

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

RESIDENTIAL SOLAR BUYBACK SERVICE RIDER

SUPPLEMENTAL TO RESIDENTIAL PRICE PLAN E-23 AND E-26

Effective: June 1, 2004

APPLICABILITY:

To solar electricity conversion systems with an Alternating Current electrical peak capability of ten kilowatts or less. Limited to customers served by SRP under Standard Price Plan E-23 or E-26 who purchase power and energy provided by SRP and who are qualified to sell power and energy back to SRP. Not available to other customers.

CONDITIONS:

1. To segregate load between on-peak and off-peak periods, two or more meters may be required for Buyback Service under the E-26 Price Plan. The customer is required to provide a metering service entrance for all meters.
2. An Interconnection/Generation Agreement with the customer is required for service under this rider.
3. The customer may pay SRP for interconnection costs prior to commencement of service under this rider. Interconnection costs include but are not limited to reasonable costs of connection, switching, relaying, metering, transmission, distribution, safety provisions, engineering studies and administrative costs incurred by SRP directly related to the installation of the physical facilities necessary to permit interconnected operations.
4. The customer's total generation output is sold directly to SRP and the customer's total electric requirements are met by sales from SRP.

NET METERING METHOD:

The kWh delivered to SRP shall be subtracted from the kWh delivered from SRP for each billing cycle. If the kWh calculation is net positive for the billing cycle, SRP will bill the net kWh to the customer under the applicable price plan, Standard Price Plan E-23 or E-26, for which they take service. If the kWh calculation is net negative for the billing cycle, SRP will credit the net kWh from the customer at an average market price. Net negative kWh will not be transferred to subsequent months.

CREDIT:

Residential Solar Buyback Credit = Excess kWh for the Bill Cycle * (Average Monthly Market Price - \$0.00017/kWh)

where:

- Excess kWh for the Bill Cycle is equivalent to the net negative kWh for the bill cycle.
- Average Monthly Market Price is calculated to be a simple average of the Daily On-Peak Market Price over the bill cycle. Daily prices will be taken from the Daily Firm On-Peak Price at Palo Verde published by Dow Jones (or another comparable index if the Dow Jones Index is no longer available).
- The price adjustment of \$0.00017/kWh represents the cost incurred by SRP for scheduling, system control, and dispatch services.

ADJUSTMENTS:

SRP increases or decreases billings under this schedule in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this schedule.

RULES AND REGULATIONS:

Service under this schedule is in accordance with the terms of SRP's Rules and Regulations, including any amendments.