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NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

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2 **COMMISSIONERS**
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AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

8 IN THE MATTER OF THE APPLICATION
9 OF MOHAVE ELECTRIC COOPERATIVE,
10 INCORPORATED FOR APPROVAL OF ITS
11 2016 RENEWABLE ENERGY STANDARD
12 AND TARIFF PLAN, INCLUDING A
13 RENEWABLE ENERGY STANDARD
14 TARIFF

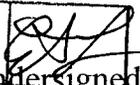
DOCKET NO. E-01750A-15-0237

APPLICATION

Arizona Corporation Commission

DOCKETED

JUL 01 2015

DOCKETED BY 

11 Mohave Electric Cooperative, Incorporated ("MEC"), ~~through its undersigned~~
12 attorneys, submits this Application requesting approval of its 2016 Renewable Energy
13 Standard and Tariff ("REST") Plan, including its renewable energy standard tariff (the "2016
14 REST Plan") attached hereto as Attachment A pursuant to the Commission's Renewable
15 Energy Standard ("RES") rules (and in particular A.A.C. R14-2-1814, - 1808 and -1813) and,
16 to the extent not otherwise superseded, the Commission Environmental Portfolio Standard
17 ("EPS") rules (and in particular A.A.C. R14-2-1618).

All communications regarding this Application should be provided to:

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

- A. Approving MEC's 2016 REST Plan and Tariffs attached hereto; and
- B. Such other and further relief as the Commission deems just and proper under the circumstances.

DATED this 1st day of July, 2015.

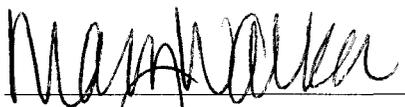
CURTIS, GOODWIN, SULLIVAN,
UDALL & SCHWAB, P.L.C.

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

PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 1st day of July 2015, 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



ATTACHMENT A

**Mohave Electric Cooperative, Incorporated's
2016 Renewable Energy Standard and Tariff Plan**

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Mohave Electric Cooperative, Incorporated

2016 Renewable Energy Standard and Tariff

(REST Plan)

July 1, 2015

Submitted by:
Peggy Gillman
Manager of Public Affairs & Energy Services

Mohave Electric Cooperative, Incorporated
PO Box 1045
Bullhead City, AZ 86430
www.mohaveelectric.com

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**MOHAVE ELECTRIC COOPERATIVE, INCORPORATED
RENEWABLE ENERGY STANDARD and TARIFF**

BACKGROUND

Mohave Electric Cooperative, Incorporated ("MEC") is a rural electric distribution cooperative headquartered in Bullhead City, Arizona. MEC provides electric service to approximately 32,800 members in portions of Mohave, Coconino, and Yavapai counties. MEC owns and operates 112 miles of 69 kV sub transmission lines and 1,414 miles of distribution lines. MEC employs approximately 80 employees and provides service to 28 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. ("AEPSCO") and purchases additional wholesale resources from other market providers. In 2014, MEC delivered 649 gigawatt hours in retail sales to its members. The average monthly use by residential customers in MEC's service area has declined slightly from 882 kWh in 2013 to 855 kWh in 2014.

The Renewable Energy Standard and Tariff ("REST") Rules, approved by the Arizona Corporation Commission ("ACC") by Decision 69127, took effect August 14, 2007. Section R14-2-1814 of the REST Rules governs REST Plans filed by Cooperatives, including MEC, for acquiring renewable energy credits from eligible renewable resources for the next calendar year. This filing is made for the calendar year 2016 ("2016 Plan").

MOHAVE ELECTRIC COOPERATIVE REST PLAN

2016 Requested Changes

MEC's 2015 REST Plan was approved December 23, 2014 by ACC Decision 74879. In the proposed 2016 Plan, MEC seeks to continue the eight program components with the following changes:

1. Residential and Commercial Incentive is reduced from \$.20/watt of installed nameplate capacity to \$.05/watt. The dollar cap is changed to \$2,500. Other terms of the incentive program are proposed to remain the same as within the 2015 approved program.
2. Clean Renewable Energy Bonds (CREBS—PV for Schools) removes CREBs as a funding option and continues approved REST funding to repay PV for Schools loan amount until the loan is satisfied. Suitable CREBS funding programs are not expected to be available for this purpose in the foreseeable future. In conjunction with this change the program name changes to "PV for Schools Loan Repayment."

3. The program name "Community-based Projects" changes to "Solar Initiative Benefitting the Community." The request is made to differentiate MEC's program that helps schools, government buildings, fire stations, and non-profit facilities, from the growing number of programs referred to as "Community" which allow customers to purchase individual panels from a large-scale project.
4. "Distributed Generation Renewable Energy Installation Within MEC's Service Territory" now includes a completed 4.8 MW solar farm with an agreement whereby MEC is purchasing the energy production from the facility.
5. MEC is proposing a modest reduction to its Renewable Energy Surcharge for 2016 as reflected in the proposed 'Renewable Energy Standard Tariff' included in the RES Tariffs section of this REST Plan (Exhibit 1). The proposed reduced tariff is designed to maintain appropriate budget levels for the existing programs by using past accumulated RES Tariff revenue (carry over) along with future revenue based on the expected collections from the amended tariff.

