The rebates are subject to revision based on the final approved version of the UCPP.

We are working with the other AZ Cooperatives and a customer to bring a geo-thermal project on-line in 2010.

**(10) Addition Program Incentives and Grants:**

- SSVEC will continue our partnership with the Habitat for Humanity Program to offer renewable energy options to low-income families in cooperative service territories. SSVEC will contribute dollars to the Habitat organization for the purchase of photovoltaic and other renewable energy equipment to be installed on Habitat homes and will also assist in finding local renewable energy equipment dealers who are willing to donate products and services. The type and amount of equipment will vary from project to project. Up to two of these projects will be undertaken each year at a cost not to exceed the costs in the annual REST budget.
- SSVEC will continue to provide a \$1,500 builder advertising incentive for builders who install renewable technologies on their model homes.
- SSVEC will continue to fund a grant program for teachers in our service territory for the development of renewable curricula for the classroom. SSVEC budget intends to make up to ten \$500.00 grants per year.

**(11) NET Metering:** SSVEC has filed a NET Metering tariff and all customers with renewable sources and approved interconnections are eligible for NET Metering

**(12) System Capacity**

Systems of 10kW or less may choose a rebate or a PBI. Systems greater than 10kW are eligible for a PBI only.

**(13) Third Party Assignment of Rebates:**

The customer may choose to assign their rebates to a third party. The customer will sign a “third party release form” and notify the Cooperative when the job is completed to their satisfaction. Payment will then be scheduled based on the customer’s position on the reservation list.

### III. MISCELLANEOUS ISSUES

#### RESPONSES TO ISSUES RAISED IN CHAIRMAN MAYES' APRIL 20, 2009 LETTER

- **Solar Map Development:** The development of a solar map would be an asset to Arizona's solar industry. Utility customers, solar contractors and solar developers alike could benefit from and utilize such a resource. SSVEC would support and participate in the development of such a map. Once completed the tool could be accessed and utilized through links on utility and stakeholder websites. If a project consortium approach was used, all interested parties would share in project costs proportionally based on the utility's size. Utilities should be able to utilize REST funds for this purpose at a capped level. Additionally, SSVEC would join the Arizona Cooperative's recommendation that the Arizona consortium study and utilize information from other similar state projects to streamline efforts, keep costs down and develop a superior resource.
- **Encouraging solar development in Congestion Zones:** The Arizona Cooperatives are largely comprised of relatively low-density residential or rural areas and do not have many high-density commercial or "Congestion Zones" located in their service areas. For these reasons, SSVEC does not believe that there would be any significant benefit to identifying such zones in their service territory.

- **Making heightened rebates available to early adopters and large-scale developers:** SSVEC and the other Cooperatives think that their incentive levels are currently very generous and do not believe heightened rebates for early adopters of the RES program or for those that adopt solar on a large scale are needed in their case. The recently enhanced tax credits and the over 100% increase in DG installations through 2008 and 2009 to date also indicate that still higher rebates are not necessary at this time.
- **Encourage deployment of solar on multifamily buildings and community centers:** To encourage the deployment of solar on multifamily buildings and community centers, SSVEC would target such an initiative with a program designed for this purpose. The Cooperatives would develop a program that offers multifamily building developers a performance incentive based on the actual metered output from all solar meters that would be paid based on the UCPP incentive matrix over a ten-year period.

#### **IV. ADMINISTRATION OF THE REST PLAN /SUN WATTS PROGRAM**

**Annual Reporting and Plan Development:** Decision No. 71458 allows SSVEC to file its annual report no later than March 1<sup>st</sup> for the prior calendar year. SSVEC will submit its plan for the following year in a timely manner for approval.

**Advertising, Promotion, and Education:** SSVEC works closely with the other Arizona Cooperatives in developing and executing the REST/Sun Watts program. SSVEC advertises in a variety of channels, including, but not limited to: bill inserts, bill

messages, *Currents* (by monthly magazine), posters, television, radio, print, participation in local events (annual meetings, county fairs, etc), and the SSVEC website.

SSVEC also works in partnership with other electric providers in the state of Arizona for the Arizona Utilities for Renewable Energy Education (“AZURE”) initiative. AZURE is jointly developing renewable energy education material for teachers and educators across Arizona. The group’s website is [www.azureeducation.com](http://www.azureeducation.com).

In order to ensure that SSVEC members receive maximum value for the REST/Sun Watts programs, SSVEC will not use more than 10% of the total surcharge funds collected for administration, research, and development, and advertising expenses.

## **V. ESTIMATED RESULTS/BUDGET/TARIFFS**

The current REST tariff was approved in 2007 for the 2008 REST Plan, and in 2008 was enough to keep the program fully funded. We estimated that the demand for rebates would remain steady and that the REST collection levels would carry use through 2009. In 2009, with the change in the tax incentives, we saw a dramatic increase in participation which has led to delayed payments of rebates as we wait for funding from the monthly surcharge.

