NEW APPLICATION

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

1 2 COMMISSIONERS Arizona Corporation Commission 3 TOM FORESE, CHAIRMAN DOCKETED **BOB BURNS** 4 DOUG LITTLE MAR 27 2017 E-01933A-17-0083 ANDY TOBIN 5 BOYD W. DUNN DOCKETED B E-01575A-17-0083 6 DOCKET NO. E-01933A-17-IN THE MATTER OF JOINT 7 E-01575A-17-APPLICATION OF TUCSON ELECTRIC AND **POWER** COMPANY SULPHUR 8 **SPRINGS** VALLEY **ELECTRIC** JOINT APPLICATION 9 COOPERATIVE, INCORPORATED FOR AN ORDER APPROVING A BORDERLINE 10 AGREEMENT.

Tucson Electric Power Company ("TEP") and Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC"), through undersigned counsel, hereby submit this Joint Application to the Arizona Corporation Commission ("Commission") for approval of a Borderline Agreement between TEP and SSVEC.

I. BACKGROUND.

TEP is a public service corporation engaged in the generation, transmission and distribution of electricity for the purpose of serving its customers located within a specifically designated service area in portions of Pima County, Arizona, which has been certified and approved by the Commission.

SSVEC is a member-owned electric cooperative public service corporation engaged in the distribution of electricity for the purpose of serving its customers located within a specifically designated service area in portions of portions of Cochise, Graham, Santa Cruz and Pima Counties, Arizona, which has been certified and approved by the Commission.

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II. REQUEST.

Red Horse Wind 2, LLC, an Arizona limited liability company, ("RHII") and Red Horse III, LLC, a Delaware limited liability company ("RHIII") (collectively "Customer"), have constructed a solar and wind generating facility with a total plant capacity of 101 MWac (collectively referred to as the "Facility") situated on approximately 1,251 acres located in Cochise County, Arizona as more particularly described on **Exhibit 1** to the form of Electric Service Authorization Agreement ("Borderline Agreement") attached as **Exhibit A** (the "Property") to this Joint Application. The Property on which Customer has constructed the Facility is located in SSVEC's certificated territory, while the interconnection point for the Facility is located in TEP's electric's certificated territory.

TEP and Customer have entered into a Solar Power Purchase Agreement ("PPA") dated February 20, 2013, to acquire the output of the Facility, as amended by that certain First Amendment to Solar Project Power Purchase Agreement dated February 12, 2014, as amended by that certain Second Amendment to Solar Project Power Purchase Agreement dated August 14, 2014, as amended by that certain Third Amendment to Solar Power Purchase Agreement dated August 5, 2015, as amended by that certain Assignment and Assumption Agreement dated June 1, 2016, as may be further amended by the parties regarding the purchase of the output of the Facility, including the associated renewable energy credits.

It is necessary for TEP as a purchaser under the PPA (power taker), to supply parasitic load to maintain generation capability. It is not feasible nor cost-effective for a third party, such as SSVEC, to provide the parasitic load. Since TEP must provide the parasitic load to the Facility, Customer has also requested TEP to provide the remaining incidental electric service to the Property.¹

Customer has interconnected the Facility to TEP's 345kV transmission system via eleven (11) miles 795 ACSR conductor at 345kV to the Red Horse substation served from Winchester 345kV substation. Customer has constructed or caused to be constructed the interconnection facilities needed

¹ The Commission has approved similar borderline agreements between Mohave Electric Cooperative, Inc. and UNS Electric, Inc. (*See* Commission Decision No. 75557 dated May 13, 2016 and Decision No. 74972 dated March 16, 2015 (for MEC authority to serve a solar facility in UNS Electric's territory) and Commission Decision No. 75866 dated January 3, 2017 (for UNS Electric authority to serve a solar facility in MEC's territory)).

for the Facility to supply power to TEP and receive electricity from TEP for the Facility's parasitic load. There will be no additional cost to the Customer incurred to enable TEP to provide the remaining incidental electric service to the Property. If SSVEC were to provide the remaining incidental electric service to the Property, the cost to the Customer would be approximately \$126,000 in construction costs, over approximately two (2) miles, not including all potential easements and right of way costs.

At this time, it is in the best interests of the Customer, TEP and the public for TEP to serve the Property until such time as TEP is no longer taking power from the Facility and/or SSVEC has determined that it is economically feasible for SSVEC to serve the Property.

III. <u>ELECTRIC SERVICE AUTHORIZATION AGREEMENT.</u>

TEP and SSVEC have entered into a Borderline Agreement attached hereto as **Exhibit A**, in order for TEP to provide electric service to the Property. TEP is willing to provide electric service to the Facility subject to Customer: a) executing any applicable service agreements; b) paying all costs of facilities necessary to enable TEP to provide the requested service; c) securing at no cost to TEP any and all permits and easements TEP determines are needed to provide the requested service; d) paying all applicable deposits, fees, rates and charges associated with the requested class of service approved by the Commission for TEP's retail customers; and e) complying with the terms and conditions of the PPA and related interconnection agreement to be entered into between TEP and Customer.

