

Short Form Interconnection Agreement

Terms & Conditions

PROPERTY OWNER (“Customer”), hereby certifies to TUCSON ELECTRIC POWER COMPANY (“TEP”), PO Box 711, Mailstop HQE502 Tucson, Arizona 85702 that the information provided in the Interconnection Application (“Application”) is true and complete. Customer agrees to and acknowledges the following Terms & Conditions (“Agreement”).

CUSTOMER NAME AND SIGNATURE.

Print Name:	
Signature:	
Installation Street Address:	
City, State, Zip:	
Phone:	
Email:	

TERMS & CONDITIONS

- 1. APPLICABILITY.** This Agreement is applicable to “Generating Facilities” as determined by TEP in its sole discretion pursuant to the interconnection screening requirements set forth in the Distributed Generation (“DG”) Interconnection Requirements (“DGIRs”), as amended from time to time (available at tep.com/doc/dgir/pdf) which conform to the Interconnection Document adopted by the Arizona Corporation Commission (“Commission”) in Decision No. 69674 (June 28, 2007). Capitalized terms shall have the meaning set forth in the DGIRs. In the event of a discrepancy between the DGIRs and this Agreement, this Agreement shall control. TEP has the right to verify the size of the Generating Facility and require additional information, engineering review, studies, or modifications to the Generating Facility in order to approve or deny the Application, or send the Application for further study.
 - Nameplate rating of 10 kW AC or less (“Super Fast Track”) in compliance with screens (e) and (f) of the DGIRs
 - Nameplate rating of greater than 10 kW to 300 kW AC or less (“Fast Track”) in compliance with screens (a)-(i) of the DGIRs
- 2. EFFECTIVE DATE AND TERMINATION.** This Agreement becomes effective as of the date of the Application approval letter from TEP (“Effective Date”) and shall remain in effect unless and until:
 - It is terminated by mutual agreements of the parties;
 - It is replaced by another Interconnection Agreement with mutual consent of the parties;
 - It is terminated by either party pursuant to a breach or default of the Agreement; or
 - The Customer terminates its electric Utility service with TEP and/or vacates or abandons the property on which the Generating Facility is located, or the Generating Facility, without mutual agreement of the parties, except in the case of the sale of the property.

This Agreement shall also terminate and be of no further force and effect in the event the Generating Facility fails any of the screens in Section 4.2 of the DGIRs, in which case the Application may be denied, or processed pursuant to the study track set forth in the DGIRs. This Agreement shall become null and void if the Application is not approved.

- 3. COMPLIANCE.** The Generating Facility shall at all times meet and comply with the system qualification requirements for grid-connected Generating Facilities as set forth in the DGIRs. (Hard copy available upon request or at tep.com). Customer shall be fully responsible to operate, maintain and repair the Generating Facility in compliance with TEP standards and the DGIRs.

