



ADJUSTMENT SCHEDULE SDR SELF-DIRECTED RENEWABLE RESOURCES

AVAILABILITY

The Self-Directed Renewable Resources (SDR) Adjustment Schedule is available to all Customers who meet the eligibility requirements below.

DESCRIPTION

The SDR is a self-direct option available to Customers that meet the eligibility requirements below. Under the SDR adjustment schedule, Customers may reserve their REAC-1 contributions, less administrative costs, for exclusive use to help fund qualifying renewable projects at the Customer's site.

ELIGIBILITY REQUIREMENTS

1. Funding Eligibility:
 - a. The Customer is eligible to receive funds pursuant to this schedule if the total of all REAC 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. SDR Customers must request incentives no greater than the prescribed incentives specified in the DEAP. If the Customer



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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 Arizona Corporation Commission's Renewable Energy Standard Tariff 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.

SERVICE DETAILS

- 1. All the terms and charges in the Customer's rate schedule continue to apply to electric service provided under this adjustment.
- 2. All Renewable Energy Credits derived from any project funded through this schedule, including generation and Extra Credit Multipliers, will be applied to satisfy the Company's annual Renewable Energy Standard requirements.