Pursuant to the Borderline Agreement, SSVEC reserves the right to provide electric service to the Property in the event SSVEC has determined that it is economically feasible for SSVEC to provide such service. In this event, SSVEC will: 1) provide TEP and Customer written notice thereof not less than ninety (90) calendar days prior to its intended date to start providing power to the Facility, and 2) coordinate TEP the exchange of the service, including the transfer of any facilities paid for by TEP and dedicated exclusively to providing service to the Property at no cost to TEP and the Customer.

TEP also reserves the right to discontinue providing service to the Property. In this event TEP will: 1) provide SSVEC and Customer written notice thereof not less than ninety (90) calendar days

prior to permanently ceasing to take power from the Facility, and 2) coordinate with SSVEC for the exchange of the service, including the transfer of any facilities paid for by TEP and dedicated exclusively to providing service to the Property at no cost to SSVEC and the Customer. Any upgrades of TEP's facilities used to serve other customers of TEP shall remain the property of TEP.

TEP and SSVEC believe the Borderline Agreement to be consistent with and promote the public interest, and is in the best interest of TEP to enable it to provide more efficient and economical electric service for the Facility and Property.

SSVEC has no outstanding line extension agreement with the Customer or to the Property. There are no easements or rights-of-way to be transferred. Customer shall be charged the applicable Commission approved rate(s) by TEP. A copy of this Joint Application has been mailed to Customer.

The name, address, telephone number, facsimile number and e-mail address of the attorneys for TEP and SSVEC upon whom service of all documents is to be made are:

Bradley S. Carroll
Tucson Electric Power Company
88 East Broadway, MS HQE910
P.O. Box 711
Tucson, Arizona 85702
Phone: 520-884-3679
E-mail: bcarroll@tep.com

Christopher Hitchcock Law Offices of Christopher Hitchcock P.O. Box AT Bisbee, Arizona 85603-0115 Phone: 520-432-2279

Email: lawyers@bisbeelaw.com

WHEREFORE, TEP and SSVEC request the Commission to issue an order approving the Borderline Agreement.

RESPECTFULLY SUBMITTED this day of March, 2017. SULPHUR SPRINGS VALLEY ELECTRIC TUCSON ELECTRIC POWER COMPANY COOPERATIVE, INCORPORATED By: By: hristopher Hitchcock Bradley S. Carroll Law Offices of Christopher Hitchcock 88 East Broadway, MS HQE910 P.O. Box AT P.O. Box 711 Bisbee, Arizona 85603-0115 Tucson, Arizona 85702

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1	COPY of the foregoing hand delivered /mailed this 27 day of March, 2017 to:
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3	Timothy Lasota, Acting General Counsel Arizona Corporation Commission
4	1200 West Washington Street Phoenix, Arizona 85007
5	
6	Elija Abinah, Acting Director Utilities Division
7	Arizona Corporation Commission 1200 West Washington Street
8	Phoenix, Arizona 85007
9	Dwight D. Nodes, Chief Administrative Law Judge Hearing Division
10	Arizona Corporation Commission 1200 West Washington
11	Phoenix, Arizona 85007
12	
13	CC: Red Horse Wind 2, LLC Red Horse III, LLC
14	c/o D.E. Shaw Renewable Investments, L.L.C. 1166 Avenue of the Americas, Ninth Floor
15	New York, NY 10036
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EXHIBIT A

ELECTRIC SERVICE AUTHORIZATION AGREEMENT

(BORDERLINE AGREEMENT)

THIS ELECTRIC SERVICE AUTHORIZATION AGREEMENT (this "Agreement") is entered into this 27th day of March, 2017 by and between Tucson Electric Power Company, an Arizona corporation ("TEP") and Sulphur Springs Valley Electric Cooperative, Incorporated, an Arizona nonprofit corporation ("SSVEC").

RECITALS:

- A. The real property described in <u>Exhibit 1</u> attached hereto (the "Subject Area") is within the area of SSVEC's Electric's Certificates of Convenience and Necessity issued by the Arizona Corporation Commission ("Commission");
- B. Red Horse Wind 2, LLC, an Arizona limited liability company, ("RHII") and Red Horse III, LLC, a Delaware limited liability company ("RHIII") (collectively "Customer"), have constructed a solar and wind generating facility with a total plant capacity of 101 MWac (collectively referred to as the "Facility") situated on approximately 1,251 acres located in Cochise County, Arizona;
- C. TEP and Customer have entered into a Solar Project Power Purchase Agreement ("PPA") dated February 20, 2013, to acquire the output of the Facility, as amended by that certain First Amendment to Solar Project Power Purchase Agreement dated February 12, 2014, as amended by that certain Second Amendment to Solar Project Power Purchase Agreement dated August 14, 2014, as amended by that certain Third Amendment to Solar Power Purchase Agreement dated August 5, 2015, as amended by that certain Assignment and Assumption Agreement dated June 1, 2016, as may be further amended by the parties regarding the purchase of the output of the Facility, including the associated renewable energy credits;
- D. As part of the operation of the Facility, it is necessary for TEP as the power taker to supply parasitic loads to maintain generation capability;
- E. Customer also has requested that TEP provide the remaining incidental electric service to the