Overview of Resources and Goals

MEC's goal for 2015 is 1.90% of 2013 retail energy sales and MEC is on track to achieve the goal. The programs described in the following section are intended to help MEC meet its 2016 goal of 3% of 2014 retail energy sales.

As of June 30, 2015 MEC's Member-owned, utility grade, and Arizona Cooperatives jointly owned resources include:

Resource	System Size in kW	Projected Annual Output in kWh
<i>Member-owned</i>		
Residential Photovoltaic	2,864	6,272,160
Residential Wind	55	120,000
Residential Solar Water Heating		18,900
Commercial Photovoltaic	1,526	3,334,194
<i>Utility scale PV within MEC's territory (Purchase agreement)</i>		
	4,800	9,831,374
<i>Outside MEC's territory</i>		
Geothermal greenhouse (PBI, MEC share)	651	1,426,000
Arizona Co-op jointly owned (MEC share)	8.9	406,770

2016 Programs

MEC proposes to continue the following programs with modifications as noted:

- Voluntary Renewable Energy Program (unchanged)
- Member Self-Directed Renewable Energy Program (unchanged, with reduced budget)
- SunWatts Residential and Commercial Incentive Program (modified)
- PV for Schools Loan Repayment—formerly Clean Renewable Energy Bonds (CREBS—PV for Schools) (modified)
- SunWatts Large-Scale Program (in conjunction with AEPCO) (unchanged)
- Analysis of Geothermal Resources Within and Outside of MEC’s Service Territory (unchanged)
- Distributed Generation Renewable Energy Installation Within MEC’s Service Territory (modified)
- Solar Initiative for the Community—formerly Community-based Projects (modified)

Modifications of the Plan proposed herein will go into effect on January 1, 2016 unless otherwise specified in this 2016 Plan or the order of the Commission approving the 2016 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 the 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 2016; a copy of which is included in the REST Tariffs section of this REST Plan (Exhibit 1).

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” included in the REST Tariffs section of this REST Plan (Exhibit 1). As no customer

has requested to participate in this program to date, MEC is proposing a nominal budget for this program in the 2016 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.

MEC proposes to change the residential and commercial PV and wind incentive from the 2015 amount of \$0.20/watt of installed nameplate capacity to \$0.05/watt for 2016. Additionally the associated dollar cap will be reduced to \$2,500 for PV residential and commercial PV and wind systems installed at a single location. MEC proposes that other terms for the program remain the same for 2016. The program is open to PV and wind systems of all system sizes up to 50 kW. No incentive will be paid for leased systems.

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

In addition to the foregoing programs, MEC will continue to include a nominal budget for Biomass, Biogas, Daylighting and Solar Space Cooling incentives. Since 2010, no customer has shown interest in these programs. 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.

PV for Schools Loan Repayment

All eligible schools in MEC's service territory have received PV systems under previously approved REST Plans. By Decision No. 72092, the Commission authorized MEC to provide these systems at no cost to schools by utilizing up to \$1,000,000 of internal MEC funds repayable with REST funds over ten years at the CREB rate. MEC will continue to use REST funds to repay internal MEC funds that were loaned to the PV for Schools Program. The annual repayment amount of \$103,189 includes the loan principal and CREBS rate in effect in 2010.

MEC had previously intended to apply for CREBs or similar Federal and State funding programs to repay the internal funds advanced for the projects. However, over the past few years CREBs loans have not been made available and it does not look favorable for this type of funding to become available for MEC's purposes in the foreseeable future.

SunWatts Large-Scale Program

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.

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. 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.

Geothermal Resources

Outside MEC's Service Territory

MEC, in partnership with Navopache Electric Cooperative, Inc., ("NEC"), retained the firm of Black & Veatch, Consulting Engineers of Walnut Creek, California ("B&V") to investigate the feasibility of developing geothermal energy resources within each cooperative's service territory. B&V 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 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 continue to 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. However, MEC has not budgeted any REST funds for this program for 2016.

MEC continues its Willcox Greenhouse Geothermal Project agreement with Sulphur Springs Valley Electric Cooperative and AEPCO. The project provided 1,426,208 RECS to MEC in 2014.

Distributed Generation Solar Installation Within MEC's Service Territory

The 4.8 MW photovoltaic project described in MEC's approved 2015 REST Plan became operational in April 2015. The developer-based solar farm is located within MEC's own load bubble, and MEC is purchasing the renewable energy production through a Purchase of Power agreement. REST funds will continue to be used toward the cost of renewable power purchased from this resource to the extent such power costs exceed MEC's currently posted and Commission approved Annual Average Avoided Cost of power set forth in its Net Metering Service Tariff.

Solar Initiative for the Community

MEC's program is focused on facilities serving government, schools, fire stations, and non-profit organizations. This program benefits a large number of MEC's members as taxpayers by reducing operating costs for these entities and organizations.

Since 2010, this program has funded PV installations at 5 fire stations, 4 government buildings, 2 high schools, and 4 non-profit facilities.

MEC proposes to continue this program to include the following projects with a total budget of \$200,000 for 2016:

PV for Fire Stations—MEC will select up to 4 fire stations in the service territory for PV projects not to exceed \$75,000, and a total collective budget of \$150,000.

Habitat for Humanity—MEC's previous REST Plans provided for one Habitat for Humanity residential PV project per year not to exceed \$25,000. In years where Habitat does not designate an eligible low income single-family residential project under this program by July 1 of the Plan year, MEC will select another community based non-profit organization to receive the \$25,000 PV project.

