



## RESIDENTIAL SOLAR WATER HEATING SYSTEM RESERVATION APPLICATION AND CREDIT PURCHASE AGREEMENT

Thank you for your support of solar technology. APS is proud to welcome you to our APS Renewable Energy Incentive Program (the “Program”). Please fill out and submit this Reservation Application along with a proposal from your equipment dealer to ensure that we receive the required information to process your reservation application. If you have any questions, please call (602) 328-1924.

**IT IS IMPORTANT TO NOTE THAT SUBMITTING YOUR RESERVATION APPLICATION DOES NOT GUARANTEE PROJECT FUNDING. APS will provide you with written acceptance of your reservation application.**

**Important Note:** Please also note that the Program spending cap, funding cycles, and incentive levels that exist for the program are subject to change. Incentive availability will vary based upon program participation levels and funding cycle. For most current incentive information, visit [www.aps.com/gosolar](http://www.aps.com/gosolar) Incentive applications are reviewed on a first come, first served basis. APS will treat the postmarked or e-mail date and time of your application as the received date and time.

### 1. Complete and submit a Reservation Packet

The reservation packet consists of:

- A quote from your installer providing itemized cost for the system
- A completed and signed Reservation Application and Credit Purchase Agreement
- A copy of the manufacturer’s product specification sheet for the collector

• **Note: Incentive funds are not guaranteed until you have received written confirmation from APS.**

### 2. Receive Reservation Confirmation

When your reservation has been approved, you will receive a fully executed copy of the Incentive Agreement from APS. If the request for funding is denied, you will receive written notification.

**Note: A spending cap is set each year for the Program and funding is divided into three funding cycles. After the cap has been reached, customers will be placed on a wait list. Incentive applications are reviewed on a first come, first served basis.**

### 3. Proceed with installing the solar water heating system

### 4. Complete and submit the Commissioning Packet

The Commissioning Packet consists of:

- Signed Acceptance and Installation Certification of Solar Water Heating System (“Commissioning Form”).
- Receipt confirming the system purchase price, payment, and installation by an Arizona licensed contractor.
- Copy of the clearance issued by the city or county or box checked on Commissioning Form stating that there is no city or county clearance required for the installation site location.

All forms are available on [aps.com](http://aps.com) or by calling (602) 328-1924

**Submittal address for all program documents:**

**APS Renewable Energy Incentive Program  
PO Box 53933, MS 3161  
Phoenix, AZ 85072-3933**



RESIDENTIAL SOLAR WATER HEATING SYSTEM RESERVATION APPLICATION AND CREDIT PURCHASE AGREEMENT

How did you hear about the APS Renewable Energy Incentive Program?

Brochure at Event Annual Use Letter Print Ad TV Website Radio Other

CUSTOMER NAME AND MAILING ADDRESS INFORMATION

Primary Customer Contact Name

First Name Last Name

Secondary Customer Contact Name

First Name Last Name

Mailing Address

Street Name

City State Zip

Will Customer own the Solar Water Heating system? Yes No

CUSTOMER CONTACT INFORMATION

Home Phone Business Phone

Email Address Cell Phone

INSTALLATION SITE INFORMATION

APS Account Number Meter Number

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

Installation Address (If same as mailing address, check here)

Street Name

City State Zip

MISCELLANEOUS INFORMATION

- 1. Are you a manufacturer, dealer or installer of Solar Water Heating Systems, or one of its employees?
2. Are you a developer or homebuilder?
3. Are you the primary occupant at the site location?
If not, are you a landlord or owner?

**NOTE: If you answered yes to 1 or 2 above, you may be required to submit additional information.**

**EQUIPMENT DEALER INFORMATION**

**Dealer Name (please supply full legal name)** \_\_\_\_\_

Contact Name \_\_\_\_\_ Telephone \_\_\_\_\_

Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Mailing Address \_\_\_\_\_

**INSTALLER INFORMATION (If same as equipment dealer, check here )**

**Installer Name (please supply full legal name)** \_\_\_\_\_

Contact Name \_\_\_\_\_ Telephone \_\_\_\_\_

Fax \_\_\_\_\_ Email \_\_\_\_\_

Mailing Address \_\_\_\_\_

**Arizona Registrar of Contractors (AZROC) License Information**

Number \_\_\_\_\_ Class \_\_\_\_\_ Expiration \_\_\_\_\_

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

Estimated Installation Date \_\_\_\_\_

Solar Water Heating Manufacturer \_\_\_\_\_ Model # \_\_\_\_\_

OG-300 Rating \_\_\_\_\_ Estimated annual kWh savings based on OG-300 rating \_\_\_\_\_

