

ELECTRIC RATES

Trico Electric Cooperative, Inc.
8600 W. Tangerine Road
Marana, Arizona 85658
Filed By: Vincent Nitido
Title: CEO/General Manager

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STANDARD OFFER TARIFF**OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION
AND SMALL POWER PRODUCTION FACILITIES 100 KW AND GREATER
SCHEDULE COGEN1**

Availability

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

Application

The Optional Electric Service for Qualified Cogeneration and Small Power Production Facilities 100 kW and Greater Rate (COGEN1) is applicable to Customers of the Cooperative that own and operate qualified cogeneration and small power production facilities of 100 kW or more that meet qualifying status as defined under 18 CFR, Chapter 1, Part 292, Subpart B of the Federal Energy Regulatory Commission's regulations and pursuant to the Arizona Corporation Commission's Decision No. 52345. The facility's generator(s) and Customer's load must be located at the same premise.

The owner of the Qualifying Facility (QF) shall enter into a contract pertaining to the operation of the QF by the QF owner with the Cooperative to implement this schedule COGEN1 consistent with the terms and conditions set forth herein.

Type of Service

Single- or three-phase, alternating current, 60 cycles, at available secondary or primary voltages at one standard voltage as may be selected by the Customer.

Supplementary Power

- A. **Definition of Supplementary Power**
Supplementary power is the kW capacity and related kWh energy purchased by the QF in excess of the production capability of the QF's generating equipment.
- B. **Rates**
The rates charged for supplementary power shall be the appropriate standard offer retail Tariff of the Cooperative which is applicable to the QF's class of service or any new retail rate agreed to by the parties and approved by the Arizona Corporation Commission.
- C. **Determination of Supplementary Energy**
Supplementary energy shall be equal to the metered kWh being supplied to the QF, less any kWh billed as standby or maintenance energy.

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- D. Determination of Supplemental Demand
Supplemental demand shall be the greater of:
1. The metered demand, measured in accordance with the Cooperative's appropriate standard offer retail rate schedule, less any standby and maintenance demand; or
 2. The minimum supplemental billing demand specified in the QF's contract.

Standby and Maintenance Power

- A. Definition of Standby - Maintenance Power
Standby and maintenance power is the kW capacity and related kWh supplied by the Cooperative attributable to forced or scheduled outages by the QF, respectively.

- B. Rates
Reservation/Capacity Charge
The reservation/capacity charge for standby and maintenance power shall be the sum of the distribution billing demand charge in the applicable direct access retail rate schedule plus the applicable charges in AEPCO's Tariff each month multiplied by the contract Standby Capacity, as determined in Section E. of this section.

Energy Charge

The rate applicable to standby and maintenance energy shall be the sum of the distribution energy charge in the applicable direct access retail rate schedule plus the current energy rate from AEPCO multiplied by the sum of the Standby Energy and Maintenance Energy as determined in Sections C and D of this section.

- C. Determination of Standby Energy
Standby energy is defined as electric energy supplied by the Cooperative to replace power ordinarily generated by the Customer's generation facility during unscheduled full and partial outages of said facility. Standby energy is equal to the difference between the maximum energy output of the Customer's generator(s) and the energy measured on the Customer's generator meter(s) for the billing period, except those periods where energy supplied by the Cooperative is zero.
- D. Determination of Maintenance Energy
Maintenance energy is defined as energy supplied to the Customer to a maximum of the Contract Standby Capacity times the hours in the Scheduled Maintenance period. Maintenance periods shall not exceed 30 days and must be scheduled during off peak months. Customer shall supply the Cooperative with a maintenance Schedule for a 12-month period at least 60 days prior to the beginning of that period, which is subject to the Cooperative's approval. Energy used in excess of a 30-day period of unauthorized maintenance energy shall be billed on the Supplemental Power Rate as specified in this Schedule.

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E. Contract Standby Capacity kW

Contract Standby Capacity kilowatt (kW) amount is the amount of cogeneration or self-generation capacity for which the Customer contracts with the Cooperative for Standby Service. If the contract Standby Capacity is exceeded and not covered by the Supplementary Power provisions of this tariff, then the contract standby capacity is automatically increased to the new level. The Contract Standby Capacity kW cannot exceed the maximum net output rating(s) of the connected generator(s).

Basic Service Charge

The monthly basic service charge shall be the service charge contained in the Cooperative's current applicable retail rate schedule.

Conditions of Service

Scheduled outages for maintenance by the QF shall be submitted each December to AEPCO for the next coming year for its approval. Scheduled outages will not be permitted during the months of April through October.

Interconnection Charge

The QF shall pay all costs associated with any and all additions, modifications or alterations to AEPCO's or Trico Electric Cooperative's electric system necessitated or incurred in the establishment and operation of the interconnection with the QF, including but not limited to any and all modifications required for the metering of power and energy or for the efficient, safe and reliable operation of the QF's facilities with AEPCO's electric system or the Cooperative's electric system.

Facility Charge on Dedicated Facilities

The QF shall be required to pay to the Cooperative a monthly facilities charge to recover all related costs of any dedicated facilities constructed to serve the QF on a firm power and energy basis.

Tax Adjustment

To the charge computed in this rate schedule, including all 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 Cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

Wholesale Power Cost Adjustment

The Cooperative shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.081711 per kWh sold, flow through such increases or decreases in accordance with the Wholesale Power Cost Adjustor Plan of Administration.

In addition to the foregoing, all kWh sold to each Customer under this rate schedule shall be subject to an additional temporary wholesale power cost adjustment, if any, that may be charged to the Cooperative by its supplier of electricity which consists of an additional surcharge, a temporary credit and/or a fuel bank surcharge.

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Rules, Regulations and Line Extension Policy (RRLEP)

The RRLEP of the Cooperative as on file with the Arizona Corporation Commission shall apply to this rate schedule.

Contract Period

As provided in the Cooperative's agreement for service with the Customer.

Renewable Energy Standard (RES) Surcharge

The Cooperative shall add to its bill a RES Surcharge in accordance with the approved RES tariff to help offset the costs associated with the Cooperative's programs designed to promote alternative generation requirements that satisfy the RES as approved by the Arizona Corporation Commission. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

Demand Side Management (DSM) Programs; DSM Adjustment Mechanism

The Cooperative shall recover its cost for pre-approved DSM programs through a separate DSM adjustment mechanism which shall provide for a separate and specific accounting for pre-approved DSM costs.