1947 Lil' Red Schoolhouse—MEC has selected a historical community project building known as the Lil' Red Schoolhouse to receive a PV system not to exceed \$25,000.

In previous REST Plan years, MEC successfully facilitated government funding and private donations to enhance this program. MEC will continue to pursue similar funding for future projects under this program when opportunities exist.

Education 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. In 2015 MEC awarded a grant to Fox Creek Junior High School.

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. MEC continues to support and participate in the Arizona Goes Solar website mandated by the Commission, the administration of which is spearheaded by Arizona Public Service Company.

Request for Flexibility to Shift REST Funds between Programs

MEC anticipates the incentive program is adequately funded for both 2015 and 2016. No waiting list or backlog of incentive requests currently exists.

All programs will be available until the budget funds for the program are exhausted; however, MEC also seeks ACC authorization to continue to be able to shift approved REST Plan funds between programs, in order to increase budgets for programs in the 2016 Plan where appropriate. MEC proposes that the conditions of shifting funds already included in MEC's 2015 Plan would be continued for 2016. These conditions include:

- a. No more than 15% of a Program's approved budget may be affected by the shift.
- b. MEC would notify Staff of any plan to shift funds no less than 60 days prior to implementing the shift.
- c. If Staff notifies MEC in writing that it opposed the shift of funds, no shift would occur unless MEC first secures a Commission order authorizing the shift.
- d. Within 60 days following any funds shift, MEC would submit to Staff a revised budget recognizing the shift of funds.

Program Funding and Budget

MEC is proposing a modest reduction to its Renewable Energy Surcharge for 2016 as reflected in the proposed 'Renewable Energy Standard Tariff' included in the RES Tariffs section of this REST Plan (Exhibit 1). The proposed reduced tariff is designed to maintain appropriate budget levels for the existing programs by using past accumulated RES Tariff revenue (carry over) along with future revenue based on the expected collections from the amended tariff.

MEC will continue to monitor program expenses and RES Tariff revenue to assure that funding levels from accumulated carry over and future revenue are funding the programs as anticipated. If needed, MEC will adjust funding and budget requirements either under the provisions of the approved 2016 Plan or in the course of a future REST Plan filing. MEC's goal is to avoid significant fluctuations in the Renewable Energy Surcharge, while meeting approved budgets and minimizing accumulation of additional carry over funds.

2016 RES Tariff Revenue (Projected)

REST Funding From Surcharge							
Rate Schedule	2016		Percent Reaching Cap	REST Cap Cost	Percent Not Reaching Cap	Average Bill Cost	
	Projected Annual Surcharge Collections						
Residential	\$267,657		75.38%	\$0.75	24.62%	\$0.37	
Government	\$3,363		8.71%	\$3.50	91.29%	\$0.53	
Irrigation	\$1,519		72.37%	\$11.75	27.63%	\$5.39	
Small Commercial	\$93,234		6.75%	\$11.75	93.25%	\$1.73	
Large Power	\$10,126		92.63%	\$11.75	7.37%	\$5.67	
Street Lighting	\$351		1.38%	\$0.75	98.62%	\$0.13	
Total REST Funding	\$376,251						

**2016 REST Budget and Funding
Five Year Projection**

	2016	2017	2018	2019	2020
Forecasted Carry Forward	3,039,516	2,383,885	1,751,240	1,148,361	575,247
RES Funding	376,251	376,627	377,003	377,380	377,758
RES Program Forecast Expenditures	1,031,881	1,009,272	979,883	950,494	921,843
Carry Forward Funding	2,383,885	1,751,240	1,148,361	575,247	31,162
<u>Tariff Revenues</u>	<u>376,251</u>	<u>376,627</u>	<u>377,003</u>	<u>377,380</u>	<u>377,758</u>
<u>Expenditures</u>					
Residential and Commercial Incentives	100,000	100,100	100,200	100,300	100,401
Up to 5MW Distributed Generation-Solar	435,632	412,918	383,424	353,929	325,172
PV For Schools Loan Repayment	103,189	103,189	103,189	103,189	103,189
GO SOLAR Website	516	521	526	532	537
Solar Water Heating	18,000	18,000	18,000	18,000	18,000
GeoThermal Resources-Willcox Greenhouse	29,544	29,544	29,544	29,544	29,544
Administration & Advertising	140,000	140,000	140,000	140,000	140,000
Education Grant Program	5,000	5,000	5,000	5,000	5,000
Community Programs	200,000	200,000	200,000	200,000	200,000
Total Expenditures	1,031,881	1,009,272	979,883	950,494	921,843
Net Application of Funds Carried Forward	-655,631	-632,645	-602,880	-573,114	-544,085

EXHIBIT 1 – MEC RES TARIFF

MOHAVE ELECTRIC COOPERATIVE, INCORPORATED
Bullhead City, Arizona
RENEWABLE ENERGY STANDARD TARIFF

Effective: January 1, 2016

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 \$0.0002198 per kilowatt-hour of retail electricity purchased by the consumer, or:

Governmental and Agricultural Customers	\$3.50 per service;
Governmental and Agricultural Customers whose metered demand is 3,000 kW or more for three consecutive months:	\$10.50 per service.