**Is System an Active Open Loop System?**  Yes  No

If the system is an active open loop system, it must utilize a proven technology or design that limits scaling and internal corrosion of system piping, and include appropriate automatic methods for freeze protection. **Details from the manufacturer of the open loop system that disclose conformance with this requirement must be submitted with this application.**

An Open Loop System uses well or surface body water as the heat exchange fluid that circulates directly through the GHP system. Once it has circulated through the system, the water returns to the ground through the well, a recharge well, or surface discharge. This option is obviously practical only where there is an adequate supply of relatively clean water, and all local codes and regulations regarding groundwater discharge are met. (Definition excerpted from [http://www.eere.energy.gov/consumer/your\\_home/space\\_heating\\_cooling/index.cfm/mytopic=12650](http://www.eere.energy.gov/consumer/your_home/space_heating_cooling/index.cfm/mytopic=12650))

**Is System an ICS System?**  Yes  No

Integral collector-storage systems, also known as ICS or *batch* systems, they feature one or more black tanks or tubes in an insulated, glazed box. Cold water first passes through the solar collector, which preheats the water. The water then continues on to the conventional backup water heater, providing a reliable source of hot water. They should be installed only in mild-freeze climates because the outdoor pipes could freeze in severe, cold weather. (Definition excerpted from [http://www.eere.energy.gov/consumer/your\\_home/electricity/index.cfm/](http://www.eere.energy.gov/consumer/your_home/electricity/index.cfm/))

If you are installing an ICS System, note that the Program requires that it must have a minimum collector piping wall thickness of 0.058 inches. **Details from the manufacturer of the ICS system that disclose conformance with this requirement must be submitted with this application.**

**INCENTIVE REQUEST (Typically your installer or equipment dealer will help you with this section).**

Available incentive is a one time payment \$.50\* per first year kWh savings based on OG-300 SRCC performance rating up to a maximum incentive of 50% of the total system cost. Note that participants are required to contribute a minimum of 15% of the “actual system cost.”

**\*Note: Incentive levels are not guaranteed until you have received confirmation from APS. The current level of \$.50 is subject to future reduction. Visit [www.aps.com/gosolar](http://www.aps.com/gosolar) for the most current incentive information.**

**Incentive Amount Requested** \_\_\_\_\_

**Note that participants are required to contribute a minimum of 15% of the “actual system cost.”**

**SIZING CERTIFICATION:**

System must be selected and sized according to the geographic location and hot water needs of the specific application. The system size and collector type proposed must be appropriate for the specific application.

**Attach a quote from your installer that includes an itemized list of system components including model and manufacturer of the Solar Water Heating system.**

**ASSIGNMENT OF PAYMENT**

Will payment be assigned to an installer, dealer or manufacturer of the qualifying system?  Yes  No

If yes, please complete and sign the information below:

I authorize APS to issue Credit Purchase funds to the following third party, on my behalf, as payment toward the cost and/or installation of my Solar Water Heating System. I acknowledge and agree that payment made by APS to the third party below shall satisfy APS’ payment obligation to me in connection with the Agreement and that, once made, APS shall have no further obligation whatsoever to me.

Dealer/Company Name (assignee) \_\_\_\_\_

Address \_\_\_\_\_

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_

**NOTE THAT ANY MATERIAL CHANGES TO THE INFORMATION PROVIDED IN THE RESERVATION APPLICATION MUST BE PROVIDED TO APS THROUGH AN AMENDED APPLICATION. FAILURE TO SUBMIT AN AMENDED APPLICATION AS REQUIRED MAY JEOPARDIZE CUSTOMER’S ELIGIBILITY TO RECEIVE THE INCENTIVE PAYMENT FROM APS.**

**CREDIT PURCHASE AGREEMENT**

**RECITALS**

Customer is either the APS retail customer of record for its property (the “Property”) or the property own of record at the installation address that is located in APS territory.

