BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
KRISTIN K. MAYES, CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

E-01750A-10-0264

IN THE MATTER OF THE APPLICATION OF MOHAVE ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF ITS 2011 RENEWABLE ENERGY STANDARD AND TARIFF PLAN, INCLUDING A RENEWABLE ENERGY STANDARD TARIFF

DOCKET NO. E-01750A-10-

APPLICATION

Mohave Electric Cooperative, Inc. ("MEC"), through its undersigned attorneys, submits this Application requesting approval of its 2011 Renewable Energy Standard and Tariff ("REST") Plan, including its renewable energy standard tariff (the "2011 REST Plan") pursuant to the Commission's Renewable Energy Standard ("RES") rules (and in particular AAC R14-2-1813 and R14-2-1808) and to the extent not otherwise superseded, the Commission Environmental Portfolio Standard ("EPS") rules (and in particular AAC R14-2-1618). This Application is supported by the following:

1. MEC is a member-owned non-profit cooperative that is certified to provide electricity as a public service corporation in the State of Arizona.

2. Prior to 2010, Arizona Electric Power Cooperative, Inc. ("AEPCO") filed EPS/REST Plans on behalf of itself and other member distribution cooperatives, including MEC.

3. AEPCO's EPS/REST Plans have been approved by Commission Decision No. 67176, dated August 10, 2004, Decision No. 68328, dated December 9, 2005, Decision No. 69728, dated July 30, 2007 and Decision No. 70655, dated December 12, 2008.

4. A MEC specific REST Plan for 2010 was approved by Commission Decision No. 71407, dated December 8, 2009. MEC's Net Meter Tariff was separately approved by Commission Decision No. 71461, dated January 26, 2010.

5. By this Application, MEC files its REST Plan for 2011, attached hereto as Exhibit A and incorporated herein by this reference. MEC's 2011 REST Plan maintains the seven significant features of its 2010 REST Plan, with modifications to some of those features.

6. The seven major features of MEC's 2010 REST Plan are:

a. Voluntary Renewable Energy Program ("Green Energy")

b. Member Self-Directed Renewable Energy Program

c. SunWatts Residential and Commercial Incentive Program

d. Clean Renewable Energy Bonds (CREBS)

e. SunWatts Large-Scale Program (In conjunction with AEPCO)

f. Analysis of Geothermal Resources Within and Outside MEC's Service Territory

g. Distributed Generation Solar Installation Within MEC's Service Territory

7. Highlights of changes in the 2011 REST Plan from the 2010 REST Plan, include:

a. Adding participation in a geothermal project near Willcox

b. Adding flexibility to the Habitat for Humanity program

c. Adjusting the maximum rebate to 45% of the total system cost of the installation from 50% and increasing the maximum dollar rebate for commercial systems from $30,000 to $50,000.

d. Providing internal bridge financing for the Solar for Schools program.

e. Integration of the statewide solar website program with MEC's existing website.

8. By Decision No. 71407, dated December 8, 2009 the Commission approved MEC's current RES Tariff. By this Application, MEC seeks no changes in the REST surcharge.

9. MEC will file its net metering tariff within the time frame specified by the Commission.

10. All communications regarding this Application should be provided to:

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William P. Sullivan
Curtis, Goodwin, Sullivan,
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AND

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Bullhead City, Arizona 86430
Phone: 928-763-4115
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tylermec@aol.com

WHEREFORE, Mohave Electric Cooperative, Inc. requests the Commission to enter its Order:

A. Approving MEC's 2011 REST Plan attached hereto;

B. Approving MEC's use of internal fund financing of its Solar for Schools program, up to a maximum of $1,000,000 in year 2010 and 2011 until alternative federal or state funding can be secured; and

C. Such other and further relief as the Commission deems just and proper under the circumstances.

DATED this 1st day of July, 2010.

CURTIS, GOODWIN, SULLIVAN,
UDALL & SCHWAB, P.L.C.

By: _____

Michael A. Curtis
William P. Sullivan
501 East Thomas Road
Phoenix, Arizona 85012-3205
Attorneys for Mohave Electric
Cooperative, Inc.

PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 1st day of July 2010, I caused the foregoing document to be served on the Arizona Corporation Commission by delivering the original and thirteen (13) copies of the above to:

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

_____

1234/-28/-28-8-x/2011 REST Plan/Pleadings/Application to Approve 2011 REST Plan

EXHIBIT A

Mohave Electric Cooperative, Inc.'s
2011 Renewable Energy Standard and Tariff Plan

MOHAVE

electric cooperative

A Touchstone Energy® Cooperative

June 30, 2011

2011 Renewable Energy Standard & Tariff

(REST PLAN)

Submitted by J. Tyler Carlson, Chief Executive Officer

Mohave Electric Cooperative, Inc.
Post Office Box 1045
Bullhead City, Arizona 86430
www.mohaveelectric.com

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MOHAVE ELECTRIC COOPERATIVE, INC.
RENEWABLE ENERGY STANDARD and TARIFF

I. BACKGROUND

Mohave Electric Cooperative, Inc. ("MEC") is a rural electric transmission and distribution cooperative headquartered in Bullhead City, Arizona. MEC provides electric service to approximately 32,500 members in Mohave, Coconino, and Yavapai counties. MEC owns and operates 109 miles of sub-transmission lines and 1,375 miles of distribution lines. MEC employs approximately 80 employees and provides service to 27 meters per mile of line in its service territory.

MEC is presently a "partial requirements" wholesale power customer of the Arizona Electric Power Cooperative, Inc. ("AEPCO") and purchases additional wholesale resources from other market providers. In 2009, MEC delivered 673 gigawatt-hours in retail sales to its members.

Since the inception of the Environmental Portfolio Standard, ("EPS"), and subsequently the Renewable Energy Standard and Tariff, ("REST") through 2009, AEPCO has filed its annual compliance reports with the Director, Utilities Division, ACC, on behalf of its four Arizona member distribution cooperatives, including MEC. The AEPCO REST Compliance report for 2009 will be the last year that the report will include MEC. MEC, through its 2009 filing for plan year 2010, designed and implemented its own REST Plan, independent from AEPCO. This application extends MEC's independent REST Plan, with some modifications explained herein.

II. MEC's REST PLAN

The MEC REST Plan will continue to include seven components intended to achieve our annual renewable energy goals, which for 2011 is 2.4% of 2011 retail energy sales. Those components are:

- Voluntary Renewable Energy Program (unchanged)
- Member Self-Directed Renewable Energy Program (unchanged)
- SunWatts Residential and Commercial Incentive Program (modified)
- Clean Renewable Energy Bonds (CREBS—PV for Schools) (modified)
- SunWatts Large-Scale Program (In conjunction with AEPCO) (modified)
- Analysis of Geothermal Resources Within and Outside of MEC's Service Territory (expanded)
- Distributed Generation Solar Installation Within MEC's Service Territory (unchanged)

The first four incentive programs are self selecting; MEC can offer, but not compel, customers to undertake renewable projects. The geothermal resources and generation solar installation are programs directed by MEC that all customers will be able to utilize and share in the benefits. The SunWatts Large-Scale Program, developed in conjunction with AEPCO,

provides renewable resources for delivery through AEPCO and provides benefits to MEC members through MEC's membership in AEPCO.

