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UNS Electric, Inc.
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AZ CORP COMMISSION
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October 10, 2014

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

Arizona Corporation Commission

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OCT 10 2014

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RE: Voluntary Solar Contribution Program
UNS Electric, Inc., 2014 REST Rules Implementation Plan
Docket No. E-04204A-13-0225

UNS Electric, Inc. (UNSE) is required to file a proposed plan of administration for a voluntary contributions program consistent with the requirements set forth in Decision No. 74166 (October 25, 2013). Attached for Commission approval is UNSE's proposed Voluntary Solar Contribution Program (VSCP). UNSE is proposing that the VSCP initially be conducted as a two year pilot program.

Under its VSCP, UNSE would partner with the Arizona Community Foundation (ACF) to install solar rooftop systems on homes constructed by Habitat for Humanity using funds contributed by individuals or entities wishing to voluntarily contribute to and support Arizona solar resources.

If the Commission approves this program, UNSE will work with ACF to create and distribute appropriate low-and-no-cost promotional materials for the program. UNSE recommends the program become effective as of January 1, 2015 and expire December 31, 2016 upon 90 days prior notice to the Commission. However, if the VSCP is generating sufficient interest and appears to be successful, UNSE will request Commission authorization to extend the VSCP for successive on (1) year periods.

If you have any questions regarding this information, please contact me at (520) 884-3679.

Respectfully submitted,

Bradley S. Carroll



cc: Compliance Section, ACC

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Voluntary Solar Contribution Program – Plan of Distribution

GENERAL DESCRIPTION

This document describes the Voluntary Solar Contribution Program (VSCP) approved for UNS Electric, Inc. (UNSE or Company) by the Arizona Corporation Commission (Commission) in Decision No. 74166 (October 25, 2013). This program is an initial two year pilot program that provides individuals and entities the opportunity to support solar resources in Arizona by voluntarily contributing funds to the Arizona Community Foundation (ACF), a tax-exempt, third-party independent organization. These funds will be used to install solar panel systems on newly built residential single-family homes constructed by the Arizona chapters of Habitat for Humanity International (Habitat), and are separate from those funds collected through the Commission's mandatory Renewable Energy Standard adjustor mechanism applied to UNSE customer bills.

The VSCP is effective January 1, 2015 and expires December 31, 2016. The Company will provide the Commission 90 days prior notice of the expiration date. The Company may seek Commission approval to extend the VSCP for successive one (1) year periods following 90 days prior notice to the Commission.

ELIGIBILITY

Any individual, customer, ratepayer, stakeholder, entity, or member of the general public may make voluntary contributions to the VSCP as described in this Plan of Administration. Participation is not limited to UNSE customers.

CONTRIBUTION OF FUNDS

- 1) Any individual or entity wishing to make a contribution to the VSCP may do so through the ACF website at www.azfoundation.org or by sending a check earmarked for the UNSE VSCP to:

Arizona Community Foundation
2201 E. Camelback Road, #405B
Phoenix, Arizona 85016

- 2) Contributions will be held by ACF in a tax-exempt, irrevocable fund.
- 3) Investment of assets, tax reporting, auditing responsibilities, and other fund management and administration activities are the responsibility of ACF. ACF will provide regular reports of fund activity to UNSE.
- 4) Any administrative fees for the VSCP fund will be assumed by UNSE.
- 5) As ACF is a tax-exempt 501(c)(3) public charity, any contribution to UNSE's VSCP fund is tax deductible subject to Internal Revenue Service (IRS) limitations. Contributions to the VSCP fund should a professional tax advisor regarding individual tax situations.

DISTRIBUTION OF FUNDS

- 1) Funds will be released to Habitat by ACF to be used to place a rooftop system on a newly-built Habitat home under the conditions set forth below in paragraph 5 of this section. Habitat will select recipients of the home and the rooftop system without input from either ACF or UNSE, except that any home receiving a solar rooftop system under this program must be located within the Company's service territory. All recipients of rooftop systems must also meet Habitat's home ownership conditions, including performance of "sweat equity" requirements.
- 2) Funds must be sufficient to purchase and install a system under warranty and to provide an initial five-year operation and maintenance contract for upkeep of the system.
- 3) System installation conditions are as follows:



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- a. The solar rooftop system must be sized to produce no more than 50% of the expected total connected load of the home or 3 kW, whichever is smaller.
 - b. The roof must be structurally capable of hosting a rooftop system and must be oriented in such a way as to allow the solar system to face to the south, southwest, or west.
 - c. Habitat must select a licensed and qualified Arizona-based solar installer to install and maintain the system.
- 4) If, at the end of the initial two year pilot period contributions to the VSCP have not reached a level necessary to fund a solar rooftop system as described above, UNSE will contribute enough funds to the program to allow for one solar rooftop system to be installed through Habitat upon expiration of the VSCP.

REPORTING

The Company will provide VSCP fund status reports to Commission Staff every six months until expiration or termination. Reports will be provided on October 1 (as a stand-alone status report) and on April 1 (as part of the annual REST Rules Compliance Report). Reports will contain information regarding the number of participating customers, funds collected in the reporting period, total funds held with any applicable interest accrued, and any expenses associated with the VSCP fund.