



2012 NON-RESIDENTIAL
BIOGAS OR BIOMASS COMBINED HEAT & POWER
PRODUCTION BASED INCENTIVE RESERVATION APPLICATION

This Incentive Program is funded by APS customers and approved by the Arizona Corporation Commission

Is this a revision of a previously submitted reservation application? [] Yes [] No

In order to qualify for a production based incentive, the total incentive over the lifetime of the project must be over \$75,000. Projects not meeting this requirement may apply for funding using our Up-Front Incentive program application.

RESERVATION APPLICATION

APS Customer Name

(This should match customer name as shown on APS bill for this location. If the name you want is different than what APS has in our system, please contact the APS customer care center at 602-371-7171 and make the account name change PRIOR to submitting the reservation application).

Installation Address

(The System must be installed at the same address where the customer's meter is located, and cannot be separated by private or public property or right of way).

Is the property: [] Owned [] Leased

If leased, a Landlord-Tenant rider will be required and must be submitted with the application (located at www.aps.com/solarforms). A copy of the lease agreement will also be required.

APS Account Number * Meter Number * (6 digits)
(List only the meter to which system is being interconnected)

Do you currently have another renewable energy system interconnected to the meter at this location? [] Yes [] No

If Yes:

Date of Installation
System Size
Type: PV Geothermal Solar Thermal Other
Is this a system expansion? [] Yes [] No

Is meter Totalized: [] Yes [] No

If yes, please list submeter above (Meter Number)

*If there is currently no electrical service at the installation site, please leave account and meter number blank and check here. []

APS CUSTOMER CONTACT INFORMATION (Please Note: installer/dealer contact information requested on next page)

APS Customer Contact Name Email:

Business Phone Alternate Phone

Fax Number

Mailing Address
(No P.O. Boxes, please - must be able to receive FedEx deliveries at this address)

Is the Customer a dealer or manufacturer of any of the components proposed in the qualifying system? Yes No

If customer is a dealer or a manufacturer of the system components, system costs are limited to actual costs rather than retail.

INSTALLER INFORMATION

Installer Name (please supply full legal name) _____

Contact Name _____ Email _____

Telephone _____ Fax _____

Mailing Address _____

Installer's Arizona Registrar of Contractors (AZROC) License Information

Number _____ Class _____ Expiration _____

EQUIPMENT DEALER INFORMATION (If same as installer, check here)

Dealer Name (please supply full legal name) _____

Contact Name _____ Email _____

Telephone _____ Fax _____

Mailing Address _____

Dealer's Arizona Registrar of Contractors (AZROC) License Information

Number _____ Class _____ Expiration _____

SYSTEM OWNER INFORMATION (if different than customer)

Company Name (please supply full legal name) _____

Contact Name _____ Email _____

Telephone _____ Fax _____

Mailing Address _____

BY ITS SIGNATURE BELOW, SYSTEM OWNER CERTIFIES THAT, PURSUANT TO A LEASE AGREEMENT OR OTHERWISE, ANY AND ALL RENEWABLE ENERGY CREDITS PRODUCED BY THE SYSTEM SHALL BE OWNED BY APS AND THE SYSTEM OWNER SHALL CLAIM NO RIGHT OR TITLE TO, NOR ANY INTEREST IN, SUCH CREDITS.

Name _____ Title _____

Signature _____ Date _____

SYSTEM INFORMATION [Please contact your dealer/installer if unsure of the information to provide in this section]

Biogas Combined Heat & Power Biomass Combined Heat & Power Fuel Source: _____

Estimated Installation Date _____

(For Production Based Incentives, the system must be installed within 365 days from date of reservation. Allowing for engineering, permitting and construction, what is the realistic estimated date of installation?)

If you plan for the system to be installed in 2012, the following year-end interconnect deadlines apply:

1. **October 5, 2012:** interconnection application (<http://www.aps.com/dg>) with a full set of AHJ approved stamped diagrams. (If there is no plan review requirement imposed by the municipality that the GF resides in, then APS will require drawings submitted per the APS Interconnection Requirements)
2. **November 16, 2012:** scheduling of inspection must be confirmed

ENERGY SAVINGS AND DESIGNED OUTPUT (“ES&D”) REPORT IS REQUIRED AS PART OF THIS RESERVATION.