All existing MEC rebates, rebate caps, details, and conditions were effective January 1, 2010. Modifications of the Plan will go into effect on January 1, 2011 unless otherwise specified in this Plan or the order of the Commission approving the MEC REST Plan for 2011. Members with existing renewable energy systems are not eligible for additional rebates on the existing systems as a result of changes to the MEC REST Plan.

As discussed below, the modifications include: (i) increasing the per system dollar caps to $30,000 for residential and $50,000 for commercial, while capping the total contribution at 45% of the installation cost rather than 50%, (ii) adding a Geothermal project located outside of MEC's service area, (iii) providing internal funding due to the unavailability of CREB financing to accelerate PV for Schools, and (iv) expanding the Humanity for Habitat program to include other non-profit community based programs in years Humanity for Habitat does not designate an eligible structure. MEC is not proposing any change to its 'Renewable Energy Standard Tariff' for 2011; a copy of which is included in the REST Tariffs section of this REST Plan.

Voluntary Renewable Energy Program

MEC will continue to offer their retail customers a voluntary program whereby participating members of the Cooperative can support the purchase of "green energy." "Green Energy" will be offered to customers for purchase in 50 kWh blocks at a cost of $2.00 each. "Green Energy" purchases will be reflected as a line item on participating members' monthly invoice. All funds received by MEC under this program will be added to amounts collected from surcharges and used for support of renewable energy projects. Advertising and other promotional materials and activities encourage participation in this program. MEC is not proposing any change to its 'Voluntary Renewable Energy Program Tariff' for 2011; a copy of which is included in the REST Tariffs section of this REST Plan.

Member Self-Directed Renewable Program

An eligible MEC customer, who pays more than $25,000 annually in renewable energy surcharge funds, may apply to MEC to receive funds to install distributed renewable energy resources. An eligible customer seeking to participate in this program shall submit to MEC a written application that describes the renewable energy resource that it proposes to install and the projected cost of the project. All renewable energy credits derived from the project shall be applied to satisfy the Cooperative's annual renewable energy requirement. This component is further described in greater detail in the 'Renewable Energy Customer Self-Directed Tariff' MEC is not proposing any change to its 'Renewable Energy Customer Self-Directed Tariff' for 2011; a copy of which is included in the REST Tariffs section of this REST Plan.

SunWatts Residential and Commercial Incentive Program

The SunWatts Incentive Program pays customers rebates to encourage the installation of qualifying member-owned photovoltaic ("PV"), solar water heating and small wind turbine

systems. All incentive programs will be rebated on a first come, first served basis until funding is exhausted. Once a customer submits a reservation form, no further reservation form will be accepted from the customer until the pending installation has been fully completed and the rebate provided or the reservation is voluntarily withdrawn.

For residential PV and small wind systems, MEC will pay $2.50 / watt of installed nameplate capacity, up to 45% of the total cost of the system up to 5 kW in size. For commercial PV and small wind systems, MEC will pay $2.50 / watt of installed nameplate capacity, up to 45% of the total cost of the system up to 10 kW in size. For residential systems larger than 5 kW and commercial systems larger than 10 kW, MEC will pay $2.00 / watt of installed nameplate capacity for PV and small wind turbine systems up to 50 kW, not to exceed 45% of the total cost of the system. The dollar cap for residential PV and small wind systems installed at a single residence is $30,000 and is $50,000 for commercial PV and wind turbine systems installed at a commercial location. The combined generation capacity at the location is limited to a maximum of 125% of the total connected load at the location and is limited to one installation per service entrance for residential and commercial PV and small wind turbine systems.

All PV and small wind projects larger than 50 kW are not covered by the REST tariff incentives and will be dealt with on a case-by-case basis through negotiated contracts.

For residential solar water heating systems, MEC will provide a rebate of $0.75 per kWh of energy saved during the system's first year of operation. Solar systems must be OG-300 certified solar systems to be eligible for the SunWatts rebate. A list of OG-300 certified solar systems is available at the Solar Rating and Certification Corporation's website www.solar-rating.org. MEC will only rebate those systems which replace a traditional electric water heater. In addition, the customer contribution to the cost of the solar water heater project must be a minimum of 15% of the total project cost after accounting for and applying all federal and state incentives. Solar swimming pool heating systems are not eligible for the SunWatts rebate.

In addition to the foregoing programs, MEC will continue to include Biomass, Biogas, Daylighting and Solar Space Cooling. The Daylighting program would rebate $.20 per kWh saved during the first year. The other programs would offer Production Based Incentives ("PBI") paid for Renewable Energy Credits over a ten-year period. The Biomass/Biogas incentives per kWh will be: $0.06 for electric generation, $0.035 for Biomass/Biogas CHP electric, $0.018 for Biomass/Biogas CHP-Thermal, $0.015 for Biomass/Biogas thermal and $0.032 for Biomass/Biogas cooling. The Solar Cooling PBI would be for ten years in the amount of $0.129 per measured kWh.

Clean Renewable Energy Bonds ("CREBs") - PV for Schools

The CREBs program makes use of funding available through a Federal program that allows cooperatives to borrow money at low interest for use in renewable energy projects. The on-going Federal Economic Stimulus activities, and the associated State action, have some focus on renewable energy and schools. MEC intends to apply for multi-year funding of its PV for Schools program by application for CREBs or similar Federal and State funding programs as discussed below. For plans years 2010 and 2011, MEC intended to secure funding of $50,000

each for solar systems for twenty (20) schools (10 each year) with a maximum of $1,000,000 ($500,000 annually). This program will provide the PV systems at no cost to the schools.

Due to changes in the Federal and State funding programs following the 2007 Federal Stimulus legislation, the timing of approval of MEC REST Plan for 2010 and the high demand for the available funds, Mohave has not yet been able to secure a commitment for such funding. In lieu of using of Federal or State program funds, Mohave proposes to utilize up to $1,000,000 of internal MEC funds to pay for the installation of a $50,000 PV system at 10 schools in 2010 and another 10 schools in 2011. These internal funds would be repaid to MEC from REST funds over ten (10) years at the applicable CREBS rate (approximately 5.29%).

MEC will continue to review Federal and State renewable energy funding programs and will apply for funds when they are available to MEC to assist in accomplishing renewable energy goals and reflect the projects associated with those funding sources in future REST Plans. Once Federal or State funds become available for this program for use in 2010 or 2011, MEC would evaluate the CREBs terms and conditions including the ten year interest rate, and deploy CREBs funding if it is in the best interest of the REST program.