Facility; and

F. In SSVEC's opinion, because of current conditions it is beneficial to the Customer for SSVEC to permit TEP to provide electric service to the Facility while TEP is the taker of power from the Facility, or until such time that SSVEC has determined that it is economically feasible for SSVEC to provide electric service to the Subject Area.

PROMISES AND CONVENANTS:

NOW, THEREFORE, in consideration of the foregoing recitals and in further consideration of the following covenants, promises, and provisions, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their agents, employees, successors and assigns, do hereby agree as follows:

- TEP is hereby authorized by SSVEC to enter the Subject Area, certificated to SSVEC, and construct
 and maintain electric service lines and facilities necessary to receive power from the Facility being
 constructed by Customer and to serve the electric needs of the Subject Area.
- 2. TEP is willing to provide electric service to the Subject Area for so long as it is taking power produced from the Facility, subject to Customer: a) executing any applicable service agreements; b) paying all costs of facilities necessary to enable TEP to provide the requested service; c) securing at no cost to TEP any and all permits and easements TEP determines are needed to provide the requested service; d) paying all applicable deposits, fees, rates and charges associated with the requested class of service approved by the Commission for TEP's retail customers; and e) complying with the terms and conditions of the PPA and related interconnection agreement that have previously been executed between TEP and Customer.
- 3. SSVEC reserves the right to provide electric service to the Property in the event SSVEC has determined that it is economically feasible for SSVEC to provide such service. In this event, SSVEC will: 1) provide TEP and Customer written notice thereof not less than ninety (90) calendar days prior

to its intended date to start providing power to the Facility, and 2) coordinate with TEP for the exchange of the service, including the transfer of any facilities paid for by TEP and dedicated exclusively to providing service to the Subject Area at no cost to TEP and the Customer.

- 4. TEP also reserves the right to discontinue providing service to the Subject Area. In this event TEP will: 1) provide SSVEC and Customer written notice thereof not less than ninety (90) calendar days prior to permanently ceasing to take power from the Facility, and 2) coordinate with SSVEC for the exchange of the service, including the transfer of any facilities paid for by TEP, but excluding structures from TEP's lines to the point of interconnection as reflected on Exhibit 2, which facilities will be retained by TEP. The transfer of such facilities from TEP to SSVEC shall be at no cost to SSVEC or the Customer. Any upgrades of TEP's facilities used to serve other customers of TEP shall remain the property of TEP.
- TEP will then discontinue providing electric service to Customer in the Subject Area on a date mutually agreed upon by TEP and SSVEC.
- TEP and SSVEC shall have no obligation, but may separately agree to allow TEP to retain any facilities SSVEC does not intend to use to serve the Customer.
- The transfer to SSVEC of TEP's facilities dedicated exclusively to serve the Customer shall not be subject to further approval by the Commission.
- 8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest and assigns, whether arising voluntarily or by operation of law.
- 9. This Agreement shall become effective upon approval by the Commission.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

TUCSON ELECTRIC POWER COMPANY, an Arizona corporation

Kentton C. Grant

Vice President, Rates & Planning

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INCORPORATED,

an Arizona nonproficorporation

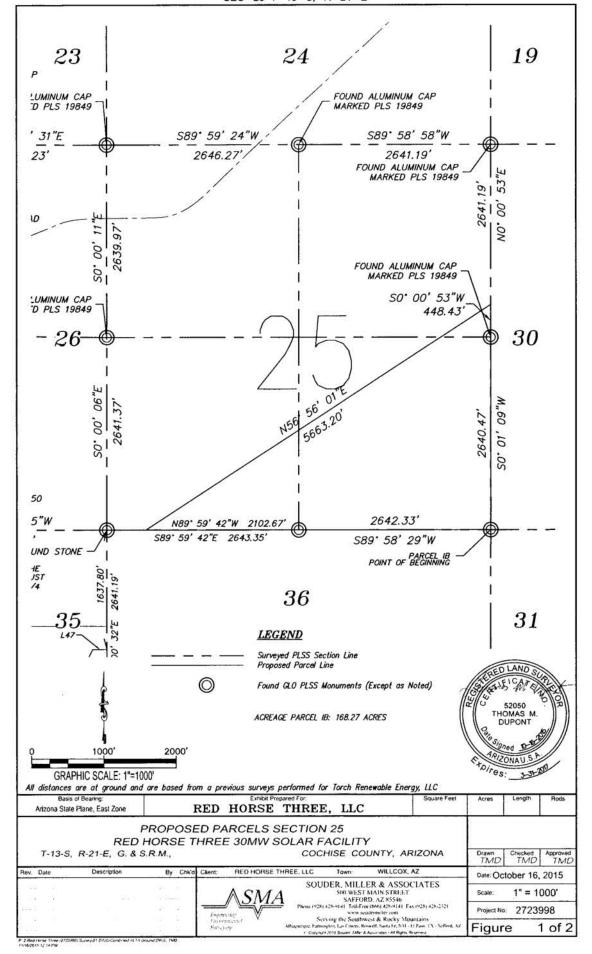
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Chief Executive Officer