On all bills for residential customers and highway customers, except for residential customers who receive incentives under the REST rules on or after January 1, 2013, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of \$0.0023006 per kilowatt-hour of retail electricity purchased by the customer, or:

Residential Customers:	\$0.75 per service
Highway Customer	\$0.75 per service

On all bills for irrigation customers, small commercial customers and large power customers, except for small commercial and large power customers who receive incentives under the REST rules on or after January 1, 2013, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of \$0.0012881 per kilowatt-hour of retail electricity purchased by the customer, or:

Irrigation Customers:	\$11.75 per service
Small Commercial Customers:	\$11.75 per service
Large Power Customers:	\$11.75 per service
Non-Residential Customers whose metered demand is 3,000 kW or more for three consecutive months:	\$35.25 per service

On all bills for residential, small commercial and large power customers who receive incentives under the REST rules on or after January 1, 2013, a RES Surcharge mandated by the Commission will be assessed monthly at:

Residential Customers:	\$0.75 per service
Small Commercial Customers:	\$11.75 per service
Large Power Customers:	\$11.75 per service

RENEWABLE ENERGY STANDARD TARIFF

Page 2

Special Calculations:

- A. In the case of members receiving service under the Cooperative's optional prepaid service tariff, for purposes of billing the RES Surcharge, MEC shall calculate a daily RES Surcharge by charging 1/30th of the monthly cap each day that the meter is active. On the final day of each billing cycle or on any "final" bill, the Cooperative's billing system will calculate the RES Surcharge based upon the kilowatt-hours actually used during the billing period and, then add a charge or credit to the member's prepaid account balance for the any difference between the amount that was charged daily during the billing period and the charge based on the member's consumption for the entire billing cycle.
- B. 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, INCORPORATED
Bullhead City, Arizona

STANDARD OFFER
VOLUNTARY RENEWABLE ENERGY PROGRAM TARIFF

Effective: January 1, 2016

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 is 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, INCORPORATED
Bullhead, Arizona
RENEWABLE ENERGY CUSTOMER SELF-DIRECTED TARIFF

Effective: January 1, 2016

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.

EXHIBIT 2

IMPLEMENTATION PLAN Table 1—Targeted Resources

IMPLEMENTATION PLAN Table 2 — Targeted RES Resource Costs

Table 1 - Targeted Resources

Line No.	Ownership ¹	Targeted Completion	2016-2017 Total MW	Targeted Energy Production (MWh or Equivalent)						
				2016	2017	2018	2019	2020	Total	
1	Targeted Generation Resources:									
2	Solar:									
3										
4										
5										
6	Wind:									
7										
8										
9										
10	Geothermal:									
11										
12										
13	Biomass/Biogas:									
14										
15										
16										
17	Total Targeted Generation									
18										
19	Targeted Distributed Energy Resources:									
20	Residential:									
21	PV	Third Party	1-12/2016	1,400	3,066	3,066	3,066	3,066	3,066	15,330
22	Solar Water Heating	Third Party	1-12/2016		4	4	4	4	4	20
23										
24	Subtotal Residential			1,400	3,070	3,070	3,070	3,070	3,070	15,350
25										
26	Non-Residential:									
27	PV	Third Party	1-12/2016	0.125	274	274	274	274	274	1,370
28										
29										
30										
31										
32	Subtotal Non-Residential			0.125	274	274	274	274	274	1,370
33										
34	Total Targeted DE			1.525	3,344	3,344	3,344	3,344	3,344	16,720

Notes: ¹All utility-owned and Third Party generation projects are developed through a competitive RFP process, and all DE systems are built independently by Third Party developers and installers.

Table 2 - Targeted RES Resource Costs (in \$Ms)

Line No.	Ownership	Targeted Generation Resources ¹ :	COMPETITIVELY CONFIDENTIAL ¹ Projected RES Cost per Year ²					Total	Line No.
			2016	2017	2018	2019	2020		
1									1
2									2
3		Solar:							3
4									4
5									5
6		Wind:							6
7									7
8									8
9									9
10		Geothermal: Third Party	29,544	29,544	29,544	29,544	29,544	147,720	10
11									11
12									12
13		Biomass/Biogas:							13
14									14
15									15
16		SubTotal Targeted Generation	29,544	29,544	29,544	29,544	29,544	147,720	16
17									17
18		Targeted and Expected Distributed Energy Resources:							18
19									19
20		Residential:							20
21		PV	70,000	70,000	70,000	70,000	70,000	70,000	21
22		Solar Water Heating	3,000	3,000	3,000	3,000	3,000	15,000	22
23									23
24		Subtotal Residential	73,000	73,000	73,000	73,000	73,000	365,000	24
25									25
26									26
27		Non-Residential:							27
28		PV	753,821	731,107	701,424	672,118	643,361	3,501,831	28
29									29
30									30
31									31
32									32
33									33
34		Subtotal Non-Residential	753,821	731,107	701,424	672,118	643,361	3,501,831	34
35									35
36		Other programs-- Administration, Education, Outreach	145,516	145,516	145,516	145,516	145,516	727,580	36
37									37
38		SubTotal Targeted Distributed Energy	972,337	949,623	919,940	890,634	861,877	4,594,411	38
39									39
40		Total Targeted Energy Costs	1,001,881	979,167	949,484	920,178	891,421	4,742,131	40
41									41

¹ Redacted due to the competitively confidential nature of the information.