SunWatts Large-Scale Program

The SunWatts Large-Scale Program has two components: A Purchase Power Contract Program and a Generating Program. The Purchase Power Contract Program is administered by AEPCO on behalf of its member cooperatives, and MEC will continue to participate with AEPCO and its member cooperatives on projects that are determined to be beneficial and help in meeting the REST Plan requirements.

AEPCO has issued a Request For Proposals to secure a provider of renewable energy resources from third party producers. AEPCO is using ACES Power Marketing to analyze proposals received by AEPCO and expects to select a provider in response to its requests for proposal. AEPCO's efforts to convert the Cooperative's share of the 250 MW Joint Development into a purchased power agreement ceased when the joint development project was terminated. The project was terminated because it was not economical and the declining electric demands could not support another 250 MW generating facility. MEC continues to work with AEPCO to find a viable Large-Scale Project.

The Large-Scale Generating program calls for the Cooperatives, as a group or in partnership with others, to install and operate utility-sized renewable generating units. MEC will participate with AEPCO in this endeavor, utilizing environmental surcharge funds already collected by MEC and deposited with AEPCO. MEC will continue with AEPCO on these efforts and will also be exploring other utility partnerships in the area of utility-sized renewable generating units.

Geothermal Resources

Within The MEC Service Territory

MEC, in partnership with Navopache Electric Cooperative, Inc., ("NEC"), has retained the firm of Black & Veatch, Consulting Engineers, ("B&V"), to investigate the feasibility of developing geothermal energy resources within each cooperative's service territory. B&V has partnered with GeothermEx, Inc. of Richmond, California to evaluate the literature in the public domain and information provided by NEC to identify and characterize known thermal waters, heat flow and geology.

GeothermEx will use the data collected and evaluated to describe geothermal targets, within or near the two service territories, in terms of depth, host formations and, if possible, order-of-magnitude estimates of generation potential. For the sites identified, preliminary estimates of land status, access, proximity to transmission infrastructure and water availability will be determined. A program of exploration and confirmation drilling, including costs and approximate timelines, has been developed by GeothermEx.

GeothermEx and B&V have delivered their final report to the Cooperatives, which concludes that the potential for an initial 5 MW geothermal generation resource is feasible in both service territories, with the NEC location having the highest probability for success. NEC has initiated a grant application to the DOE to fund exploratory drilling. MEC will monitor the progress of NEC and is prepared to partner with NEC in the development of the geothermal resource once exploratory drilling indicates that the project will proceed to commercial development.

Outside MEC's Service Territory

MEC has entered into an agreement with Sulphur Springs Valley Electric Cooperative and AEPCO to implement a geothermal project in the Willcox area. The project became operational in November, 2009 and is expected to provide approximately 47kW to MEC annually.

Distributed Generation Solar Installation Within MEC's Service Territory

MEC has executed a letter of understanding to develop a 5 MW distributed solar generation project within the MEC service territory. The benefits of this distributed generation project is that it locates the generation within MEC load pocket, avoids transmission development and congestion, avoids transmission substation investments and directs member investment dollars to a concentrated roof-top program on the ground, effectively reducing load within the MEC load footprint. The tight financial markets have made securing financing for the project more difficult than anticipated and has delayed the progress of the project. Therefore, the project remains in the initial stages of land acquisition, developer negotiations, renewable technology alternative evaluation, determining electrical infrastructure requirements, determining the requirements for and application to electrical interconnection, finalizing a location within a Qualified Renewable Area and obtaining a source of funding for the project. In

Decision No.71407, dated December 8, 2009, the Commission deferred a determination on whether the project meets the Distributed Renewable Resources requirement. MEC requests similar treatment at this time, with a final determination to be based upon the actual contractual documents and project details. This information will be submitted to the Commission when available, subject to appropriate confidentiality agreements.

Other Programs

PV For Schools Program - This program has been combined with and accelerated by the larger school program described under the CREBs discussion.

Habitat for Humanity/Community Services Program – In the past MEC has partnered with Habitat for Humanity to offer alternative energy options to low income housing in MEC's service area. MEC's REST Plan's budget allows for one project per year that would not exceed $25,000. In years where Habitat for Humanity does not designate an eligible low income housing project under this program by July 1 of the year, MEC will select another community based non-profit organization, to receive the $25,000 renewable energy project.

Educational Grant Program - One school per year, in MEC's service area, would be offered an educational grant of no more than $5,000 for the development of renewable energy generation educational curricula for the classroom.

Administrative, Advertising/Promotion, and Research and Development – MEC advertises and promotes its REST programs in a variety of mediums including, but not limited to, bill inserts, monthly newsletter, television, radio and community events. MEC will not use more than 15% of total surcharge funds for administration, research and development and advertising expenses. At the end of each program year, unused funds will be carried over to fund activities and programs in the following year.

MEC maintains information on its customer driven programs on its website at www.mohaveelectric.com. In coordination with the Grand Canyon State Electric Cooperative Association, MEC is also participating in the development of the Arizona Goes Solar website mandated by the Commission, the development of which is spearheaded by Arizona Public Service Company.

In October, 2009 MEC exhausted its then available incentive funds under the SunWatts Residential and Commercial Incentive program submitted by AEPCO. Since then the program has been redesigned and additional funding has been allocated to the incentive program. MEC anticipates the incentive program is adequately funded for both 2010 and 2011. However, if in the future MEC projects funding will become insufficient during a calendar year to meet all residential and commercial requests for incentives compliant with the program and under 50 kW in size, MEC will make a filing in the docket for the applicable REST program notifying the Commission of the projection and its intended action to avoid or mitigate the deficiency. In the event funds actually become unavailable to meet compliant requests, a waiting list will be maintained based upon the date a complete reservation form is actually received by MEC.

Conclusion and Goals

MEC has 118 residential and small commercial photovoltaic (PV) arrays installed within its service territory. The PV arrays range in size from 2 kW to 20 kW for a load reduction of 449.39 kW and an annual delivery of 984,170.67 kWh. MEC also has 29 small wind generators installed within its service territory. The wind generators are all rated at 2 kW for a load reduction of 58 kW and an annual delivery of 101388.6 kWh. All of these member-owned systems were installed prior to January 2010 during MEC's participation in the AEPCO REST Plan. (See Exhibit A to this REST Plan.)

MEC partnered with the Bullhead City Habitat for Humanity and installed a 3.5 kW PV array on the area's first Habitat for Humanity house completed in late 2009. Habitat for Humanity decided not to construct a home in our service area in 2010, so MEC partnered with the Boys and Girls Club to install a $25,000 renewable energy system. Since construction costs for PV systems have declined since 2009, MEC expects to be able to install a slightly larger system for 2010. The project is scheduled for completion by the end of 2010.

MEC has also partnered with Bullhead City to install a 50 kW PV system located at City Hall. The system is expected to produce 109,500 kWh annually. Bullhead City approved a contract to design the system in early 2010. MEC will advance the estimated $400,000 cost of the project with a combination of federal grant monies and REST funds, with one third of the cost (approximately $134,000) to be repaid by Bullhead City over the 25 year life of the project from energy savings.