SSVEC would like to retain the flexibility to shift budget allocations as recommended by the ACC staff in the 2009 REST plan. SSVEC will file all budget shifts with Docket Control prior to making any changes.

2010 REST Budget	
Estimated 2010 Collections	\$ 3,009,635
Estimated 2009 carry over	\$ 10,000
<b>Total Budget</b>	<b>\$ 3,019,635</b>
Loan Program	\$ 200,000
Program Costs (Admin, Ads, etc)	\$ 200,000
Habitat Project	\$ 34,000
CREB Bonds for Schools	\$ 1,045,000
Large Scale Renewables (CREBs) or PPA	\$ 650,000
SunWatts Residential Rebates	\$ 534,381
SunWatts Commercial Rebates	\$ 356,254
<b>Total Budget</b>	<b>\$ 3,019,635</b>

Because SSVEC owns the PV systems under the CREBs portion of the budget (PV for Schools) these credits will be allocated to meet the R14-2-1805 distributed generation goals. For 2010 we have budgeted funds to attract additional distributed generation projects in our system to further increase the R14-2-1805 credits.

## Budget Projections

### REST 5 - Year Budget Projections using Funding

	Budget Year				
	2010	2011	2012	2013	2014
REST Revenue	\$ 3,009,635	\$ 3,069,828	\$ 3,131,224	\$ 3,203,242	\$ 3,286,527
Estimated carry over from prior year	\$ 10,000	\$ 65,787	\$ 94,353	\$ 150,493	\$ 161,422
<b>Total REST Budget</b>	<b>\$ 3,019,635</b>	<b>\$ 3,135,615</b>	<b>\$ 3,225,577</b>	<b>\$ 3,353,735</b>	<b>\$ 3,447,949</b>
<b>Projected Budget</b>					
Loan Program Funding (7%)	\$ 200,000	\$ 215,000	\$ 219,000	\$ 224,000	\$ 230,000
Program Costs (Admin, Ads, etc)	\$ 200,000	\$ 202,000	\$ 203,000	\$ 202,000	\$ 201,000
Habitat Project	\$ 34,000	\$ 35,000	\$ 36,000	\$ 36,000	\$ 36,000
CREB Bonds for Schools	\$ 1,045,000	\$ 1,045,000	\$ 1,045,000	\$ 1,045,000	\$ 1,045,000
Large Scale Renewables (CREBs) or PPA	\$ 650,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
SunWatts Residential Rebates	\$ 534,381	\$ 383,169	\$ 433,546	\$ 508,041	\$ 561,570
SunWatts Commercial Rebates	\$ 356,254	\$ 255,446	\$ 289,031	\$ 338,694	\$ 374,380
<b>Total Projected Budget</b>	<b>\$ 3,019,635</b>	<b>\$ 3,135,615</b>	<b>\$ 3,225,577</b>	<b>\$ 3,353,735</b>	<b>\$ 3,447,949</b>
<b>Projected Expenses</b>					
Loan Program	\$ 120,000	\$ 129,000	\$ 153,300	\$ 156,800	\$ 161,000
Interest from loans	\$ (3,600)	\$ (7,353)	\$ (11,038)	\$ (15,322)	\$ (19,872)
Program Costs (Admin, Ads, etc)	\$ 200,000	\$ 201,000	\$ 201,503	\$ 200,999	\$ 200,496
Habitat Project	\$ 34,000	\$ 35,000	\$ 36,000	\$ 36,000	\$ 36,000
CREB Bonds for Schools	\$ 1,045,000	\$ 1,045,000	\$ 1,045,000	\$ 1,045,000	\$ 1,045,000
Large Scale Renewables (CREBs) or PPA	\$ 650,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
SunWatts Residential Rebates	\$ 694,695	\$ 459,803	\$ 433,546	\$ 497,880	\$ 544,722
SunWatts Commercial Rebates	\$ 213,752	\$ 178,812	\$ 216,773	\$ 270,955	\$ 318,223
<b>Total Expense Projections</b>	<b>\$ 2,953,848</b>	<b>\$ 3,041,262</b>	<b>\$ 3,075,084</b>	<b>\$ 3,192,313</b>	<b>\$ 3,285,569</b>
<b>End of Year Balance</b>	<b>\$65,787</b>	<b>\$94,353</b>	<b>\$150,493</b>	<b>\$161,422</b>	<b>\$162,380</b>



## Estimated Impact of Tariff on Customers

### Average Collections (\$)

Rate Class	
Residential	2.98
General Service *	8.95
Irrigation	35.19
Rate P & IP	127.45
3MW + Cap	300.00

### Percentage Reaching Caps

Rate Class	
Residential	65.5%
General Service *	1.0%
Irrigation	57.8%
Rate P & IP	35.5%
3MW + Cap	100.0%

\* This rate class includes private wells that will never reach the cap and lower both the average collected and percentage reaching the cap.