Customer plans to install the Solar Water Heating System on the Property, which is in the APS service territory.

APS would like to take title to and interest in any environmental credits associated with the electrical power offset from Customer’s solar water heating system. APS will pay Customer for such credits (“Credit Purchase Payment” or “CPP”) in accordance with the terms and conditions provided herein.

**1. GENERAL BACKGROUND**

If there is a material change to any of the information contained in the Reservation Application included herewith, you

are required to submit an Amended Application before putting the changes into effect. A copy of the Amended Application form can be found at [www.aps.com/](http://www.aps.com/) or can be obtained by calling us at (602) 328-1924. If the Amended Application results in a request to increase the incentive amount, approval of the incremental incentive adjustment is subject to funding availability.

**Our acceptance of your Application does not entitle you to receive any incentive payment from APS.** In order to receive incentive funds you must first comply with all terms and conditions stated in this Agreement.

Within 180 days from the date of our approval of your Application, you are required to purchase and install a Solar Water Heating System that meets the requirements set forth in Paragraph 3 below and which conforms to the information provided in your Application. In addition, you must execute this Agreement in order to remain eligible for incentive funding prior to completion of your Solar Water Heating System's installation or any time prior to 180 days after installation is completed.

The APS Renewable Energy Incentive Program is designed to facilitate the installation of a Solar Water Heating System to displace Conventional Energy Resource usage. Per A.A.C. R14-2-1801.C, Conventional Energy Resource means an energy resource that is non-renewable in nature, such as natural gas, coal, oil, and uranium, or electricity that is produced with energy resources that are not Renewable Energy Resources.

## **2. LICENSED CONTRACTORS AND EQUIPMENT DEALERS**

Contractors performing installation of Solar Water Heating Systems are required under Arizona law to hold an appropriate and active license issued by the Arizona Registrar of Contractors. [Customer] is required to provide APS with the name of the installing contractor, as well as such contractor's license number, on Customer's Reservation application in order for the application to be complete. Generally, contractors holding an active C-37, C-37R, K-77, K-78, L-77, L-78 license certification satisfy this requirement. In the alternative, if the contractor holds an active class C-05 or K-05 license certification, the contractor may also be properly qualified to perform the installation if APS, upon its review, determines that the particular license held by the contractor meets appropriate requirements for solar water heating system installations. Customer will be informed of such determination in the application process. Other license certifications may also be approved by APS in its sole discretion on a case-by-case basis. For your information, license certifications for Arizona contractors can be found at <http://www.azroc.gov/clsc/AZROCLicenseQuery>.

As with any significant purchase, we encourage you to shop around when considering a Solar Water Heating System. You should carefully check references and otherwise perform due diligence with respect to any manufacturer, vendor and/or installer that you are considering. We do not endorse or recommend any manufacturers, vendors or contractors, nor are we in any way responsible for the selection you make and the goods and services that manufacturers, vendors and/or installers provide to you. Because selection of the manufacturer, vendor and/or installer is your responsibility, you should take care in making your selections.

## **3. SOLAR WATER HEATING SYSTEM REQUIREMENTS**

**The Solar Water Heating System must conform to the following system requirements in order to qualify for an incentive payment:**

- Customer shall be the original purchaser of the System.
- System shall have obtained certification under the SRCC OG-300 rating test.
- System shall be installed with the manufacturer's recommendations and comply with all applicable governmental statutes, codes, ordinances, rules and regulations, as well as generally accepted engineering and installation practices.
- The 'high' limit shall be set at a maximum of 160 degrees Fahrenheit.
- Contractors must provide minimum of a five year equipment warranty as provided by the system manufacturer, including a minimum warranty period of two years for repair/replacement service to the Participant. The remaining operational life must be supported by a planned maintenance or equipment replacement schedule.
- Systems shall be selected and sized according to the geographic location and hot water needs of the specific application. Reservation requests must include a manufacturer's verification disclosing that the system size and collector type proposed is appropriate for the specific application. The manufacturer's verification may be presented as a manufacturer's product

specification sheet and must be included in the reservation request.