Creden W. Huber

EXHIBIT 1

Legal Descriptions of the "Subject Area"



PARCEL DESCRIPTION - PARCEL IB

A tract of land located in a portion of Section 25, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona more particularly described as follows:

Beginning at the Southeast Corner of Section 25, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona, and the southeast corner of this tract, monumented by a U.S. General Land Office (USGLO) Stone, thence running South 89 degrees 58 minutes 29 seconds West along the South line of said Section 25, a distance of 2,642.33 feet to the South Quarter Corner of said Section 25 monumented by a U.S. General Land Office (USGLO) Stone;

thence North 89 degrees 59 minutes 42 seconds West continuing along said South line of Section 25, a distance of 2,102.67 feet to the southwest corner of this tract;

thence North 56 degrees 56 minutes 01 seconds East leaving said South line of Section 25, a distance of 5,663.20 feet to a point on the East line of said Section 25 and the north corner of this tract;

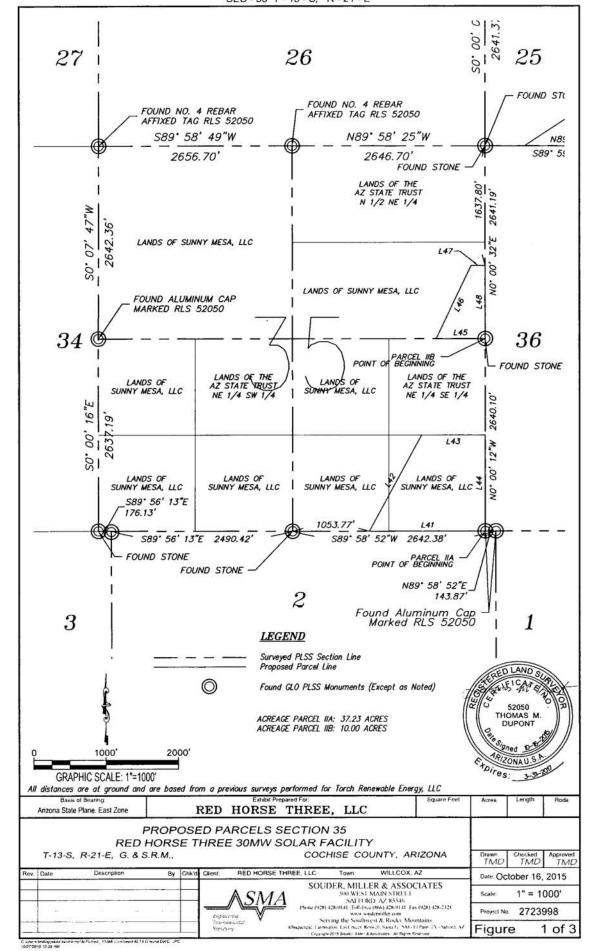
thence South 0 degrees 00 minutes 53 seconds West along said East line of Section 25, a distance of 448.43 feet to the East Quarter Corner of Said Section 25 monumented by a aluminum cap marked PLS 19849;

thence South 0 degrees 01 minutes 09 seconds West continuing along said East line of Section 25, a distance of 2,640.47 feet to the Point of Beginning;

containing 7,329,932.30 square feet or 168.27 acres more or less.



		of Bearing Plane: East Zone		RE	D HORSE		LLC		Square Feet	Acres	Length	Rods
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	Line T	Table
Line #	Length	Direction
L41	1588.61'	S89* 58' 52"W
L42	1501.62'	N28° 32' 38"E
L43	871.01	S89° 58' 23"E
L44	1318.16'	SO* 00' 12"E
L45	673.85	S89* 59' 27"W
L46	1112.24'	N25° 32' 35"E
L47	194.42'	S89° 59′ 28″E
L48	1003.39	50° 00' 32"W



	Basis of Bearing. Arizona State Plane, East Zone		RED		THREE,	LLC	!	Square Feet	Acres	Length	Rods
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Rev.	Date Description	By Chk'd	Client:	RED HORSE		Town:	WILLCOX		Date Oc	tober 16,	2015
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PARCEL DESCRIPTION - PARCEL IIA

