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1. General Description

This document describes the plan for administering the Expanded Solar Communities Program (Program), approved for Arizona Public Service Company (APS or Company) by the Arizona Corporation Commission (Commission) in Decision No. 76295 and expanded in Decision No. 78317. Under the Program, qualifying APS customers agree to allow APS to install solar panels on their premises and in exchange for use of their roofs the participating customers receive a bill credit on their monthly bills. APS competitively selects third-party solar contractors who install and maintain the solar systems for participating customers. APS maintains ownership of the solar system.

2. Budget

APS shall invest between \$20 million and \$30 million per year in the Program over a three-year period.

3. Eligible Customers

This Program is available to limited- and moderate-income APS residential customers, non-profits and multifamily housing that serve low- or moderate-income APS residential customers, Title I schools, and rural government customers. In accordance with Decision No. 76295, moderate income is defined as a household earning less than 100% of the median Arizona household income. Low income is defined as a household with income at or below 200% of the federal poverty level.

4. Criteria for Participation

Program applicants must be eligible customers, as described in Section 3 above, and meet additional criteria to participate in the Expanded Solar Communities Program. For example, residential customers must have a roof that is suitable for solar and meet the income requirements set forth. Non-residential customers must have a parking lot adjacent to their facility that can accommodate solar-covered parking structures.



5. Compensation

Participating residential customers will receive a monthly bill credit in the amount of \$49.99 per month.¹ Non-residential customers will receive a monthly bill credit of \$2.50/kW-AC. Program participants will receive the monthly bill credit beginning the next billing cycle after receipt of permission to operate to system. The credit continues for 20 years from that date or until the customer elects to no longer participate. If a participating customer moves, the new customer is eligible for the remaining bill credit period. If at any point the customer no longer wishes to participate, APS will remove the system at no cost to the customer and the bill credits will cease.

6. Recovery

All reasonable and prudent costs incurred by APS pursuant to this program will be recoverable through the Renewable Energy Adjustment Clause (REAC) until the next rate case. Expenses eligible for recovery through the REAC include all operation and maintenance expenses, property taxes, marketing and advertising expenses, and the capital carrying costs of any capital investment by APS through this program.

7. Reporting

APS will file a quarterly report with the Commission on the progress of this program in Docket No. E-00000R-16-0084.

¹ Decision No. 78583 (May 27, 2022) at 9.