- Active, open-loop systems are not eligible for 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. Details disclosing conformance with this exception shall be submitted as part of the manufacturer's verification documentation.
- ICS systems shall have a minimum collector piping wall thickness of 0.058 inches. Details disclosing conformance with this requirement shall be submitted as part of the manufacturer's verification documentation.
- All components of the Solar Water Heating System must be new and must not have been previously placed in service in any other location or for any other application
- Systems must be permitted with and pass inspection by the Authority Having Jurisdiction (AHJ) over construction projects in the Customer's locale, or, if the site is not governed by an AHJ, the Customer must provide a certification in lieu of AHJ clearance
- APS may request copies of any documents to assure compliance with government, institutional, or program requirements that are either explicitly or implicitly described in this Credit Purchase Agreement.

#### 4. INSTALLATION AND WARRANTY CERTIFICATION

We require the dealer and the installer to execute an Installation and Warranty Certification Form certifying that the Solar Water Heating System meets the requirements specified in this Agreement. We also require a final invoice for your Solar Water Heating System to be submitted that substantiates that your vendor considers that the Solar Water Heating System has been paid in full. Our obligation to release incentive funds to you is specifically conditioned upon the Solar Water Heating System meeting all Program requirements including our receipt of the Installation Certification.

#### 5. TRANSFER OF ENVIRONMENTAL CREDITS

There is an environmental credit associated with each kilowatt-hour (kWh) of electricity produced by your Solar Water Heating System. Title to and ownership of any and all environmental credits associated with your Solar Water Heating System will be assigned to us when we make payment of the Credit Purchase Payment to you. Thereafter, we will have exclusive title to and ownership of all such environmental credits, benefits, emissions reductions, offsets and allowances attributable to the generation of energy from your Solar Water Heating System. The calculation, use and retirement of any and all environmental credits will be in our sole and exclusive discretion. **Your acceptance of the Credit Purchase Payment operates as your waiver and relinquishment of any right, title, claim or interest in the environmental credits and entitles APS to any and all environmental credits associated with your Solar Water Heating System for 20 years from the date of the Credit Purchase Payment.**

#### 6. PROGRAM INCENTIVE PAYMENTS

APS will pay a one-time incentive of \$.50 per estimated annual kWh savings (based on the SRCC OG-300 rating of the System). (Incentive rate is subject to change. Visit [www.aps.com/gosolar](http://www.aps.com/gosolar) for most current information.) Participants are required to contribute a minimum of 15% of the "actual system cost." Dealers and manufacturers incentives are capped at 50% of the system cost basis. Dealers cannot include installation in the cost basis. Dealers must be able to verify the cost they paid for each system component. Manufacturers cannot include their own technology in the cost basis.

Incentive payments to manufacturers, dealers and installers or its employees are capped at 50% of the Solar Water Heating System cost basis. Dealers or installers cannot include the cost of installation in their system cost basis. Dealers must be able to substantiate what they paid for each system component sold to you. If you are a Solar Water Heating System manufacturer or component manufacturer seeking to participate in this Program as an APS customer (i.e., using your own manufactured components in a system on your premises that will be interconnected with our grid), you will be required to deduct from your System's cost the fair market value of your own products that are included in the installation.

The Credit Purchase Payment represents APS' sole incentive obligation to Customer under the Program as outlined in this Agreement. You may request that our Credit Purchase Payment to you be made directly to your manufacturer, dealer or installer. Your request to receive incentive payment or your request that the incentive payment be made to your manufacturer, dealer or installer constitutes your acknowledgement and confirmation that installation of the Solar Water Heating System has been satisfactorily completed at your Premises and that the information provided to us on your

Reservation Application, or if applicable, your Amended Reservation Application accurately describes the Solar Water Heating System as it was installed at your Premises.

The Credit Purchase Payment may be subject to full or partial refund, in accordance with Section 7 of this Agreement.

**Please make note that you are solely responsible for the payment of any and all taxes applicable to the Solar Water Heating System and/or the Credit Purchase Payment.**

**You may want to consider discussing with your professional advisors other implications of installing your Solar Water Heating System, including liability insurance.**

## **7. OPERATING RESPONSIBILITY; SALE OF PROPERTY; AND CUSTOMER'S REFUND OBLIGATION**

Your participation in the Program assumes that you will operate your Solar Water Heating System continuously for a period of twenty (20) years after you receive the Credit Purchase Payment from us. If you fail to do so, then you will be considered to be out of compliance with the Program requirements and we will be entitled to take certain actions as described in this Section.