Under the "PV for Schools" program, MEC selected a school to receive a 5kW PV system in 2009. As noted, under the CREBs discussion, MEC proposes to accelerate the "PV for Schools" program by combining it with the CREBs program. 10 schools have been selected for installation of $50,000 PV systems in 2010 and another 10 schools will be selected for installation in 2011. However, due to the current unavailability of Federal and State funds, the acceleration of the PV of Schools program is contingent upon MEC providing internal financing in lieu of CREBs until Federal or State funding becomes available.

MEC is actively working in partnership with NEC and consultants to evaluate potential geothermal development in our service territories. MEC and NEC in partnership are moving forward by way of Federal Grant Applications for potential geothermal development in one or both of our service areas.

MEC secured participation with Sulphur Springs Valley Electric Cooperative and AEPCO in a geothermal project in the Willcox area that was completed in 2009. The project may provide as much as 47kW to MEC annually.

MEC's goal is to provide renewable energy incentives to its members and to pursue increased opportunities beyond residential systems including geothermal and MEC owned distributed generation projects. These goals must be coordinated with on-going energy efficiency ("EE") efforts. For example, MEC experienced EE savings of approximately 3% last year. The reduced system demand reflective of the EE savings translates to a lessened need for new

generation capacity. The new generation capacity reflected in this REST Plan, coupled with existing power contracts, is sufficient to meet MEC's demand. As a result, MEC does not anticipate pursuing additional large-scale renewable generation projects until load begins to grow. The combination of these factors, coupled with the removal of the economically unfeasible 250 MW Joint Development SunWatts Large-Scale Program project from MEC's projected kWh goals, has caused MEC to adjust its annual renewable goal for 2011 to 2.4% compared to 2.5% for 2010. The successful reduction of demand through even more aggressive EE programs could further diminish MEC's need for new generation, including generation from renewable resources.

III. EXHIBITS

EXHIBIT A

TOTAL MEC INSTALLED RENEWABLE CAPACITY

	Year	Commercial PV kWh	Residential PV kWh	Wind kWh	Willcox Greenhouse Geothermal kWh	Bullhead City PV kWh	AEPCO Benson Facility kWh	AEPCO Joint SunWatts Project kWh	5 MW facility kWh	2010 10 Schools PV kWh	2011 10 Schools PV kWh	Total
	2005		19763									19763
	2006		30222									30222
	2007		39683	4201								43884
	2008	17634	221567	53824								293024
	2009	119250	864921	101389								1085559
Estimated	2010	411089	1389859	118193	1149048	109500	16027	390707		287766		3872189
Projected	2011	761297	2019786	134997	1149048	109500	16027	390707	10950000	287766	262800	16081927

IV. REST TARIFFS

MOHAVE ELECTRIC COOPERATIVE, INC.
Bullhead City, Arizona
RENEWABLE ENERGY STANDARD TARIFF

Effective: January 1, 2011

Purpose: To fund renewable energy requirements pursuant to an Arizona Corporation Commission approved renewable energy standard implementation plan.

Renewable Energy Standard ("RES") Surcharge:

On all bills for all governmental and agricultural customers with multiple meters, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of $0.000942 per kilowatt-hour of retail electricity purchased by the consumer, or:

Governmental and Agricultural Customers	$15.00 per service;
Governmental and Agricultural Customers whose metered demand is 3,000 kW or more for three consecutive months:	$ 49.00 per service.

On all bills for residential customers and highway customers, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of $0.0095006 per kilowatt-hour of retail electricity purchased by the customer, or:

Residential Customers:	$ 3.10 per service
Highway Customer	$ 3.10 per service

On all bills for irrigation customers, small commercial customers and large power customers, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of $0.0053714 per kilowatt-hour of retail electricity purchased by the customer, or:

Irrigation Customers:	$ 49.00 per service
Small Commercial Customers:	$ 49.00 per service
Large Power Customers:	$ 49.00 per service
Non-Residential Customers whose metered demand is 3,000 kW or more for three consecutive months:	$ 147.00 per service

In the case of unmetered services, MEC shall, for purposes of billing the RES Surcharge and subject to the caps set forth above, not bill an additional RES surcharge on unmetered service to a member that has a metered service with MEC. For any new unmetered services MEC will use the lesser of *(i)* the load profile or otherwise estimated kWh required to provide the service in question; or *(ii)* the service's contract kWh for the purposes of RES Surcharge billing.

The RES Surcharge is in addition to all other rates and charges applicable to service to the customer. The applicable sales tax in Arizona will be added to bills where required. The Cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the Cooperative.

MOHAVE ELECTRIC COOPERATIVE, INC.
Bullhead City, Arizona

STANDARD OFFER
VOLUNTARY RENEWABLE ENERGY PROGRAM TARIFF

Effective: January 1, 2011

VOLUNTARY RENEWABLE ENERGY PROGRAM FOR STANDARD OFFER CUSTOMERS

Availability

Available as an option to all residential and non-residential standard offer members of the Cooperative to participate in the Cooperative's renewable energy program. Not applicable for resale, breakdown, standby or auxiliary service.

Type of Service

Available to all classes of members, regardless of service entrance size or installed infrastructure located at the member's residence or place of business.

Monthly Rate

$ 2.00 per month for each block of 50 kWh of electric generation from renewable resources. Members electing this option may purchase one or more blocks. The rate is in addition to the otherwise applicable charges for all kWh consumed under standard offer service provided by the Cooperative.

Term

Members of the Cooperative may enroll at any time, effective at the beginning of the next billing month. Members may terminate their participation at any time by notifying the Cooperative; termination is effective at the end of the current billing month. Terminations made in conjunction with termination of all service from the Cooperative are effective at the time of such termination. Elections to participate or to cancel participation must be made in writing on a form supplied by the Cooperative.

Conditions

All funds collected under this Schedule will be used solely to construct, operate, and maintain renewable energy projects carried out by the Cooperative in Arizona, including solar electric generating projects. Electric energy generated by renewable resources in blended with other energy throughout the Cooperative's distribution system. Energy delivered to members electing this option will consist of such blended energy.

Tax Adjustment

The applicable sales tax in Arizona will be added to bills where required. The Cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the Cooperative.

Terms of Payment

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the Cooperative's collection policy.

MOHAVE ELECTRIC COOPERATIVE, INC.
Bullhead, Arizona
RENEWABLE ENERGY CUSTOMER SELF-DIRECTED TARIFF

Effective: January 1, 2011

Renewable Energy Standard ("RES") Customer Self-Directed Option

Application

The RES Customer Self-Directed Option is applicable to single and three phase service for Non-Residential Customers with multiple meters that pay more than $ 25,000 annually in RES Surcharge funds pursuant to the Renewable Energy Standard Tariff for any number of related accounts or services within the Cooperative's service territory.

