



**Rider-23
Green Tariff**

AVAILABILITY

This rate rider is available throughout the Company’s entire electric service area to any Customer who is individually metered and wishes to participate in the Rider-23 program. Participation in Rider-23 is limited to Customers taking service in the Large General Service, Large Power Service, 138kV Service Classes from the Company in accordance with the Arizona Corporation Commission (ACC). Customers in the Small General Service, Lighting and Medium General Service classes may also be eligible provided their accounts have an aggregate non-coincident sum of individual peak loads that exceed 1 MW or 5,000 MWh annually.

GREEN POWER OPTIONS

The amount of green energy available for each option under this rate rider will be determined at the sole discretion of the Company. Specific transactions may involve a transfer or retirement of renewable energy credits (“RECs”).

Option A

The customer purchases green power from a new TEP resource, or group of resources, that is part of the Company’s planned resources and in service after January 1, 2021. The customer subscribes to a specified amount of green power with a purchase commitment of at least one year. The green power will be priced at the time of the offering, and if applicable, a purchase of the RECs associated with the TEP resource(s) will be reflected in the green power price. The prices will be specified in the customer contract and may be revised from one resource procurement to the next. In the event RECs are transferred or retired as part of these agreements, such RECs will not be used for compliance to meet the state Renewable Energy Standard (“RES”) and any revenue associated with the transfer of RECs will be credited to customers.

Option B

The customer purchases green power from a new TEP resource, or group of resources, that is part of the Company’s planned resources and in service after January 1, 2021. The customer desires the facility to be located in a designated area or specific parcel. The customer subscribes to a designated amount of green power for a mutually agreeable term.

The pricing for this option will reflect the locational cost differential as determined by the Company. If applicable, a purchase of the RECs will be reflected in the green power price. The prices will be specified in the customer contract and may be revised from one resource procurement to the next. All contracts will be submitted to the ACC for approval.



Option C

The customer purchases green power from a new TEP resource, or group of resources, that is not part of the Company's planned resources or seeks to accelerate acquisition of a planned resource. The participating customer will be responsible for all incremental costs, including capital costs. The customer subscribes to a fixed amount of green power with a purchase commitment for the output of the facility over a mutually agreeable term. The green power will be priced at the time of the offering, and if applicable, a purchase of the RECs will be reflected in the green power price. The prices will be specified in the customer contract and may be revised from one resource procurement to the next. All contracts will be submitted to the ACC for approval.

General Requirements for Options B and C

1. A party requesting service pursuant to Option B or Option C may be required to pay a deposit equal to the estimated cost for the Company to prepare detailed plans, specifications, or cost estimates (including an estimate of the Green Power price) in conjunction with the request for service with the amount determined by the Company at the Company's discretion. The requesting party must pay the deposit in full prior to the Company beginning work. At the completion of the work, the Company shall apply the deposit to the actual cost incurred and then bill the requesting party for any costs in excess of the deposit paid or refund the requesting party the difference between the deposit paid and the actual costs incurred.
2. The Company will provide a written estimate of the deposit to the requesting party prior to payment. Such written estimate shall be valid for thirty (30) days.
3. At the Company's discretion, a new deposit may be required for each request for service pursuant to Option B or Option C, regardless of whether the requesting party already receives service pursuant to one of those Options.

CHARGES

The customer shall pay a green power price in addition to the customer's full retail rate. All provisions and charges in the customer's rate schedule will continue to apply. The green power price for all options may include an administrative charge. The green power price will be as calculated by the Company, based on resource procurement costs for specified green power facilities and other relevant factors, as discussed above, and the avoided cost of the green power. The prices will be specified in the customer contract and may be revised from one resource procurement to the next. The green power price for all options will be priced in the range from a minimum of \$0.001 per kWh up to a maximum of \$0.02 per kWh.



Tucson Electric Power

Tucson Electric Power Company

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Superseding:

CONTRACT

Customer shall enter into a green power contract with the Company prior to receiving service under this rate rider. The agreement will specify, among other things, the customer accounts receiving green power, the amount of green power, the green power price, the term of the agreement, and the customer credit information.

Filed By: Dallas J. Dukes
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District: Entire Electric Service Area

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