A tract of land located in a portion of the Southeast Quarter of Section 35, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona more particularly described as follows:

Beginning at the Southeast Corner of Section 35, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona, and the southeast corner of this tract, monumented by an aluminum cap marked RLS 52050, thence running South 89 degrees 58 minutes 52 seconds West along the South line of said Section 35, a distance of 1,588.61 feet to the southwest corner of this tract, and from which the South Quarter Corner of said Section 35 monumented by a U.S. General Land Office (USGLO) Stone bears South 89 degrees 58 minutes 52 seconds West, a distance of 1,053.77 feet;

thence North 28 degrees 32 minutes 38 seconds East leaving said South line of Section 35, a distance of 1,501.62 feet to a point on the North line of the Southeast Quarter of the Southeast Quarter of said Section 35 and the northwest corner of this tract:

thence South 89 degrees 58 minutes 23 seconds East along said North line of the Southeast Quarter of the Southeast Quarter of Section 35, a distance of 871.01 feet to the Northeast corner of the Southeast Quarter of the Southeast Quarter of said Section 35 and the northeast corner of this tract;

thence South 0 degrees 0 minutes 12 seconds East along the East line of said Section 35, a distance of 1,318.16 feet to the Point of Beginning:

containing 1,621,637.80 square feet or 37.23 acres more or less.

PARCEL DESCRIPTION - PARCEL IIB

A tract of land located in a portion of the Northeast Quarter of Section 35, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona more particularly described as follows:

Beginning at the East Quarter Corner of Section 35, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona, and the southeast corner of this tract, monumented by a U.S. General Land Office (USGLO) Stone, thence running South 89 degrees 59 minutes 27 seconds West along the South line of the Northeast Quarter of said Section 35, a distance of 673.85 feet to the southwest corner of this tract:

thence North 25 degrees 32 minutes 35 seconds East leaving said South line of the Northeast Quarter of Section 35, a distance of 1,112.24 feet to the northwest corner of this tract;

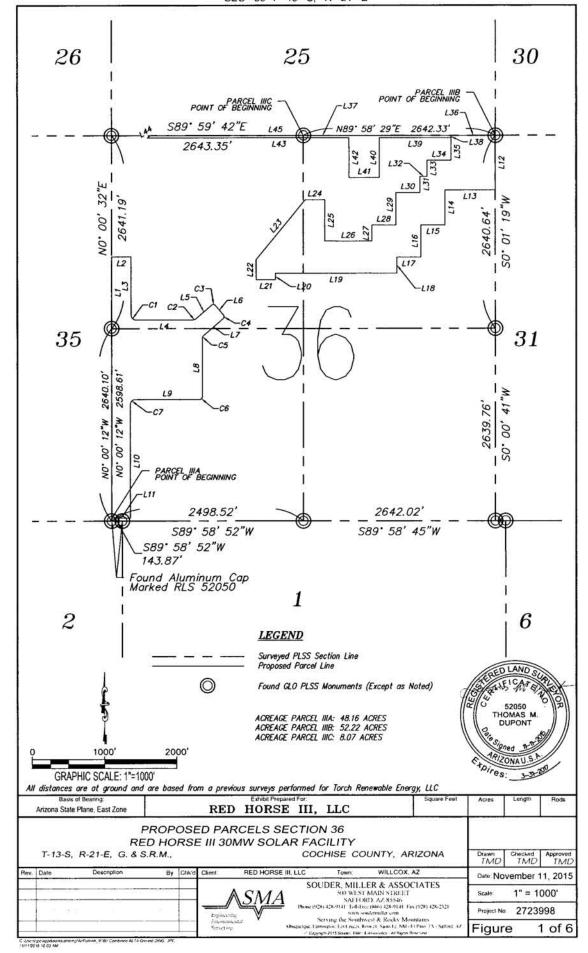
thence South 89 degrees 59 minutes 28 seconds East, a distance of 194.42 feet to a point on the East line of said Section 35 and the northeast corner of this tract, and from which the Northeast corner said Section 35 monumented by a U.S. General Land Office (USGLO) Stone bears North 0 degrees 0 minutes 32 seconds East, a distance of 1,637.80 feet;

thence South 0 degrees 0 minutes 32 seconds West along the said East line of Section 35, a distance of 1,003.39 feet to the Point of Beginning;

containing 435,625.76 square feet or 10.00 acres more or less.