Eligible Customer

An Eligible Customer may apply to the Cooperative to receive funds to install Distributed Renewable Energy Resources. An Eligible Customer seeking to participate in this program shall submit to the Cooperative a written application that describes the Renewable Energy Resources that it proposes to install and the projected cost of the project. An Eligible Customer shall provide at least half of the funding necessary to complete the project described in its application.

An Eligible Customer shall enter into a contract with the Cooperative that specifies, at a minimum, the following information: the type of Distributed Generation ("DG") resource, its total estimated cost, kWh output, its completion date, the expected life of the DG system, a schedule of Eligible Customer expenditures and invoices for the DG system, Cooperative payments to an Eligible Customer for the DG system, and the amount of a Security Bond or Letter of Credit necessary to ensure the future operation of the Eligible Customers' DG system, metering equipment, maintenance, insurance, and related costs.

If proposed to be connected to the Cooperative's electrical system, an Eligible Customer's DG resource shall meet all of the Cooperative's DG interconnection requirements and guidelines before being connected to the Cooperative's electrical system.

All Renewable Energy Credits derived from the project, including generation and extra credit multipliers, shall be applied to satisfy the Cooperative's Annual Renewable Energy Requirement.

The funds annually received by an Eligible Customer pursuant to this tariff may not exceed the amount annually paid by the Eligible Customer pursuant to the RES Surcharge Tariff.

V. REST FUNDING FROM SURCHARGE

MOHAVE ELECTRIC COOPERATIVE, INC.
Renewable Energy Resource (RES) Budget
REST Funding From Surcharge

Rate Schedule		2011 Projected Annual Surcharge Collections	Percent Reaching Cap	REST Cap Cost	Percent Not Reaching Cap	Average Bill Cost
Residential		$1,058,905	82.54%	$3.10	17.46%	$1.40
Government		$20,340	23.14%	$15.00	76.86%	$2.75
Small Commercial		$391,013	23.01%	$49.00	76.99%	$9.16
Large Power (Less than 3MW)		$48,733	98.06%	$49.00	1.94%	$24.26
Large Power (3MW+)		$1,764	100.00%	$147.00	0.00%	-
Highway		$70	4.64%	$3.10	95.36%	$1.87
Total REST Funding		**1,520,826**				

MOHAVE ELECTRIC COOPERATIVE, INC.
Renewable Energy Resource (RES) Budget
Sample of Data

Sample Customers	Current kWh Average	Current REST Average
Barber Shop	2,036	$10.94
Department Store	27,560	$49.00
Mall (less tenants)	17,397	$49.00
Retail Video Store	31,113	$49.00
Large Hotel	33,350	$49.00
Large Building Supply and Hardware	229,560	$49.00
Motel	6,333	$34.00
Large Office Building	68,707	$49.00
Hospital	208,800	$49.00
Supermarket	210,060	$49.00
Convenience Store	28,213	$49.00
School	74,767	$15.00
Government Complex	65,930	$15.00

VI. FIVE YEAR REST BUDGET

MOHAVE ELECTRIC COOPERATIVE, INC.
Renewable Energy Resource (RES)
Budget
Five Year Projection

	2011	2012	2013	2014	2015
Forecasted Carry Forward	0	0	0	0	0
RES Funding	1,520,826	1,536,034	1,551,394	1,566,908	1,582,577
RES Program Forecast Expenditures	1,520,826	1,536,034	1,551,394	1,566,908	1,582,577
Carry Forward Funding	0	0	0	0	0
Tariff Revenues	1,520,826	1,536,034	1,551,394	1,566,908	1,582,577
Expenditures					
Residential and Commercial Incentives	531,645	554,369	505,236	520,750	536,419
5MW Distributed Generation-Solar	548,884	548,884	548,884	548,884	548,884
PV For Schools Loan Repayment	64,493	64,493	128,986	128,986	128,986
GO SOLAR Website	3,488	1,744	1,744	1,744	1,744
Solar Water Heating	9,000	18,000	18,000	18,000	18,000
RUS Loan Repayment	0	0	0	0	0
GeoThermal Resources-Willcox Greenhouse	44,316	29,544	29,544	29,544	29,544
GeoThermal Resources-Partnership with NEC	0	0	0	0	0
Administration & Advertising	244,000	244,000	244,000	244,000	244,000
Other Programs	75,000	75,000	75,000	75,000	75,000
Total Expenditures	1,520,826	1,536,034	1,551,394	1,566,908	1,582,577
Net Carry Forward	0	0	0	0	0

VII. UNIFORM CREDIT PURCHASE PROGRAM

Sample Forms

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A MOHAVE PROGRAM

• RENEWABLE ENERGY INCENTIVE TARIFF (REST)
Uniform Credit Purchase Program Application

RESERVATION FORM

This form to be used to request incentive funds from the Renewable Energy Standards Tariff.

Your request in the MEC REST program assumes that you will owner-occupy the structure and operate your system continuously for a period of ten (10) years after you receive the incentive payment from MEC.

After completing the form, sign and submit to the Energy Management Department to be placed on a wait list until there are sufficient monies to fund the request. The wait list is based on a first come first serve basis. When the funds become available, the member will be notified to complete the full enrollment packet (Uniform Credit Purchase Program Application and the Interconnect Agreement). The member will have a 60 day period to begin the installation process once the funds have been obligated by Mohave Electric.

PRINT Member Name(s): _____ _____

Address: _____

Phone: _____ Mohave Electric Account #: _____

☐ Residential Account ☐ Commercial Account

Service Location: _____

Description of Renewable Energy Resource (include KW): _____

Annual kWh Output: _____

Projected Cost: $_____(ATTACH A COPY OF CONTRACTOR ESTIMATE)

Rebate Amount Requested: $_____

Are you applying for Net Metering _____ YES _____ NO
(If yes, a completed net metering application is also required.)

DATE _____ MEMBER SIGNATURE(S) _____

_____

~~~~~~

MEC Office Use Only

1. Date Placed on Wait List: _____ By:_____
2. System/ Load Verified (Pass or %_____) By:_____
3. Pre-Approved REST Funds: $ _____

Calculation: _____ x $2.50 = $_____ _____ x $2.00 = $_____ Total:$_____
_____ x $2.50 = $_____ _____ x $2.00 = $_____ Total:$_____

_____ _____
Funds Obligated - Authorized Representative of MEC Date

~~~~~~

☐ *Customer Notified of Approval or Denial* (circle) ☐ *Cancelled by Customer*

_____ _____
Signed: MEC Energy Management Specialist Date

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 1
Uniform Credit Purchase Program Application

For residential and commercial systems, the combined generation capacity at the location is limited to a maximum of 125% of the total connected load and is limited to one installation per service entrance. The maximum amount of an incentive payment will be $30,000 for residential and $50,000 for commercial.**

Effective January 1, 2011, as adopted by the Arizona Corporation Commission, the Renewable Energy Incentive Program, MEC will pay its members:

1) **Residential PV and Small Wind Systems** (an acceptable renewable energy technology* such as a photovoltaic array or a wind turbine):
   a. *System size 5kW or smaller*: MEC will pay $2.50/watt of installed nameplate capacity, up to 45% (not to exceed $30,000) of the total cost of the system.
   b. *System size larger than 5kW up to 50kW*: MEC will pay $2.50/watt of installed nameplate capacity for 5kW, then $2.00/watt for the remaining capacity, up to 45% (not to exceed $30,000) of the total cost of the system.