You are required to notify us within five (5) business days after the Solar Water Heating System is either removed from your property or is no longer operational (the "Removal Date").

**Liquidated damages apply if you fail to maintain and operate your Solar Water Heating System for at least one (1) year after the date you receive the Credit Purchase Payment. In such event, you will be required to reimburse us the total amount of the Credit Purchase Payment in certified funds no later than five (5) business days after your receipt of our request that you refund the Credit Purchase Payment to us. If the Removal Date occurs after the first year but before the end of the tenth year, we reserve the right to request a pro-rated refund of the Credit Purchase Payment. By way of example if you Removal Date occurs in Year 2, you would refund to us 80% of the Credit Purchase Payment, in Year 3, 70%, in Year 4 60%, and so on.**

We may, in our discretion, waive the foregoing reimbursement obligation or any other instance of your non compliance if we determine that the Solar Water Heating 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 Solar Water Heating System and return it to operation.

When we receive your reimbursement payment this Agreement will be deemed terminated and neither APS 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 one another is finally and completely resolved.

There are certain important conditions to keep in mind if you sell your property where the Solar Water Heating System is located.

- You are required to notify us in writing promptly in the event that you intend to sell your property.
- If you sell your property within one (1) year after we pay you the Credit Purchase Payment and your buyer does not continue to operate and maintain the Solar Water Heating System you will be required to reimburse us the total amount of the Credit Purchase Payment.
- If you sell your property more than one (1) year after you receive the Credit Purchase Payment, you must make arrangements to have your buyer agree to these terms and conditions whereby it will continue to operate the Solar Water Heating System.

## **8. WARRANTY INFORMATION**

Our Program requires that the installer provide the customer with a minimum of a five year equipment warranty as provided by the system manufacturer, including a minimum warranty period of two years for repair/replacement service. The remaining operational life must be supported by a planned maintenance or equipment replacement schedule.

## **9. CUSTOMER INFORMATION**

By participating in this Program, you are agreeing that we may use data related to your participation for statistical purposes or other studies.

**10. COMPLIANCE OBLIGATIONS**

You are responsible for compliance with any laws, regulations, ordinances or codes that may apply to operation of your Solar Water Heating System and your participation in the Program, as well as site restrictions, whether they are federal, state or local, including, but not limited to, homeowners' association covenants or other local neighborhood requirements.

**11. CUSTOMER'S INDEMNITY**

By participating in the Program, you agree to indemnify, defend and hold us harmless from and against any claims, liability, damages, judgments, fines, penalties, costs, expenses and fees (including reasonable attorneys fees) made against us by third parties with respect to personal injuries (including loss of life) or property damage or loss resulting in whole or in part from the operation, use or failure of your Solar Water Heating System, except to the extent such result from our sole negligence.

**12. GOVERNING LAW**

These terms and conditions are governed by and interpreted in accordance with the laws of the State of Arizona without giving effect to its principles of conflicts of laws.

**13. SEVERABILITY**

If any provision of these terms and conditions is found to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of these terms and conditions shall not in any way be affected or impaired thereby.

**14. EFFECT OF THESE TERMS AND CONDITIONS**

We both agree that these terms and conditions and the rates, tariffs, schedules and other matters expressly referenced in these terms and conditions represent a binding agreement between us pertaining to the subject matter hereof. This Agreement may not be modified or amended in any way except in writing signed by both of us. These terms and conditions do not modify, change or impact any other agreement between us such as that relating to the interconnection of your Solar Water Heating System.

**15. REGULATORY CHANGES**

APS reserves the right to unilaterally file an application with the ACC for a change in the APS Renewable Energy Incentive Program.

(Signature lines below)

**CUSTOMER**

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ARIZONA PUBLIC SERVICE COMPANY**

\_\_\_\_\_  
By (Please Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**IF MORE THERE IS MORE THAN ONE ACCOUNTHOLDER ON RECORD WITH APS, PLEASE HAVE  
NON PRIMARY ACCOUNTHOLDER(S) ALSO SIGN BELOW:**

**CUSTOMER**

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Signature

Reservation # \_\_\_\_\_

Reserved Incentive Amount \_\_\_\_\_

**CUSTOMER**

\_\_\_\_\_  
By (Please Print)

\_\_\_\_\_  
Signature