



Rider-14
Resource Comparison Proxy Export Rate for Certain
Partial Requirements Service (RCP-PRS)

AVAILABILITY

Available throughout the Company's entire electric service area to any residential or small general service Customer with an on-site distributed generation (DG) facility using solar photovoltaic or wind resources to produce electricity, which is operated by or on behalf of the Customer, is intended to provide all or part of the Customer's electricity requirements, has a generating capacity less than or equal to 125% of the Customer's total connected load at the metered premise, or in the absence of load data, has capacity less than the Customer's electric service drop capacity, and is interconnected with and can operate in parallel and in phase with the Company's existing distribution system. Customer shall comply with all applicable federal, state, and local laws, regulations, ordinances and codes governing the production and/or sale of electricity.

The Arizona Corporation Commission (ACC) ordered that as of the effective date of this tariff all new residential or small general service DG facilities will be assessed an incremental monthly charge that reflects a portion of the incrementally higher costs associated with the bidirectional meter that is required to serve DG customers. The charge is shown in the TEP Statement of Charges.

This rate rider may not be used in conjunction with the grandfathered net metering rate rider, TEP Rider-4.

CHARACTER OF SERVICE

The service shall be single-phase or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery.

RATE FOR ELECTRIC SERVICE

Customers taking service on this rate rider must take electric service on one of the Company's current residential or small general service time-of-use rate tariffs. Rates for electric service shall be subject to the terms and charges contained in the Customer's applicable time-of-use rate tariff.

PURCHASE RATE FOR SOLAR EXPORTS

A Customer with solar generation exports power to the grid from time to time when their generation exceeds the load at their point of service. The Company will meter this export power on an instantaneous basis and provide a monthly bill credit based on the purchase rate in this schedule.

The purchase rate will be determined as follows:

1. A Resource Comparison Proxy (RCP) rate will be determined annually for new residential and small general service DG Customers, effective October 1 each year without proration.



2. Each Customer's bill credit will initially be based on the RCP rate in effect at the time they submit an interconnection application for their system before October 1 provided that they subsequently complete the installation according to the terms and conditions in the TEP Interconnection Agreement.
3. Each Customer's initial RCP rate will be applicable for 10 years from the time of their interconnection.
4. After each Customer's initial 10 year period the bill credit will be based on the export purchase rate in effect at that time, and may change from year to year.

EXCESS EXPORT CREDIT BALANCES

If for a billing month the Customer's export credit balance exceeds the Customer's bill for electricity supplied by the Company, any excess export credit balance will be applied to the next billing period. Each calendar year, for the customer bills produced in October (September usage), the Company shall pay the Customer for any remaining balance of RCP export credits if the balance exceeds \$10.00. If there is any remaining credit balance at the time of the Customer's "Final" bill, the Company will refund it to the Customer according to TEP's Rules and Regulations.

SPECIAL CASES

1. Switching from the grandfathered net metering rate rider to the RCP rider. A Customer may switch from the grandfathered solar net metering rider to the RCP rider. However, if they move to the RCP rider, they will lose their grandfathered net metering status and may not subsequently switch back to the net metering rider. When a net metering customer moves to the RCP rider, their monthly bill credits will be based on the annual RCP rate in effect at the time of the switch and that RCP rate will be locked in for 10 years from the time of the move to the RCP rider. At the expiration of the RCP rate lock period, monthly bill credits will be based on the effective annual RCP purchase rate as it changes from year to year.
2. Increasing Capacity. If a Customer modifies their generation system to include a material increase in capacity they will no longer be eligible for the initial RCP purchase rate they locked in for 10 years; rather their bill credits will be based on the current RCP export rate locked in for a period of 10 years minus the number of years they received service under a prior RCP export rate. For purposes of this rate rider, a material increase in capacity means increasing the capacity by 10% or 1 kW, whichever is greater. Over the term of the Customer's 10-year RCP lock, a Customer may only increase their system's capacity by a total of 10% or 1 kW, whichever is greater.
3. Transferring Service. If a Customer moves to a site that is currently being served under this rate rider they will continue service under the rider with the same RCP rate in effect for the site and that RCP rate will be locked in for the remaining period ending 10 years from the time of interconnection associated with that RCP rate. If a Customer moves their solar system to another site they will no longer be eligible for the initial 10-year lock in the RCP purchase rate; rather their bill credits will be based on the annual RCP export rate as it changes from year to year.

METERING

The Company will install a bi-directional meter at the point of delivery to the Customer and meter at the point of output from each of the Customer's generators. At the Company's request a dedicated phone line will be



provided by the Customer to the metering to allow remote interrogation of the meters at each site. If by mutual agreement between Company and Customer that a phone line is impractical or cannot be provided - the Customer will work with Company to allow for the installation of equipment, on or with customer facilities or equipment to allow remote access to each meter. Any additional cost of communication, such as but not limited to, cell phone service fees will be the responsibility of the Customer.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under this rider, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this rider.