



ADJUSTMENT SCHEDULE SDR SELF-DIRECTED RENEWABLE RESOURCES

APPLICATION

Pursuant to Arizona Administrative Code (“A.A.C.”) R14-2-1809, Adjustment Schedule Self-Directed Renewable Resources (“SDR”) shall apply to any retail Standard Offer or Direct Access customers who, as a result of regular Company monthly billings, pay \$25,000 or more during a calendar year to the Company under Adjustment Schedule RES, Renewable Energy Standard (“RES”), which was approved by the Arizona Corporation Commission (“ACC”) in Decision No. 70313.

ELIGIBILITY REQUIREMENTS

1. Funding Eligibility:
 - a. The customer is eligible to receive funds pursuant to this schedule if the total of all RES related payments made to the Company for the customer’s service account or accounts, individually or collectively, total \$25,000 or more in any one calendar year (January – December).
 - b. Funds collected from the customer in any one year (the “Payment Year”) will be available to the customer for self-directed projects in the following year (the “Funding Year”). Funds received during the Funding Year will not exceed payments collected by the Company in the Payment Year. In addition, if the customer has facilities in multiple service territories, only those payments collected by the Company are eligible for SDR funding.
 - c. Customers requesting funds for self-directed projects must declare their intention by applying in writing to the Company on or before March 31 of the Payment Year. The application must include a description of the proposed project and its expected cost.
 - d. The customer shall provide at least half of the funds necessary to complete the proposed project, as required by A.A.C. R14-2-1809.B.
2. Project Eligibility:
 - a. SDR funds obtained by the customer from the Company may only be used for projects physically located within the Company’s service territory.
 - b. Projects specified in the Company’s Distributed Energy Administration Plan (“DEAP”) are eligible for SDR funding. Self-direct requesting customers must request incentives no greater than the prescribed incentives specified in the DEAP. If the customer wishes to apply funds to a project not specified in the DEAP, the customer must submit documentation detailing project economics and funding requirements.
 - c. Any project proposed by the customer must meet the requirements for a Distributed Renewable Energy Resource described in the ACC’s Renewable Energy Standard Rules (A.A.C. R14-2-1802.B).
 - d. For purposes of financing SDR projects, funds provided by the Company may be assigned to third parties. Such assignment will be at the customer’s sole discretion. The Company assumes no liability for third-party assigned funds.

RENEWABLE ENERGY CREDITS

All Renewable Energy Credits derived from any project funded through this schedule, including generation and Extra Credit Multipliers, shall be applied to satisfy the Company’s Annual Renewable Energy Requirement as provided for in A.A.C. R14-2-1809.C.