The ES&D report must include either a testing certification for a substantially similar system prepared by a publicly funded laboratory, or an engineering report stamped by a registered professional engineer. The ES&D report shall provide a description of the system and major components, designed performance, system output and the report shall identify applicable standards and/or codes used in system design and a brief history of the components used in similar applications. If the system design differs from the recognized industry best practices, as described in the equipment qualifications listed in the Plan for the qualifying technology, the ES&D report must contain a certification that the system design is at least as effective as the specified requirements. This documentation should be preceded by an executive summary outlining supporting documentation including, but not be limited to, the following:

- System Design (Electrical and/or Thermal), Process and Instrument Diagram(s) & One-line Diagram(s)
- Designed System/Component Life Expectancy and Maintenance Interval Requirements
- Resource / Fuel Source Content, Quality, Forecasted Availability of Supply
- Metering Sources & Locations by Physical location (Site plan, Site Elevation)
- Production and/or Savings Estimates (kW & kWhs and/or BTU conversions & assumptions)
- Native Load / Energy Usage Impact: Load Reduction / Savings and/ or Net Exporter to Utility
- Verification of Design Compliance to APS’s Distributed Energy Administration Plan’s Equipment Qualifications Specifications and, if applicable, APS’s Interconnection Requirements for Distributed Generation
- Installation of an accumulating BTU meter is required as close to the existing system as physically possible. The BTU meter must record the total net BTU’s including solar contribution minus piping and heat exchanger losses.

INCENTIVE REQUEST

Please review the following information prior to completing the Incentive Request below. Payment of the requested incentive is subject to the following Incentive Program guidelines:

Funding reservations for production-based incentives are awarded on a competitive basis. For more detailed information, please see the decision process on the APS website at www.aps.com/gosolar under the appropriate program and technology. The per kWh incentive levels listed below are **maximum** amounts available. Because this is a competitive process, requesting less than the maximum amount will typically provide a more competitive ranking score.

Requested Renewable Energy Credit (REC) Agreement Term Incentive:

- 10-Year – up to \$0.032/kWh (electric) and up to \$0.016/kWh (thermal)
- 15-Year – up to \$0.029/kWh (electric) and up to \$0.015/kWh (thermal)
- 20-Year – up to \$0.028/kWh (electric) and up to \$0.014/kWh (thermal)

Requested Annual Production Based Incentive:

The following information is REQUIRED to process your application and verify your PBI Ranking Score:

1. Copy of a signed contract with Installer or Developer (**application will not be accepted without this documentation**)
2. Anticipated Peak kW Output: _____ Anticipated Annual kWh Production*: _____ x \$ _____ per kWh (REC Term Incentive) = Estimated Annual Incentive Payment \$ _____
3. Anticipated Maximum Annual Heating Production: _____ (MMBTU) / 0.003412 = Anticipated Annual kWh Production Equivalent: _____ x requested incentive \$ _____ per kWh = Estimated Annual Incentive Payment \$ _____
4. PBI Ranking Score: _____
(PBI Ranking Calculator and current non-residential ranking scores can be found at www.aps.com/gosolar)

***NOTE: Annual system production CANNOT exceed annual metered consumption**

TOTAL PROJECT COST

Total APS lifetime incentive payments will be paid based on production in accordance with the CPA terms, but are limited to 40 percent of your Total Project Cost.

Est. system and installation cost _____ + Est. financing cost* _____ = Est. Total Project Cost** _____

*Financing cost is limited to actual financing cost up to Prime + 5 % and will be validated upon System installation.

**Total Project Cost is defined in the Credit Purchase Agreement ("CPA") and may include eligible financing, if applicable.

Above Total Project Cost x 40% = _____ lifetime incentive payment cap

PAYMENT TO THIRD PARTY

Any request for APS to issue the incentive payment to a third party shall be made on the Installation Certification form and shall be subject to the terms and conditions stated therein.