EXHIBIT 3 – UNIFORM CREDIT PURCHASE PROGRAMS – Sample forms



RENEWABLE ENERGY INCENTIVE TARIFF (REST)

Uniform Credit Purchase Program Application

RESERVATION FORM

DO NOT USE THIS FORM FOR LEASED SYSTEMS

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

Your request for participation 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. Leased systems do not qualify for the incentive program.

After completing the form, sign and submit to the Energy Management Department to be considered for incentive funds. If funds are not available at the time your reservation form is received you will 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 #: _____ Meter # _____

[] Residential Account [] Commercial Account Service Address: (if different) _____

Square footage of residence or building area served by solar meter: _____ Main breaker size: _____

Description and Size (KW) of Renewable Energy Resource (50KW maximum): _____

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

Rebate Amount Requested*: \$ _____ *

* MEC will issue a 1099 tax form to you in the amount of the rebate check. An amount on a 1099 does not automatically equate to taxable income, and this is something you should discuss with your tax preparer.

Have you applied for or received other funding for this system? _____ YES _____ NO

If yes, what is the amount and source of the funding? _____

Are you applying for Net Metering? _____ YES _____ NO

(If yes, a completed net metering application is also required to be submitted with the Interconnect Agreement)

I warrant that this reservation form was executed by the person whose name appears below and that they are members of the Cooperative.

DATE _____ MEMBER SIGNATURE(S) _____

MEC Office Use Only

1. Date Received by MEC: _____ By: _____

2. System/ Load Verified (Pass or % _____) By: _____

3. Calculation: _____ watts x \$0.05 = Total Pre-Approved Rest Funds: \$ _____

X _____ Funds Obligated - Authorized Representative of MEC Date _____

[] Customer Notified of Approval or Denial (circle) [] Cancelled by Customer

X _____ Signed: MEC Energy Management Specialist Date _____





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 \$2,500 for residential and small commercial systems.**

Leased systems do not qualify for the incentive program.

Effective January 2016, as adopted by the Arizona Corporation Commission, the Renewable Energy Incentive Program, MEC will pay its members:

- 1) **Residential and Small Commercial PV and Wind Systems** (an acceptable renewable energy technology* such as a photovoltaic array or a wind turbine):

System size up to 50kW: MEC will pay \$ 0.05/watt of installed nameplate capacity, up to \$2,500.

- 2) You, a Mohave Electric Cooperative member, must submit a signed application and W9 tax form **prior to system installation.**
- 3) 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.
- 4) 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.**
- 5) You sign an agreement assigning and conveying rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC for the life of the system.
- 6) 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.
- 7) You, the owner of the renewable energy system, are responsible for payment of normal system repairs and maintenance to the unit, including labor.
- 8) 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; and
 - e. Keep a copy of all documents for your records.
- 9) 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.
- 10) MEC will issue a 1099 tax form to you in the amount of the rebate check. An amount on a 1099 does not automatically equate to taxable income and this is something you should discuss with your tax preparer.
- 11) **After reading the instructions in Step 1, Section 1, member(s) are required to initial: _____ (member initials)**

Submit documents to:

Mohave Electric Cooperative, Incorporated
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.

The customer's 125% total connected load limit shall be determined:

- a. In the absence of demand data (for residential and small business) the highest 12 months (Calendar Year) kWh consumption in the previous three years will be divided by 2190 (to determine the 100% capacity level in kW which will achieve a "net zero" home or business) and multiplied by 125%
- b. For customers with a demand history it will be 125% of the highest demand in the most current 12 month period

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 2

ENROLLMENT FORM

DO NOT USE THIS FORM FOR LEASED SYSTEMS

To be completed by member:

PLEASE PRINT Name(s): _____

Address: _____

Phone: _____

Mohave Electric Account #: _____ Meter #: _____

Service Address (if different): _____

Description of Renewable Energy Resource: _____

Projected Cost: _____

Rebate Amount Requested: _____

Have you applied for or received other funding for this system? _____ YES _____ NO

If yes, what is the source and amount? _____

System Installation *Projected* Completion Date: _____

W9 Tax Form included (please check):

Are you applying for Net Metering? _____ YES _____ NO (If yes, a completed net metering application is also required to be submitted with the Interconnect agreement).

By signing below, I am assigning and conveying my rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC for the life of the system. 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.

I, _____, hereby certify that I have read and reviewed the Renewable
(print name)

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.

I warrant that this application was executed by the person whose name appears below and that they are members of the Cooperative.

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.

