ELECTRIC RATES

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Title: CEO/General Manager

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SUNWATTS SUN FARM TARIFF SCHEDULE RESF

Background and Availability

The Arizona Corporation Commission ("Commission") approved the Renewable Energy Standard and Tariff Rules ("REST Rules") in Decision No. 69127 dated November 14, 2006, which set out the renewable energy requirements for all affected electric utilities in the State of Arizona. Trico Electric Cooperative, Inc. ("Cooperative") has prepared a REST Plan which provides for rebate support of Customer owned renewable resources and larger scale renewable resources. The REST Plan may be modified from time to time on further application to the Commission.

The Residential Community Solar Demonstration Project Voluntary Purchase Program ("SunWatts Sun Farm") is part of the Cooperative REST Plan and is available to all RS1, RS1TOU, GS1, GS2 and GS3 Customers of the Cooperative who wish to participate in support of renewable resources through purchase of energy output from the installation of a Cooperative-owned Photovoltaic (PV) generation facility. A Customer may purchase panel output up to but not to exceed their average monthly kWh energy usage in the last twelve month period up to a maximum of 10,000 watts per Customer.

The Sun Watts Sun Farm is designed to produce 227,000 watts and is located at the Cooperative office facility at 8600 W. Tangerine Road, Marana, Arizona 85658. The Cooperative plans to utilize all proceeds associated with this tariff for future expansion of the SunWatts Sun Farm through construction of additional SunWatts Sun Farm renewable resources.

Program

The SunWatts Sun Farm provides for voluntary participation by residential and small commercial Customers which may benefit renters and other Customers who cannot install renewable resources on their property, as well as Customers that want to expend only a small amount of initial capital on renewable energy.

Any Customer desiring to participate in the SunWatts Sun Farm must complete and return an application. Participation shall be on a first-come, first-serve basis until the full output of the facility is assigned. Each applicant awarded panel output will enter into a purchase contract with the Cooperative, which will specify the rights and obligations of the arrangements for a twenty-year term.

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Customers may purchase the output of PV panels from the SunWatts Sun Farm in ¼, ½ and full panel increments. The Customer will be billed the full cost of the panels contracted as a one-time up-front charge.

The Customer will receive a credit for the energy output of the panel(s), estimated to be 432 kWh per year, per panel, in accordance with the rates and charges under the Customer's Standard Rate Schedule in a similar fashion as the Cooperative's Net Metering Tariff Schedule NM. The Cooperative will apply the credit to the Customer's monthly bill for the 20 year term of the purchase contract or until such time as the Customer's purchase contract is terminated or the Customer assigns some or all of the solar panels subject to a purchase contract subject to the Cooperative's written approval. The Cooperative shall retain the rights to all the Renewable Energy Credits (RECs) produced by the Sun Watts Sun Farm.

Pricing of the Sun Watts Sun Farm panels is described in the table below:

Panel Size	Cost
Quarter Panel	\$230
One Half Panel	\$460
Full Panel	\$920