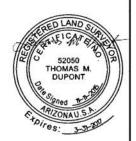


	Basis Arizona State			RED	HORSE	THREE	LLC		Square Feet	Acres	Length	Rods	
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Line #	Length	Direction
L1	983.95	NO' 00' 32"E
L2	270.04'	N90° 00' 00"E
L3	801.17	50° 00' 00"E
L4	783.82'	N90° 00' 00"E
L5	288.46	N49° 14' 12"E
L6	174.24	S40° 39' 12"E
L7	351.27'	S49° 20′ 48″W
L8	794.41'	50° 00' 00"E
L9	891.25'	N90° 00' 00"W
L10	1562.69	50° 00' 00"E
L11	258.55'	N90° 00' 00"W
L12	747.37'	50° 01′ 19″W
L13	691.67'	N90° 00' 00"W
L14	475.80'	50° 00' 00"E
L15	330.42'	N90° 00' 00"W
L16	441.80	50° 00' 00"E
L17	330.42'	N90° 00' 00"W
L18	220.90'	50° 00' 00"E
L19	1674.85	N90° 00' 00"W
L20	87.88'	SO' 00' 00"E
L21	265.42'	N90° 00' 00"W
L22	274.93'	NO. 00, 00,E
L23	1062.56	N39' 29' 32"E
L24	270.40'	N90' 00' 00"E
L25	566.45	50° 00' 00"E

Line #	Length	Direction				
L26	650.83'	N90° 00' 00"E				
L27	220.90'	NO' 00' 00"E				
L28	330.42'	N90° 00' 00"E				
L29	441.80'	NO. 00, 00,E				
L30	330.42'	N90° 00' 00"E				
L31	220.90'	NO' 00' 00"E				
L32	96.00'	N90° 00' 00"E				
L33	220.90'	NO. 00, 00,E				
L34	330.42'	N90° 00' 00"E				
L35	340.51	NO. 00, 00,E				
L36	608.81	N89° 58' 29"E				
L37	2033.52	N89* 58' 29"E				
L38	30.20'	SO' 00' 00"E				
L39	985.40'	N90° 00' 00"W				
L40	547.21'	SO. 00, 00,E				
L41	417.93'	N90. 00, 00, M				
L42	547.21'	NO. 00, 00,E				
L43	2778.13'	N90. 00, 00, M				
L44	54.03'	N56° 56' 01"E				
L45	2102.67	S89° 59' 42"E				



	Basis of Bearing Arizona State Plane, East Zone		RED	HORSE		LLC	- 52-5-0141	Square Feet	Acres	Length	Rods
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	1-10-0, N-27-E, O. u	5.K.W.,			COC	HISE CC	ONIY,	ARIZONA	Drawn TMD	Checked TMD	
łev.	Date Description		d Client:	RED HORSE III.		Town:		OX, AZ	TMD		Approved TMD
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Rev.	Annual control of the second		d Client:	<u>SMA</u>	SOL	Town: JDER, MILL 500 WEST SAFFO 6128-9141 Toll-fr	WILLO ER & AS MAIN STR RD AZ 855- or (866) 428-91	SOCIATES 35ET 46 41 Fax (928) 428-2321	TMD Date: No	Vember 1	1, 2015

			Curve Ta	ble	
Curve #	Length	Radius	Delta	Chord Direction	Chord Length
C1	102.10'	65.00'	90. 00, 00,	S45' 00' 00"E	91.92'
C2	46.24'	65.00'	40° 45′ 48″	N69° 37' 06"E	45.28'
C3	55.05'	35.00'	90' 06' 36"	S85' 42' 30"E	49.54'
C4	54.98'	35.00'	90. 00, 00,	S4° 20′ 48″W	49.50'
C5	55.98'	65.00'	49' 20' 48"	S24' 40' 24"W	54.27'
C6	54.98'	35.00'	90° 00' 00"	S45' 00' 00"W	49.50'
C7	102.10'	65.00'	90. 00, 00,	S45' 00' 00"W	91.92'



	Basis of Bearing: Anzona State Plane, East Zone		R	ED HORS		LLC	423.00	Square Feet	Acres	Length	Rods
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COCHISE COUNTY, ARIZONA SEC - 36 T - 13 - S, R - 21 - E

PARCEL DESCRIPTION - PARCEL IIIA

A tract of land located in Section 36, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona more particularly described as follows:

Beginning at a point lying on the West line of Section 36, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona, from which an aluminum cap marked RLS 52050 for the Southwest Corner of said Section 36 bears South 0 degrees 00 minutes 12 seconds East, a distance of 41.49 feet:

thence North 0 degrees 00 minutes 12 seconds West along said West line of Section 35, a distance of 2,598.61 feet to the West Quarter Corner of said Section 36 monumented by a U.S. Genreal Land Office (USGLO) stone;

thence North 0 degrees 00 minutes 32 seconds East continuing along said West line of Section 36, a distance of 983.95 feet;

thence North 90 degrees 00 seconds 00 minutes East leaving said West line of Section 36, a distance of 270.04 feet;

thence South 0 degrees 00 minutes 00 seconds East, a distance of 801.17 feet to a curve concave to left;