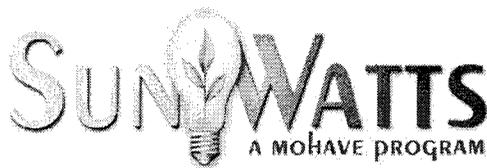
~~~~~  
**For Office Use Only**

**Rebate funds certified by Mohave Electric**

Pre-approved rebate amount: \$ \_\_\_\_\_

\_\_\_\_\_  
Authorized Representative of Mohave Electric Cooperative, Incorporated      Date





## 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 (1) year after the date you receive the incentive payment, liquidated damages may apply. In such event, you will be required to reimburse MEC 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, MEC reserves 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 MEC pays 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.

After reading the instructions in Step 1, Section 3, member(s) are required to initial: \_\_\_\_\_ (member initials)

## 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, 230-70, 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.***



# NET METERING SERVICE TARIFF AND APPLICATION

**Mohave's Net Metering Service Tariff is approved by the Arizona Corporation Commission and establishes the terms and conditions of Net Metering service.**

Net Metering service is available, but not required, for all end-use retail customers of the Cooperative with metered kWh usage with a qualifying Net Metering Facility.

Under Net Metering the electric energy generated by or on behalf of the member from a qualifying Net Metering Facility and delivered to the Cooperative's distribution facilities may be used to offset electric energy provided by the Cooperative during the applicable billing period as specified in this Tariff. Service under this Tariff is subject to: installation of a bidirectional meter (a new meter may or may not be needed); availability of enhanced metering and billing system upgrades; the rated capacity of the customer's Net Metering Facility not exceeding the Cooperative's service capacity; and the customer complying with all of the Cooperative's interconnection standards. Under this agreement the customer agrees to assign and convey all environmental attributes, including RECs, to MEC for the life of the system.

The customer shall also be required to sign and complete a Net Metering Application and Interconnect Agreement prior to being provided Net Metering Service. A customer that installs a Net Metering Facility is not required to take service under this Tariff, but still must comply with the Cooperative's interconnection standards.

Net Metering commences **after** the completion of all applicable metering, billing, and administrative terms and conditions for Net Metering service. Net Metering is effective on future usage only and is not retroactive.

The provisions of this Agreement and service hereunder are subject to the rules, regulations, fees, charges, classifications and requirements for service approved by the Arizona Corporation Commission ("Commission"), as amended from time to time and nothing herein shall preclude either party to this Agreement from requesting the Commission to alter Commission rules, regulations, fees, charges, classification and requirements related to service provided under this Agreement.

## **Net Metering Facility**

Net Metering Facility means a facility for the production of electricity that:

- Is operated by or on behalf of the customer and is located on the customer's premises;
- Is intended to provide part or all of the customer's requirements for electricity;
- Uses Renewable Resources, a Fuel Cell or CHP to generate electricity;
- Has a generating capacity less than or equal to 125% of the customer's total connected load\*, or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity; and
- Is interconnected with and can operate in parallel with the Cooperative's existing distribution system.

\*The customer's 125% total connected load limit shall be determined:

- a. In the absence of demand data (for residential and small business) the highest 12 months (Calendar Year) kWh consumption in the previous three years will be divided by 2190 (to determine the 100% capacity level in kW which will achieve a "net zero" home or business) and multiplied by 125%
- b. For customers with a demand history it will be 125% of the highest demand in the most current 12 month period

## **Metering**

Customers served under this Tariff will require a bidirectional meter that will register and accumulate the net electrical requirements of the customer and shall have other capabilities similar to meter that is being replaced or that would be installed for the service (e.g., Advanced Metering Infrastructure (AMI) capabilities). The Cooperative will install such a meter at the customer's Net Metering Facility if proper metering is not already present. The incremental metering costs for bidirectional metering and the facility meter will be incurred by the Cooperative.

**Billing**

During the billing period for:

- Customer Purchases in excess of Customer Supply
  - Cooperative shall bill the customer for the net kWh supplied by the Cooperative in accordance with the Cooperative's applicable Standard Retail Rate Schedule.
- Customer Supply in excess of Customer Purchases (Excess Generation)
  - Cooperative shall credit the customer the Excess Generation kWh in subsequent billing periods to reduce the kWh supplied (not kW or kVa demand or customer charges).
- Basic Service Charges and Demand charges (either metered or contract) and all other elements of the Cooperative's applicable Standard Retail Rate Schedule will continue to apply in full, except that the monthly "Customer Charge" for the applicable Optional Time-of-Use Rate will be applied whether or not the customer has elected the Time-of-Use rate. **Residential Customer Charge will be \$21.50 per month. Small Commercial Customer Charge will be \$41.03 per month.**
- For the last billing period of each Calendar Year or for the last billing period at the time the customer discontinues taking service under this rate schedule:

The Cooperative shall issue a billing credit to the customer for any remaining Excess Generation balance. In the event the customer's electric service is terminated, after applying a billing credit for any Excess Generation up to the amount the customers owe the Cooperative, the Cooperative shall issue a check for the remaining value of the Excess Generation balance. The payment or credit will be determined at the Cooperative's Annual Average Avoided Cost, which shall be updated annually and are as specified below:

2014 Annual Purchase Rate (cents/kWh): \$0.02579\*

*\*This amount in effect as of December 1, 2015. The Arizona Corporation Commission (ACC) re-evaluates avoided cost amounts annually and the amount is subject to change based on that review.*

An Administrative Charge may be charged by the Cooperative to collect new or additional costs the Cooperative incurs associated with the provision of Net Metering service (such as additional data communication access and billing costs) upon filing with and approval of such charge by the Arizona Corporation Commission pursuant to AAC R14-2-2305.

**After completing the application, member(s) must sign and submit to the Energy Management Department. (Interconnect Agreement is also required)**

PRINT Member Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Mohave Electric Account #: \_\_\_\_\_

Service Location: \_\_\_\_\_

Description of Renewable Energy Resource: \_\_\_\_\_

**I (we) certify that I (we) received and read a copy of Mohave's Net Metering Tariff, understand and agree to comply with the terms and conditions of the tariff, and that this agreement will not be terminated earlier than one year after its effective date.**

DATE \_\_\_\_\_ MEMBER SIGNATURE(S) \_\_\_\_\_

~~~~~  
For Office Use Only

Date Application Received: _____ By: _____
(Authorized Representative of Mohave Electric Cooperative)



RENEWABLE ENERGY INCENTIVE PROGRAM—Step 3

SYSTEM QUALIFICATIONS - CONTRACTOR CERTIFICATION

To be completed after project has passed city or county inspections

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.