### Sample Customer Impacts

Sample Customers	Average kWh	Monthly Bill Impact	
		2009	2010
Average Residential Customer	800	\$ 1.30	\$ 3.49
Barber Shop	3,541	\$ 17.71	\$ 28.10
Department Store	161,760	\$ 42.00	\$ 200.00
Mall (less tenants)	61,872	\$ 42.00	\$ 200.00
Retail Video Store	12,843	\$ 42.00	\$ 85.00
Large Hotel	30,700	\$ 42.00	\$ 200.00
Large Building Supply and Hardware	157,707	\$ 42.00	\$ 200.00
Motel	30,227	\$ 42.00	\$ 200.00
Large Office Building	78,120	\$ 42.00	\$ 200.00
Hospital	360,075	\$ 42.00	\$ 200.00
Supermarket	117,860	\$ 42.00	\$ 200.00
Convenience Store	18,403	\$ 42.00	\$ 146.06
School	67,967	\$ 42.00	\$ 200.00
Irrigation Customer	51,745	\$ 42.00	\$ 50.00

**Estimated renewable additional capacity from 2010 program**

Estimated kW added

Large Scale Renewables PPA*	3,653.0
Residential Rebates	118.1
C&I rebates	78.8
Total	3,849.8

\* PPA assumes a \$.10 adder to normal wholesale cost

**Goals as a percentage of kWh sales and Renewable capacity needed to meet goals**

<b>Renewable Energy Goals</b>					
Year	Retail Sales (MWh) from the 2008 PRS	Renewable Goal (%)	Renewable Energy Needed (MWh)	Renewable Capacity needed (MW)	Renewable MW Installed
2007	796,093	.5%	3,980	1.8	.14
2008	819,072	.5%	4,095	1.9	.31
2009	886,759	1.00%	8,868	4.0	2.3
2010	917,376	1.25%	11,467	5.2	5.56*
2011	945,922	1.50%	14,189	6.5	
2012	973,679	1.75%	17,039	7.8	
2013	998,033	2.00%	19,961	9.1	
2014	1,023,514	2.25%	23,029	10.5	
2015	1,047,502	2.50%	26,188	12.0	
2016	1,073,556	3.00%	32,207	14.7	
2017	1,097,220	3.50%	38,403	17.5	
2018	1,122,319	4.00%	44,893	20.5	
2019	1,149,655	4.50%	51,734	23.6	
2020	1,176,514	5.00%	58,826	26.9	
2021	1,202,185	5.50%	66,120	30.2	
2022	1,228,846	6.00%	73,731	33.7	
2023	1,254,640	6.50%	81,552	37.2	
2024	1,281,112	7.00%	89,678	40.9	
2025	1,305,392	7.50%	97,904	44.7	

\*Estimated

The REST Regulations Section R14-2-1814 allows the Cooperatives to submit a plan as a substitute from the percentage of kWh sold requirements as set for the investor-owned utilities as set forth in R14-2-1804 and R14-3-1805. Decision No. 71458 adopts the renewable goals contained in the table above.

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

Sulphur Springs Valley Electric Cooperative  
PO Box 820  
Willcox, Arizona 85644

SCHEDULE REST  
Renewable Energy Surcharge Tariff

Effective: For electrical usage beginning on or about January 1, 2008 and billed beginning with the February 2008 cycle billings.

Applicability

The Renewable Energy Surcharge Tariff is applicable to all consumers located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single- or three-phase service. Surcharges under this schedule will be in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's office, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein.

Rate

\$0.005 per kWh subject to the following maximum per month:

Residential Consumers	\$1.30
Commercial & Industrial	\$42.00
Industrial (Demand over 3MWs)	\$150.00

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SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

Sulphur Springs Valley Electric Cooperative  
PO Box 820  
Willcox, Arizona 85644

SCHEDULE REST  
Renewable Energy Surcharge Tariff

Effective: For electrical usage beginning on or about January 1, 2010 and billed beginning with the February 2010 cycle billings.

Applicability

The Renewable Energy Surcharge Tariff is applicable to all consumers located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single- or three-phase service. Surcharges under this schedule will be in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's office, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein.

Rate

\$0.007937 per kWh provided by the Cooperative

Subject to the following maximum per month:

Residential Consumers(Rates R, RT)	\$ 3.49
General Service (Rates GS, GT, non-residential rates not listed below)	\$ 85.00
Irrigation Customers (Rates CD, CW, CD-Large, IL, IS)	\$ 50.00
Commercial & Industrial (Rates P, IP, PRV, PT)	\$200.00
Industrial (Demand over 3MWs)	\$300.00

Schedule of fee's for SunWatts inspections:

1 <sup>st</sup> inspection	no charge
2 <sup>nd</sup> inspection (if needed*)	\$ 75.00
3 <sup>rd</sup> and subsequent inspections (if needed*)	\$150.00 ea.

\* additional inspections charges are subtracted from any rebates or PBI and only required when violations of the inter-connection requirements, the National Electric Code, or safety issues are found during the current inspection that can not be corrected during the first or subsequent inspection. Inspection fee to be returned to the REST funds.