

Additions to Existing Systems Customers with Grandfathered Net Energy Metered Projects

TEP's grandfathered Net Energy Metering (NEM) Policy does allow for system additions to existing systems, as long as certain conditions are met as described below. The 20-year NEM grandfathered term will **not** reset; the grandfathered term for the entire system, (existing + addition) will be based on the date of *original* interconnection of the existing system.

The following conditions apply:

- Application must be submitted and approved.
- The addition must not take the total system production to more than 125% of annual customer load.
- The addition must adhere to all current requirements – TEP's Electrical Service Requirements (SR) and the Distributed Generation Interconnection Rules (DGIR);
- Screen A as referenced in the DGIR ([A.A.C. R14-2-2615 \(A\)](#)) will be applied as noted below:
 - Additions up to 10 kW, Screen A *will not* apply
 - Additions between 10 kW and 20 kW, Screen A *will* apply
- The proposed project must pass Screen E as referenced in the DGIR ([A.A.C. R14-2-2615 \(E\)](#)).
- The addition to a grandfathered system must **not** trigger a need for utility distribution upgrades.

The customer will be advised if there is a need for utility distribution upgrades. If any are required and should the customer elect to proceed, the system additions will void the grandfathered NEM status of a system. If the grandfathered NEM status is voided, the entire system – existing and addition – will be subject to the current rates and policies that are in effect:

- [Residential and Small General Service customers will be subject to](#) – **TEP Rider 14 (RCP rate)**
- The Medium General Service Transition rate is frozen. If the Medium General Service Transition customer elects to proceed, the customer will lose the Transition rate and will be subject to current applicable rates.

However, Medium General Service and Large General Service customers remain eligible for NEM under **TEP Rider 4.**

Customers with Projects Submitted After October 1, 2018

Residential and Small General Service customers that are adding to projects originally submitted *after* October 1, 2018, will remain on Rider 14. As stated in Rider 14, TEP considers a material increase in capacity to be an increase of 10 percent or 1 kW, whichever is greater. Projects submitted after October 1, 2018, will also be subject to Screen E review. The customer will be advised of the need for distribution upgrades, if any, and should the customer elect to proceed, the entire system will result in a reset of the RCP rate in effect at the time of application for the expansion/addition.