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, Incorporated  
Energy Management Department  
PO Box 1045  
Bullhead City, Arizona 86430  
Phone: 928-763-1100 FAX: 928-763-7357

~~~~~  
For Office Use Only

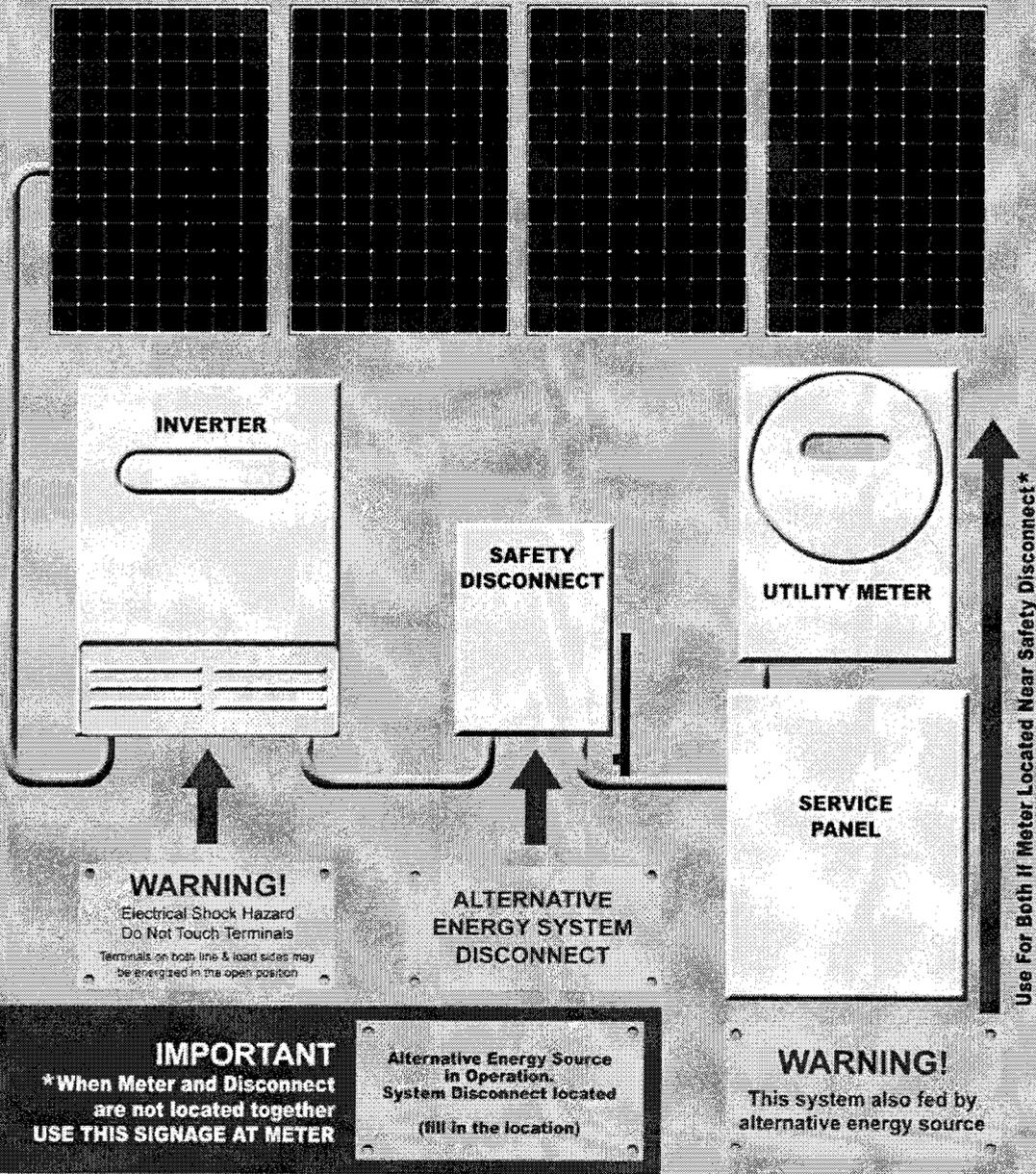
Copy to Engineering Department File:

Authorized Representative of Mohave Electric Cooperative, Incorporated

Date

MOHAVE ELECTRIC COOPERATIVE

Alternative Energy System Labeling Requirements



Signs must be made of hard plastic with engraved letters (no stickers) and attached with rivets or screws. Installer may apply signage during MEC system verification, when meter door is open.



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 cannot activate or 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.



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.

A pre-installation verification site visit is required. Please call MEC's Energy Management Specialist to schedule the verification before beginning installation.

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, or for new construction.**
- 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 MEC's Energy Management Specialist for assistance in calculating your rebate.

To be completed by member:

PLEASE PRINT Name(s): _____

Address: _____

Phone: _____

Mohave Electric Account Number: _____

Service Location: _____

Rebate Amount Requested*: _____

*MEC will issue a 1099 tax form to you in the amount of the rebate check. An amount on a 1099 does not automatically equate to taxable income and this is something you should discuss with your tax preparer.

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 Description: _____

Freeze Protection: (circle) Manual Automatic Back up

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 and conveying my rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC for the life of the system.

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.

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.

SUBMIT APPLICATION TO:

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

For Office Use Only

Solar Water Heating Rebate Funds Obligated \$ _____

Authorized Representative of Mohave Electric Cooperative, Incorporated

Date

Return form to Energy Management Department

EXHIBIT 4 – INTERCONNECTION APPLICATION AND DISCLAIMER



RENEWABLE ENERGY INCENTIVE PROGRAM—Step 2

INTERCONNECT AGREEMENT

Application for Operation of Member-Owned Small Generation Attached to MEC
To be approved by MEC prior to installation of the renewable energy system

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.

Responsibilities of Member for Installation, Operation and Maintenance of Net Metering Facilities

- 1) The Member will, at its own cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, its facilities.
- 2) The Member shall conduct operations of its facilities in accordance with industry standards. Maintenance of facilities by the Member shall be performed in accordance with the applicable manufacturers' recommended maintenance schedule.
- 3) The Member agrees to cause its facilities to be constructed in accordance with the Rules and specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.
- 4) The Member covenants and agrees to cause the design, installation, maintenance, and operation of, its facilities so as to reasonably minimize the likelihood of a malfunction or other disturbance, damaging or otherwise affecting or impairing the Cooperative's system. The electrical output of the Member's facilities shall not cause disturbance on or damage to the Cooperative's electrical system.
- 5) The Member shall exercise reasonable care to assure that the electrical characteristics of its facilities will not result in significant impairment of service to other customers or in interference with operation of computer, telephone, television, or other communications systems or facilities.
- 6) The Member shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its facilities.
- 7) The Member shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its facilities.