4. **NO CHANGES; ADDITIONAL INFORMATION.** Customer cannot remove, deviate from or otherwise modify or change the equipment specifications or location of the Generating Facility in the approved Application. TEP has the right to request additional information to determine whether to approve an application. TEP has the right to amend this agreement if the Generating Facility negatively affects safety or reliability. It is recognized that certain Applications may require minor modifications to the Generating Facility or the Application while they are being reviewed by the Utility. Such minor modifications to a pending Application shall not require that it be considered incomplete and treated as a new or separate Application.
5. **COMPLETION; AUTOMATIC TERMINATION.** Customer agrees that installation of the Generating Facility shall be completed within one hundred eighty (180) calendar days after the Effective Date of this Agreement. Consistent with the DGIRs, TEP will automatically terminate this Agreement, and cancel the Application in the event that completion of the Generating Facility exceeds one hundred eighty (180) calendar days unless, through no fault of the Customer or the Customer's installer, the interconnection is delayed by a third party or TEP. In that circumstance, the Customer will have 270 days to complete their interconnection.
6. **SERVICE REQUIREMENTS.** Customer understands that the installation shall at all times comply with all applicable TEP service requirements (including, but not limited to, SR-702 & SR-703, which are available at tep.com) which mandate, among other things, the installation of a DG production meter socket and a required DG disconnect. Customer must ensure that this equipment is installed within ten (10) feet of the existing service entrance and revenue meter, and in a location where TEP personnel will have easy and unrestricted accessibility at all times unless a variance has been granted. Variances may be granted following engineering review for projects that request a variance in the application prior to construction and demonstrate a need. Variances are not granted based on convenience or preference. Labeling must comply with all TEP service requirements. See tep.com.
7. **DG DISCONNECT SWITCH.** Customer agrees that TEP shall have the right to lock open and tag the DG Disconnect Switch without notice to protect the integrity of TEP System or TEP determines that interconnected operation of the Generating Facility could adversely affect the TEP System or endanger life or property.
8. **METERING AND METER CHARGE. For solar photovoltaic systems only** - TEP requires installation of a TEP-supplied bi-directional kW/kWh digital revenue meter in place of the existing revenue meter. TEP will charge the monthly incremental meter charge for DG customers set forth in the TEP Statement of Charges in effect. Unless changed by the Commission in a future rate or other proceeding, the residential incremental meter fee shall be \$2.23 per month and the Small General Service ("SGS") incremental meter fee shall be \$0.90 per month.
9. **RATE OPTIONS AVAILABLE TO RESIDENTIAL AND SGS DG CUSTOMERS.** All residential and SGS DG customers must select from one of TEP's Time-of-Use ("TOU") rates. The two options currently available for DG customers to select from are TOU and Demand TOU for either residential or SGS customers. Details regarding these rates may be found at tep.com/rates. We recommend that customers review the options before making a choice. In order to expedite your interconnection process, please select one of TEP's TOU options and initial next to your choice (The default rate will be the TOU rate for customers that do not make a selection):

Residential (or SGS) TOU

Customer Initials _____

- Basic Service Charge
- On/Off Peak Energy Charges
- Approved Riders and Taxes

Residential (or SGS) Demand TOU

Customer Initials _____

- Basic Service Charge
- On/Off-Peak Energy Charges
- On-Peak Demand Charge
- Approved Riders and Taxes

Customers may switch between TEP TOU rate offerings after making an initial selection. However, the rates do include timing provisions and customers may only switch once every 12 months.

10. **DG RCP EXPORT RATE.** Per ACC Decision No. 76899, and unless changed by the Commission in a future rate or other proceeding, all residential and SGS DG customers submitting a DG application will receive a credit for all DG production that is exported to TEP’s system for a period of no longer than 10 years from the date of system interconnection. Customer acknowledges and agrees that the rate for Customer’s credit per KWh for all DG production exported to TEP’s system over the applicable term pursuant to this Agreement is based on the rate specified in Rider 14 that is in effect at the time that Customer submits the Application. Terms and conditions for new residential or SGS DG service are governed by Rider 14, which may be amended from time to time. Details of Rider 14 can be found at tep.com/rates.

11. **DISCLAIMER REGARDING POSSIBLE FUTURE RULES / and or RATE CHANGES AFFECTING MY GENERATING FACILITY.**

- a. The Generating Facility is subject to the current rates, rules and regulations established by the Commission. The Commission may alter its rules and regulations and/or change rates in the future. If this occurs, the Generating Facility is subject to those changes including the Customer being responsible for paying any future applicable increases to electricity rates, charges or service fees from TEP.
- b. TEP’s electricity rates, charges and service fees are determined by the Commission and are subject to changes based upon the decisions of the Commission. These future adjustments may positively or negatively impact any potential savings or the value of the Generating Facility.
- c. Any future electricity rate projections which have been presented to Customer are not produced, analyzed or approved by TEP or the Commission. They are based on projections formulated by external third parties not affiliated with TEP or the Commission.

CUSTOMER INITIALS _____