CONFIDENTIALITY

Neither Party shall disclose any non-public, confidential or proprietary information relating to the Reservation (the "Confidential Information") to any third party (other than the Party's employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) without the other Party's prior written consent. In the event that any Party becomes legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, the legally compelled Party shall give the other Party providing such Confidential Information prompt prior written notice of such requirement so that the providing Party may seek a protective order or other appropriate remedy and/or waive compliance with this Confidentiality provision. In the event that such protective order or other remedy is not obtained, the providing Party waives compliance with the terms hereof with respect to such Confidential Information.

Each Party acknowledges that the unauthorized disclosure of any Confidential Information may cause irreparable harm and significant injury that may be difficult to ascertain. Each Party therefore agrees that specific performance or injunctive relief, in addition to other legal and equitable relief, are appropriate remedies for any actual or threatened violation or breach of the provisions of this Paragraph, although neither Party shall be entitled to any special, consequential, indirect or punitive damages as a result of a breach of the provisions of this Paragraph, whether a claim is based in contract, tort, or otherwise.

Have you provided the required attachments?

Copy of a contract with Installer or Developer executed by both customer and Installer or Developer for the installation of the System (**application will not be accepted without this documentation**)

NOTE: Installation contracts made contingent upon APS funding are also acceptable

Ranking score calculation sheet

A written system description

A quote from your installer that includes an itemized list of system components

W-9 for owner of the system

If applicable, a Landlord-Tenant Rider AND a copy of lease agreement

NOTE: The lease agreement must specifically state that Customer will retain ownership of the Renewable Energy Credits (RECs). Exhibit A to the Credit Purchase Agreement (CPA) requires Customer to be the sole owner of the RECs.

If this is new construction, supporting documentation from your electrical engineer showing monthly estimated kWh usage for calendar year.

If your reservation is approved, please note the following timelines:

1. **Thirty (30) days from the date of reservation, an initial deposit is required according to the schedule below:**

| <u>System Size:</u> | <u>Required Deposit</u> |
|--|-------------------------|
| 200 kWac and under | \$3,000 |
| Greater than 200 kWac and less than 500 kWac | \$6,000 |
| Greater than 500 kWac | \$10,000 |

A second deposit equal to 2% of the lifetime incentive funding requested will also be due 120 days after APS has notified you of your incentive award (for the second deposit, you may submit a bond or letter of credit instead).

Once the system has been commissioned, the deposit funds will be returned. If the initial or subsequent deposits are not received, the reservation will be cancelled. If your project is cancelled by you or by APS (in accordance with program rules) any submitted funds will be forfeited and credited to the incentive program.

2. **Your signed Credit Purchase Agreement must be returned to APS within 45 days of reservation date.**
3. **Submittal of second deposit and an Interconnection Application, along with AHJ approved drawings, within 120 days of reservation date**
4. **A progress update is required at 150 days from reservation date, including status of the following:**
 - a. **Interconnection Agreement**
 - b. **Equipment orders**
5. **System must be installed within 365 days from reservation date.**

Projects not meeting timelines may be cancelled. If extenuating circumstances exist, you may request consideration for an extension by contacting APS at commercial-incentives@aps.com. If your project requires outside financing, it should be secured at the beginning of the application process. Please note that extensions will not be granted for lack of secured financing.

This Reservation Request and any attachments provided supersede all prior Reservation Requests submitted for the installation address listed on the first page of this document and for this particular technology.

Please note that this is a CUSTOMER program, and the signature required is that of the of APS customer of record. By signing below, customer acknowledges that all application information and all required documents provided have been submitted in good faith. In addition, customer acknowledges installation of a phone line may be required.

CUSTOMER:

Name (Please Print)

Title/Business Name

Signature

Date

In order for an application to be submitted, please submit this request electronically to commercial-incentives@aps.com. **Send one email per reservation application packet. DO NOT combine multiple application packets into one email, as they will not be accepted.** Once the application is received, a confirmation email will be sent to the e-mail address from which the application was sent. If a confirmation response is not received within five days, you should contact APS by sending a follow-up email to commercial-incentives@aps.com.

APS will not accept incomplete applications. Please note:

- APS is not responsible for applications not received due to an undeliverable email address
- A reservation application will not be accepted unless it is signed by the APS customer of record
- A reservation application must be received by the nomination period deadline (which ends the last day of the nomination month)