- 8) The Member will notify the Cooperative of any emergency or hazardous condition or occurrence with the Member's facilities which could affect safe operation of the Cooperative's system.
- 9) By signing this agreement, the member agrees to assign and convey rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC for the life of the system.

Responsibilities of Cooperative

The Cooperative shall perform an inspection of the interconnected facilities prior to energization to verify that the facility meets the interconnection requirements of the Sun Watts program.

The Cooperative will perform subsequent periodic inspections of the interconnected facilities to verify the facility continues to meet those interconnection requirements.

The Cooperative will notify the Member if there is evidence that the Member's facilities operation causes disruption or deterioration of service to Cooperative's system.

MEMBER/APPLICANT INFORMATION

Member Name: _____

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

Installation Address: _____
 Street Address City State Zip Code

Mohave Electric Account# _____ Meter # _____

PROJECT DESIGN/ENGINEERING (ARCHITECT) (as applicable)

Company Name: _____

Mailing Address: _____

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

Phone Number: _____ Representative: _____

ELECTRICAL CONTRACTOR (as applicable)

Company Name: _____ ROC# _____

Mailing Address: _____

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

Phone Number: _____ Representative: _____



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 (%) _____

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

MEMBER AGREEMENT AND SIGNATURE:

I hereby certify that, to the best of my knowledge, the information provided in this Interconnection Agreement is true. I agree to provide any further information required during the Interconnection Application Process and to install and operate the interconnection equipment according to the Terms and Conditions outlined herein.

The provisions of this Agreement and service hereunder are subject to the rules, regulations, fees, charges, classifications and requirements for service approved by the Arizona Corporation Commission ("Commission"), as amended from time to time and nothing herein shall preclude either party to this Agreement from requesting the Commission to alter Commission rules, regulations, fees, charges, classification and requirements related to service provided under this Agreement.

I warrant that this Interconnect Agreement was executed by the person whose name appears below and that they are members of the Cooperative.

DATE _____ MEMBER SIGNATURE(S) _____

MEMBER SUBMITS DOCUMENT TO:

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

For Office Use Only
Engineering Department Verification

Authorized Representative of Mohave Electric Cooperative, Incorporated Date

(Forward to Energy Management following signature/verification)





RENEWABLE ENERGY INCENTIVE PROGRAM—Step 2

INTERCONNECT AGREEMENT DISCLAIMER

POSSIBLE FUTURE RULES and/or RATE CHANGES

AFFECTING YOUR PHOTOVOLTAIC SYSTEM

The following is a supplement to the Interconnection Agreement you signed with Mohave Electric Cooperative, Incorporated (“MEC”).

1. MEC electricity rates, basic charges and service fees are subject to change. Future adjustments to these items may positively or negatively impact any potential savings or the value of your photovoltaic system.
2. You will be responsible for paying any future increases to electricity rates, basic charges or service fees from MEC.
3. Your photovoltaic system is subject to the current rates, rules and regulations established by the Arizona Corporation Commission (“Commission”). The Commission may later change its rules and regulations and/or change rates in the future, and if this occurs, your system is subject to those changes.
4. Any future electricity rate projections presented to you are not approved by MEC or the Commission. They are based on projections formulated by external third parties not affiliated with MEC or the Commission.

By signing below, you acknowledge that you have read and understand the above disclaimer.

Name

Date