2) **Commercial PV and Small Wind systems** (an acceptable renewable energy technology* such as a photovoltaic array or a wind turbine):
   a. *System size 10kW or smaller*: MEC will pay $2.50 of installed nameplate capacity, up to 45% (not to exceed $50,000) of the total cost of the system.
   b. *System size larger than 10kW up to 50kW*: MEC will pay $2.50/watt of installed nameplate capacity for 10kW, then $2.00/watt for the remaining capacity, up to 45% (not to exceed $50,000) of the total cost of the system.

3) You, a Mohave Electric Cooperative member, submit a signed application ***prior to system installation.***

4) You select and have installed a qualifying solar electric system, wind turbine, or other renewable energy technology at your home or business. This home or business must be served by MEC and occupied by an MEC member. Furthermore, your system must meet all qualifications listed in the following "Qualifications" section.

5) You must use a licensed electrical or solar contractor to install the system and the installation must meet IEEE standards, the National Electric Code, as well as the MEC Interconnection standards. (See Interconnect Agreement, Step 2). The contractor must also certify the system's installed nameplate capacity in watts. **The incentive amount that you receive is dependent on the installed nameplate capacity in watts.**

6) You sign an agreement assigning rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC.

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7) The qualified net metering facility may be eligible for net metering. Please refer to the terms and conditions in the net metering application and the ACC approved Net Metering Service Tariff.

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

9) In order to receive the rebate, you must submit the following to MEC:
   a. Verification from a MEC representative that the installed unit meets the qualifications as set out in the Incentive Program Systems Qualifications page.
   b. Proof of code inspection of the installation 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.
   c. A System Qualifications-Contractor Certification form initialed by the contractor (Step 3).
   d. Copies of all building permits and inspection cards.
   e. Keep a copy of all documents for your records.

10) Once the documentation is submitted, please allow 30 days for your rebate to be processed. In the event that demand for funds exceeds a period allocation, MEC may provide reservations to those projects above the allocation depending on the current REST compliance status and availability of funding. In the event that funds collected for use in the Renewable Energy incentive program are not fully subscribed in a program year, those funds will be applied towards the next program year. The funds will be allocated to achieve the required energy outcome between residential and non-residential projects.

Submit documents to:

Mohave Electric Cooperative, Inc.
Energy Management Department
PO Box 1045
Bullhead City, AZ 86430
Phone: 928-763-1100 (ask for Energy Management Department)
FAX: 928-763-7357

* 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.

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RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 2

ENROLLMENT FORM

To be completed by member:

PLEASE PRINT Name(s): _____ _____

Address: _____

Phone: _____

Mohave Electric Account Number: _____

Service Location: _____

Description of Renewable Energy Resource: _____

Projected Cost: _____

Rebate Amount Requested: _____

System Installation *Projected* Completion Date: _____

Are you applying for Net Metering _____ YES _____ NO
(If yes, a completed net metering application is also required.)

By signing below, I am assigning my rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC. The rebate does NOT cover battery or backup systems.

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 affirm that I will not activate or operate the system prior to passing the MEC system verification.

I agree to allow MEC to verify my unit after installation, to ensure it meets requirements set forth in the Renewable Energy Incentive Program Systems Qualifications documentation (see section 4). I agree that MEC is not in any way responsible for the unit, its safety, operation, insurance or repair.

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I, ________________________________, hereby certify that I have read and reviewed the
(print name)
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 MEC's electrical system. I also understand that if they are not met, I am not eligible for any rebate from MEC.

DATE ________________ MEMBER SIGNATURE(S) ____________________________

____

Processing of the rebate is contingent on the accurate certification/testing of the unit. Rebate processing may take up to 30 days. MEC 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.

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For Office Use Only

Rebate funds certified by Mohave Electric

Pre-approved rebate amount: $

____ ____________________
Authorized Representative of Mohave Electric Cooperative, Inc. Date

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 3

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

Your participation in the MEC Renewable Energy Incentive Program assumes that you will owner-occupy the structure and operate your system continuously for a period of ten (10) years after you receive the incentive payment from MEC. If you fail to do so, then you will be considered to be out of compliance with the program requirements and MEC will be entitled to reimbursement of the incentive payment.

You are required to notify MEC within five (5) business days after your system is either removed from your property or is no longer operational. MEC 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 MEC. 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 MEC 80% of the incentive payment, Year 3, 70%, in Year 4, 60% and so on.

MEC 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 MEC receives your reimbursement payment this incentive agreement will be deemed terminated and neither MEC 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.

a. You are required to notify MEC in writing promptly in the event that you intend to sell your property.
b. 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 MEC the total amount of the incentive payment.
c. 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.

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 4

SYSTEM QUALIFICATIONS

All member-owned renewable energy system components must meet the following system and installation requirements to be connected to the MEC electric distribution system. Your licensed contractor will be required to initial compliance with the following items upon completion of system installation. (Refer to System Qualifications Contractor Certification—Step 3)

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, 23070, 240-3, 250-26, 250-50, 250-122, all of Article 690 pertaining to photovoltaic systems, thereof, all as amended and superseded.
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. 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."
7. All system installations must be completed in a professional, workman-like and safe manner.
8. All system installations must be completed by a licensed electrical contractor. NO EXCEPTIONS.
9. It is recommended that the member have a separate member-owned meter to measure the output of the member-owned renewable energy system.
10. A lock will be installed to prevent operating the system prior to the MEC verification. ***The system is not to be activated or operated until after it passes the MEC verification.***

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 3

SYSTEM QUALIFICATIONS - CONTRACTOR CERTIFICATION

CUSTOMER/PROJECT NAME: _____

MEC Energy Management Specialist will notify member when all systems qualifications have been met and the system may begin operation.

All member-owned renewable energy system components must meet the following system and installation requirements to be connected to the MEC electric distribution system. The licensed contractor installing the system is required to initial compliance with the following items upon completion of system installation:

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, 23070, 240-3, 250-26, 250-50, 250-122, all of Article 690 pertaining to photovoltaic systems, thereof, all as amended and superseded.

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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. _____ 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."

7. _____ All system installations must be completed in a professional, workman-like and safe manner.

8. _____ All system installations must be completed by a licensed electrical contractor. NO EXCEPTIONS.

9. _____ Installer of this system certifies that the system will not operate, and will install a lock to prevent operating, in parallel to the MEC distribution system until the system passes the MEC verification.