thence along said curve 102.10 feet and whose central angle is 90 degrees 00 minutes 00 seconds, radius of 65.00 feet, chord bears South 45 degrees 00 minutes 00 seconds East, and a chord distance of 91.92 feet;

thence North 90 degrees 00 minutes 00 seconds East leaving said curve, a distance of 783.82 feet to a curve concave to the left:

thence along said curve 46.24 feet whose central angle is 40 degrees 45 minutes 48 seconds, radius of 65.00 feet, chord bears North 69 degrees 37 minutes 06 seconds East, and a chord distance of 45.28 feet;

thence North 49 degrees 14 minutes 12 seconds East leaving said curve, a distance of 288.46 feet to a curve concave to the right;

thence along said curve 55.05 feet and whose central angle is 90 degrees 06 minutes 36 seconds, radius of 35.00 feet, chord bears South 85 degrees 42 minutes 30 seconds East, and a chord distance of 49.54 feet;

thence South 40 degrees 39 minutes 12 seconds East leaving said curve, a distance of 174.24 feet to a curve concave to the right;

thence along said curve 54.98 feet and whose central angle is 90 degrees 00 minutes 00 seconds, radius of 35.00 feet, chord bears South 4 degrees 20 minutes 48 seconds West, and a chord distance of 49.50 feet;

thence South 49 degrees 20 minutes 48 seconds West leaving said curve, a distance of 351.27 feet to a curve concave to the left.

thence along said curve 55.98 feet whose central angle is 49 degrees 20 minutes 48 seconds, radius of 65.00 feet, chord bears South 24 degrees 40 minutes 24 seconds West, and a chord distance of 54.27 feet;

thence South O degrees 00 minutes 00 seconds East leaving said curve, a distance of 794.41 feet to a curve concave to the right;

thence along said curve 54.98 feet and whose central angle is 90 degrees 00 minutes 00 seconds, radius of 35.00 feet, chord bears South 45 degrees 00 minutes 00 seconds West, and a chord distance of 49.50 feet;

thence North 90 degrees 00 minutes 00 seconds West leaving said curve, a distance of 891.25 feet to a curve concave to the left:

thence along said curve 102.10 feet and whose central angle is 90 degrees 00 minutes 00 seconds, radius of 65.00 feet, chord bears South 45 degrees 00 minutes 00 seconds West, and a chord distance of 91.92 feet;

thence South O degrees 00 minutes 00 seconds East leaving said curve, a distance of 1562.69 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 258.55 feet to the Point of Beginning; containing 2,097,800.80 square feet or 48.16 acres more or less.



	Basis of Bearing: Arizona State Plane, East Zone		RED H	Exhibit Prepared ORSE		LLC		Square Feet	Acres	Length	Rods
	1/2		ED PARCE								
	T-13-S, R-21-E, G. & S						UNTY, A	RIZONA	Drawn TMD	Checked TMD	Approved TMD
Rev.	Date Description	By Chk'd	Client: RE	ient: RED HORSE III, LLC Town WILLCOX, AZ					Date: November 11, 20		
			AS	MA	SOUDER, MILLER & AS 500 WEST MAIN STR SAFFORD AZ 8554		MAIN STREET		Scale:		
		9 = =	Prigration 1	V=) 428-9141 Toll II	ee (866) 428-9141 1 odernoller com vest & Rocky Mo		Project No	2723	998
			Survey ou	Alb	equerque han	medion, Las Cruzes, R		Ft Pasis, FX - Saltonii, AZ	Figur	e 4	4 of 6

COCHISE COUNTY, ARIZONA SEC - 36 T - 13 - S, R - 21 - E

PARCEL DESCRIPTION - PARCEL IIIB

A tract of land located in Section 36, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona more particularly described as follows:

Beginning at the Northeast corner of Section 36, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona monumented by a U.S. General Land Office (USGLO) Stone, thence running South 0 degrees 01 minutes 19 seconds West along the East line of said Section 36, a distance of 247-37 Feet:

thence North 90 degrees 00 minutes 00 seconds West leaving said East line of Section 36, a distance of 691.67 feet:

thence South 0 degrees 00 minutes 00 seconds East, a distance of 475.80 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 330.42 feet;

thence South 0 degrees 00 minutes 00 seconds East, a distance of 441.80 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 330.42 feet;

thence South 0 degrees 00 minutes 00 seconds East, a distance of 220.90 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 1674.85 feet;

thence South 0 degrees 00 minutes 00 seconds East, a distance of 87.88 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 265.42 feet;

thence North 0 degrees 00 minutes 00 seconds East, a distance of 274.93 feet;

thence North 39 degrees 29 minutes 32 seconds East, a distance of 1062.56 feet;

thence North 90 degrees 00 minutes 00 seconds East, a distance of 270.40 feet;

thence South 0 degrees 00 minutes 00 seconds East, a distance of 566.45 feet;

thence North 90 degrees 00 minutes 00 seconds East, a distance of 650.83 feet;

thence North 0 degrees 00 minutes 00 seconds East, a distance of 220.90 feet;

thence North 90 degrees 00 minutes 00 seconds East, a distance of 330.42 feet;

thence North 0 degrees 00 minutes 00 seconds East, a distance of 441.80 feet;

thence North 90 degrees 00 minutes 00 seconds East, a distance of 330.42 feet;

thence North 0 degrees 00 minutes 00 seconds East, a distance of 220.90 feet; thence North 90 degrees 00 minutes 00 seconds East, a distance of 96.00 feet;