CERTIFIED BY:

_____ _____
Electrical Contractor Signature Date

_____
Printed Name

_____
ROC Number

~~~~~~

FORWARD CONTRACTOR CERTIFICATION TO:

Mohave Electric Cooperative, Inc.
Energy Management Department
PO Box 1045
Bullhead City, Arizona 86430
Phone: 928-763-1100 FAX: 928-763-7357

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For Office Use Only

Copy to Engineering Department File:

_____ _____
Authorized Representative of Mohave Electric Cooperative, Inc. Date

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 4

SUBMITTAL OF FINAL REBATE APPLICATION FORMS

After the Solar or Wind Generation system has been installed and passed all City and/or County building inspections, the Mohave Electric Cooperative member submits the following paperwork to finalize the rebate application procedure:

- A copy of the final bill or invoice from the Solar/Wind Contractor.
- Copy of the Building Permit.
- Copy of the final Building Inspection.
- The System Qualifications-Contractor Certification form with code requirements initialed by a licensed electrician (step 3).

At this point, all three steps are complete and now the system must pass system verification by Mohave Electric Cooperative's Energy Management Specialist and Operations Supervisor for compliance with MEC Interconnection Agreement.

It is also important to remind you that you can not activate of operate your system before it has passed the MEC verification.

After the system verifications are passed, the rebate will be processed and issued to the Member.

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM
Uniform Credit Purchase Program Application and Reservation Form

SOLAR WATER HEATING REBATE

For residential solar water heating systems, MEC will provide: A rebate of $0.75 per kWh of energy saved during the system's first year of operation.

REQUIREMENTS:

- Solar systems must be OG-300 certified solar systems to be eligible for the SunWatts rebate.
- A complete list of OG-300 certified solar systems is available at the Solar Rating and Certification Corporation's website www.solar-rating.org. Minimum Standards include:
  - Solar collector meets SRCC Standard 100, "Test Methods and Minimum Standards for Certifying Solar collectors." The solar collector must also be rated according to SRCC Document RM-1, "Methodology for Determining the Thermal Performance Ratings of Solar Collectors."
  - Passive systems (ICS, self-pumping and thermosypon), must meet SRCC TM-1 standard, (SDHW System and Component Test Protocols."
  - All Components must be installed in accordance with the manufacturer's instructions.
  - Documented proof that the system meets SRCC minimum standards for reliability, safety, operation, servicing and installations.
  - Installation must be completed in a professional, workmanlike and safe manner.
- MEC will only rebate those ***systems which replace a traditional electric water heater***.
- In addition, the customer contribution to the cost of the solar water heater project must be a minimum of 15% of the total project cost after accounting for an applying all federal and state incentives.
- Solar swimming pool heating systems ***are not eligible*** for the SunWatts rebate.

To view a sample rebate calculation, go to www.solar-rating.org and choose Ratings; then choose Annual Performance; then choose location of Phoenix and choose Show Selections. A table will appear -- take the number from the Energy Savings column that matches your system (the rate kWh savings for one year) and multiply that number by $0.75 to get a rebate amount.

You may call MECs Energy Management Specialist for assistance in calculating your rebate.

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To be completed by member:

PLEASE PRINT Name(s): _____ _____

Address: _____

Phone: _____

Mohave Electric Account Number: _____

Service Location: _____

Rebate Amount Requested: _____

Member's Solar Water Heater Unit Specifications:

Manufacturer	System Name	Model #	SN#	Yearly Rated kWh Savings

SYSTEM INFORMATION:

Active, open-loop systems are not eligible for UCPP incentives except for active, open-loop systems that have a proven technology or design that limits scaling and internal corrosion of system piping, and includes appropriate automatic methods for freeze protection.

Size: _____

(circle) Active Passive

(circle) Antifreeze Drainback Thermosiphon

Pump Type _____ Manufacturer _____

Controller Type _____ Manufacturer _____

Drainback _____ Manufacturer _____

Draindown _____ Manufacturer _____

Type of Antifreeze _____ Concentration of _____ Manufacturer of _____

Freeze Protection: (circle) Manual Automatic Back up

Freeze Protection Description: _____

_____

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SOLAR WATER HEATER CONTRACTOR

Company Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip: _____

Phone Number: _____ Representative: _____

ROC# _____

By signing below, 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 agree that I am responsible for obtaining necessary permits and meeting the qualifications.

I understand that I am assigning my rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC.

I understand that I also agree to allow MEC to verify my unit after installation to ensure it meets requirements. I agree that MEC is not in any way responsible for the unit, its safety, operation, insurance or repair.

Member signatures(s) _____ _____

The member will be contacted when sufficient funding is available to process the request for installation and rebate.

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REBATE PROCESSING:

The member must submit the following:

1. A signed SunWatts Solar Water Heating Rebate – Uniform Credit Purchase Program Application and Reservation form.
2. Copies of detailed receipts of purchase of your solar water heating unit.

Keep a copy of all documents for your records.

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SUBMIT APPLICATION TO:

Mohave Electric Cooperative, Inc.
Energy Management Department
PO Box 1045
Bullhead City, Arizona 86430
Phone: 928-763-1100 FAX: 928-763-7357

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For Office Use Only

Solar Water Heating Rebate Funds Obligated $_____

_____ _____
Authorized Representative of Mohave Electric Cooperative, Inc. Date

Return form to Energy Management Department

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VIII. INTERCONNECTION APPLICATION

SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 2

INTERCONNECT AGREEMENT

Application for Operation of Member-Owned Small Generation Attached to MEC

This application should be completed as soon as possible and returned to MEC's Energy Management representative in order to begin processing the request.

INFORMATION: This application is used by MEC to determine the required equipment configuration for the Customer interface. Every effort should be made to supply as much information as possible. This application is intended to apply to member-owned systems attached to MEC distribution system on the member side of the meter.

MEMBER/APPLICANT INFORMATION

Member Name: _____

Mailing Address: _____
Street/PO Box City State Zip Code

Installation Address: _____
Street Address City State Zip Code

PROJECT DESIGN/ENGINEERING (ARCHITECT) (as applicable)

Company Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip: _____

Phone Number: _____ Representative: _____

ELECTRICAL CONTRACTOR (as applicable)

Company Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip: _____

Phone Number: _____ Representative: _____

ROC# _____

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TYPE OF GENERATOR (as applicable)

Photovoltaic

Wind

Other

ESTIMATED LOAD AND GENERATOR RATING

The following information will be used to help properly design the interconnection between MEC's facilities and the Members facilities. This information is not intended as a commitment or contract for billing purposes.

Total Site Load _____(kW)

Residential _____ Commercial _____ Industrial _____

Generator Nameplate Rating _____ (kW)

Annual Estimated Generation _____ (kWh)

DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION

Give a general description of the proposed installation, including a detailed description of its planned location, number of panels or turbines, model numbers, and nameplate output.

INVERTER DATA (if applicable)

Manufacturer: ______________________________ Model: ______________________________

Rated Power Factor (%):__________ Rated Voltage (Volts): ________________

Rated Amperes: ________________

Inverter Type (ferroresonant, step, pulse-width modulation, etc): __________________________

Type commutation: forced line Harmonic Distortion: Maximum Single Harmonic (%) _______________

____

Maximum Total Harmonic (%)____

Note: Attach all available calculations, test reports, and oscillographic prints showing inverter output voltage and current waveforms.

MEMBER AGREEMENT:

The member agrees to provide MEC with any additional information required to complete the interconnection. The member shall operate their equipment within the guidelines set forth by MEC and will not activate or operate the system prior to passing the MEC verification.

DATE ________________ MEMBER SIGNATURE(S) ______________________________

____