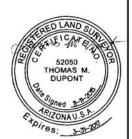
thence North 0 degrees 00 minutes 00 seconds East, a distance of 220.90 feet;

thence North 90 degrees 00 minutes 00 seconds East, a distance of 330.42 feet;

thence North 0 degrees 00 minutes 00 seconds East, a distance of 340.51 feet to a point on the North line of said Section 36;

thence North 89 degrees 58 minutes 29 seconds East along said North line of Section 36, a distance of 608.81 feet to the Point of Beginning;

containing 2,274,799.99 square feet or 52.22 acres more or less.



		ol Bearing Plane: East Zone		RE	Exhibit Pre		LLC		Square Feet	Acres	Length	Rods
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L	1-13-5,	R-21-E, G. & S	S.PIVI.,				JHISE CC	JONIT, A	RIZONA	TMD		TMD
Rev.	Date	Description	By C	Chk'd Client:	RED HORSI		Town:	WILLCOX		Date: No	ovember	11, 2015
				= ,	A SMA	Sol	500 WES	LER & ASSC MAIN STREET RD, AZ 85546		Scale:		
			1 5 01	Engineer			8) 428-914) Toll-Fi unu.s	ree (866) 428-9141 1 rudermiller com west & Rocky M		Project N	2723	998
				Fresholder Statistiscs		Albuquerque, Far	mingson, Las Cruces, I		- El Paso, TX - Selling, AZ	Figur	re :	5 of 6

COCHISE COUNTY, ARIZONA SEC - 36 T - 13 - S, R - 21 - E

PARCEL DESCRIPTION - PARCEL IIIC

A tract of land located in Section 36, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona more particularly described as follows:

Beginning at the North Quarter corner of Section 36, Township 13 South, Range 21 East, of the Gila and Salt River Meridian, Cochise County, Arizona monumented by a U.S. General Land Office (USGLO) Stone, thence running North 89 degrees 58 minutes 29 seconds East along the North line of said Section 36, a distance of 2033.52 feet, from which the Northeast corner of Section 36 monumented by a U.S. General Land Office (USGLO) Stone bears North 89 degrees 58 minutes 29 seconds East a distance of 608.81 feet;

thence South 0 degrees 00 minutes 00 seconds East leaving said North line of Section 36, a distance of 30.20 feet:

thence North 90 degrees 00 minutes 00 seconds West, a distance of 985.40 feet;

thence South 0 degrees 00 minutes 00 seconds East, a distance of 547.21 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 417.93 feet;

thence North 0 degrees 00 minutes 00 seconds East, a distance of 547.21 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 2778.13 feet;

thence North 56 degrees 56 minutes 01 seconds East, a distance of 54.03 feet to a point on the North line of said Section 36:

thence South 89 degrees 59 minutes 42 seconds East along said North line of Section 36, a distance of 2102.67 feet to the Point of Beginning;

containing 351,643.20 square feet or 8.07 acre more or less.



	Basis of Bearing: Arizona State Plane, East Zone		RED I	Exhibit Prepare HORSE		LLC		Square Feet	Acres	Length	Rods
	F- T-13-S, R-21-E, G. 8	PROPOSI ED HORS S.R.M.,			R FA	CILITY	DUNTY, AF	RIZONA	Drawn TMD	Checked TMD	Approved TMD
Rev.	Date Description	By Chk'd	Client: Ri	ED HORSE III	LLC	Town	WILLCOX.	AZ	Date: NO	vember	11, 2015
			SOUDER, MILLER & ASSOC 500 WIST MAIN STREET SAFPORD AZ 8536				CIATES	Scale	10-77		
	N. T.	0.859	Engineering		Phone (928) 428-914. Toll-Free (866) 428-914. Fax (928) 428-2321 www.seedermiller.com. Serv ing the Southwest & Rocky Mountains: Albupeage Lamouton 128 (1928, Rose 8), 2008 (1938, 1941 Page 18). Sained. Cappage 103 South 1886 4 Security And Rose Reserved.				Project No	2723	998
			Environmental States my					Pasn TX - Sationd, AZ	Figur	e (6 of 6

EXHIBIT 2

Map/Survey of Subject Area and Interconnection

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