~~~~~~

MEMBER SUBMITS DOCUMENT TO:

Mohave Electric Cooperative, Inc.
Engineering Department
PO Box 1045
Bullhead City, Arizona 86430
Phone: 928-763-4115 FAX: 928-763-6094

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For Office Use Only
Engineering Department Verification

____ __________________
Authorized Representative of Mohave Electric Cooperative, Inc. Date

(Forward to Energy Management following signature/verification)

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IX. USDA RUS FORM 7

PRELIMINARY

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION AZ0022
FINANCIAL AND STATISTICAL REPORT	PERIOD ENDED May, 2010
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	BORROWER NAME
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.	Mohave Electric Cooperative, Incorporated

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Monica M. Colby 6/10/10
DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	YEAR-TO-DATE BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital	26,493,613	25,077,479	39,201,575	5,460,165
2. Power Production Expense				
3. Cost of Purchased Power	21,490,579	20,187,457	23,853,825	4,487,451
4. Transmission Expense	160,333	76,908	159,690	14,567
5. Distribution Expense - Operation	978,731	1,164,581	874,745	215,651
6. Distribution Expense - Maintenance	582,654	399,803	498,700	91,312
7. Customer Accounts Expense	934,602	921,302	909,710	238,912
8. Customer Service and Informational Expense	58,163	82,621	62,615	26,064
9. Sales Expense	44,003	31,602	52,555	5,752
10. Administrative and General Expense	1,425,235	1,295,252	1,527,745	274,572
11. Total Operation & Maintenance Expense (*2 thru 10*)	25,674,300	24,159,526	27,939,585	5,354,281
12. Depreciation and Amortization Expense	780,306	833,006	1,041,465	201,560
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other				
15. Interest on Long-Term Debt	917,492	902,607	870,330	182,891
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	47,273	55,810	52,500	12,022
18. Other Deductions	2,288	14,233	2,885	6,636
19. Total Cost of Electric Service (*11 thru 18*)	27,421,659	25,965,182	29,906,765	5,757,390
20. Patronage Capital & Operating Margins (*1 minus 19*)	(928,046)	(887,703)	9,294,810	(297,225)
21. Non Operating Margins - Interest	221,381	137,046	195,270	24,316
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other		379		
25. Generation and Transmission Capital Credits	2,641,845	2,291,667	2,291,665	458,333
26. Other Capital Credits and Patronage Dividends	12,729	34,411	66,250	
27. Extraordinary Items				
28. Patronage Capital or Margins (*20 thru 27*)	1,947,909	1,575,800	11,847,995	185,424

RUS Form 7

PRELIMINARY

USDA - RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION
AZ0022

PERIOD ENDED
May, 2010

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)
1. New Services Connected	129	81	5. Miles Transmission	108.59	108.59
2. Services Retired	7	16	6. Miles Distribution - Overhead	1,055.09	1,055.53
3. Total Services in Place	43,164	43,334	7. Miles Distribution - Underground	343.18	346.45
4. Idle Services (*Exclude Seasonals*)	4,567	4,642	8. Total Miles Energized (*5 + 6 + 7*)	1,506.86	1,510.57

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS

1. Total Utility Plant in Service	88,535,308
2. Construction Work in Progress	1,093,695
3. Total Utility Plant *(1 + 2)*	89,629,003
4. Accum. Provision for Depreciation and Amort	34,434,632
5. Net Utility Plant *(3 - 4)*	55,194,371
6. Non-Utility Property (Net)	0
7. Investments in Subsidiary Companies	0
8. Invest. in Assoc. Org. - Patronage Capital	28,772,582
9. Invest. in Assoc. Org. - Other - General Funds	2,003,515
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	802,850
11. Investments in Economic Development Projects	0
12. Other Investments	0
13. Special Funds	988,824
14. Total Other Property & Investments *(6 thru 13)*	32,567,771
15. Cash - General Funds	893,109
16. Cash - Construction Funds - Trustee	7
17. Special Deposits	0
18. Temporary Investments	19,400,000
19. Notes Receivable (Net)	1,866,223
20. Accounts Receivable - Sales of Energy (Net)	1,843,378
21. Accounts Receivable - Other (Net)	824,741
22. Materials and Supplies - Electric & Other	2,056,880
23. Prepayments	8,991,391
24. Other Current and Accrued Assets	212,340
25. Total Current and Accrued Assets *(15 thru 24)*	36,088,069
26. Regulatory Assets	0
27. Other Deferred Debits	1,689,618
28. Total Assets and Other Debits *(5+14+25 thru 27)*	125,539,829

LIABILITIES AND OTHER CREDITS

29. Memberships	162,110
30. Patronage Capital	65,446,461
31. Operating Margins - Prior Years	0
32. Operating Margins - Current Year	1,438,374
33. Non-Operating Margins	137,425
34. Other Margins and Equities	2,053,052
35. Total Margins & Equities *(29 thru 34)*	69,237,422
36. Long-Term Debt - RUS (Net)	14,458,647
37. Long-Term Debt - FFB - RUS Guaranteed	17,012,237
38. Long-Term Debt - Other - RUS Guaranteed	0
39. Long-Term Debt Other (Net)	7,137,652
40. Long-Term Debt - RUS - Econ. Devel. (Net)	0
41. Payments - Unapplied	0
42. Total Long-Term Debt *(36 thru 40 - 41)*	38,608,536
43. Obligations Under Capital Leases - Noncurrent	0
44. Accumulated Operating Provisions and Asset Retirement Obligations	0
45. Total Other Noncurrent Liabilities *(43 + 44)*	0
46. Notes Payable	0
47. Accounts Payable	4,404,348
48. Consumers Deposits	2,479,331
49. Current Maturities Long-Term Debt	1,636,796
50. Current Maturities Long-Term Debt -Economic Development	0
51. Current Maturities Capital Leases	0
52. Other Current and Accrued Liabilities	1,928,466
53. Total Current & Accrued Liabilities *(46 thru 52)*	10,448,941
54. Regulatory Liabilities	0
55. Other Deferred Credits	7,244,930
56. Total Liabilities and Other Credits *(35+ 42 + 45 + 53 thru 55)*	125,539,829

RUS FORM 7