
GRDA Community Solar Program

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AVAILABILITY:

This Program is available to wholesale customers purchasing Wholesale Full Requirements Service from GRD pursuant to GRDA Schedule WP, and in accordance with the terms of a current Power Purchase and Sale Agreement (“Customers”).

INTENT:

GRDA’s wholesale Power Purchase and Sale Agreements require Customers to purchase all of their electrical power and energy from GRDA. Under the PPSA, Customers may self-supply up to 20% of their demand with Customer-owned generation.

Federal tax incentives help reduce the net cost of solar projects. However, current federal tax incentives for solar projects are not directly transferrable; instead, they require a taxable entity to own an interest in the solar project for a certain period of time in order to utilize the tax credit. Because Customers are not taxable entities, and Customer-owned generation must not be owned, leased, or operated by a third party, a Customer cannot efficiently capture the value of the tax credit under the PPSA without assistance from GRDA.

GRDA understands that Customers might want to develop Community Solar projects near their cities. This Program helps Customers accomplish that goal.

GRDA is dedicated not only to a clean energy future, but also to the long-term success of our Customers. Therefore, under this program, GRDA is willing to negotiate with Developers to: (1) develop Community Solar sites for Customers; (2) purchase the energy produced from those Community Solar sites from the Developer; and (3) re-sell the energy produced from those sites to the Customer based upon the Project’s cost.

DEFINITIONS:

1. “Avoided Cost” means the Southwest Power Pool Integrated Marketplace Day Ahead Locational Marginal Price, or a weighted average thereof, at a load hub or pricing node as reasonably determined by GRDA to approximate GRDA’s avoided cost resulting from the output of one or more Community Solar resources.
2. “Community Solar” means a photovoltaic solar project that: (1) is developed on land supplied by the Customer; (2) is interconnected into the Customer’s distribution system; and (3) has entered into a REPA for GRDA to purchase the output of the facility.

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3. “Class I Community Solar” means a Community Solar project for a Customer that would satisfy the eligibility criteria of Article 13.02 of the PPSA, and is within the allowable threshold defined by 13.04 of the PPSA. For the purposes of this calculation, the nameplate capacity of distributed generation interconnected to Customer’s system will be included as Customer-owned generation in the threshold calculation under 13.04 of the PPSA.
4. “Class II Community Solar” means a Community Solar project for a Customer that would not meet the eligibility criteria of Articles 13.02 and 13.04 of the PPSA.
5. “Developer” means a third-party solar developer that procures, constructs, owns, and maintains a Community Solar project, and sells the capacity, energy, and Renewable Energy Certificates associated with the Community Solar project to GRDA.
6. “End-Use Retail Customer” means an end-use retail customer of the Customer, but specifically excludes electrical power suppliers, electric cooperatives, investor-owned utilities, Developers, and other entities engaged in the supply of electrical power and energy, or long-term leases that result in the supply of electrical power and energy.
7. “Renewable Energy Purchase Agreement” or “REPA” means an agreement negotiated with a Developer by which GRDA will purchase renewable power and energy from a Community Solar facility for resale to a Customer.
8. “Revenue-Grade Metering” means metering sufficient to measure the metered output and peak production (both in hourly intervals) from Community Solar, as determined by GRDA, in GRDA’s sole discretion.

COMMUNITY SOLAR DEVELOPMENT PROCESS:

1. Guidelines and Flexibility. This process is designed to establish general guidelines with respect to the process that GRDA may use to develop Community Solar. GRDA may modify or deviate from these guidelines to promote enhanced efficiency, expediency, or value.
2. Community Solar Tranches. From time to time, GRDA may provide Customers notice that GRDA plans to formally or informally solicit bids for Community Solar development(s) (with each series of solicitations being a separate tranche of GRDA Community Solar development).

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3. Preliminary Request for Inclusion in Community Solar Tranche. Customers that seek to be included in the Community Solar development tranche must complete a Preliminary Request for Inclusion or commitment letter for a specific number of megawatts of Community Solar nameplate capacity, on the form(s) provided by GRDA (collectively, “PRI”). The PRI must, at a minimum:
 - a. include a PDF or similar map demonstrating the proposed site;
 - b. indicate a desired Community Solar nameplate capacity rating, subject to approval by GRDA;
 - c. demonstrate that the Customer has site control; and
 - d. list any applicable distribution system interconnection studies or requirements that the Customer will require prior to allowing a Community Solar project to interconnect to its distribution system.
4. Preliminary Community Solar Solicitation. GRDA will solicit preliminary pricing from Developers for the Community Solar projects that are supported by PRIs. This may include a formal Request for Proposals, or targeted solicitations to Developers that, based upon GRDA’s assessment, are likely to have the capability to complete a Community Solar project at a favorable value. In the solicitation process, GRDA will, in GRDA’s sole discretion, determine the technical criteria applicable to the solicitation, including the proposed term of any REPA associated with any Community Solar project resulting from the solicitation.
5. Initial Evaluation.
 - a. GRDA will evaluate the responses received from potential Developers. Unless it would create an unreasonable delay under the circumstances, GRDA will host a meeting with the Customers that have completed PRIs for the tranche to present GRDA’s evaluations and analysis.
 - b. After that customer meeting, GRDA will determine which Developer present the best value for the Community Solar project(s).
 - c. Certain information provided to GRDA in response to Community Solar solicitations may be marked by the Developer as proprietary or confidential. Customers may be required to execute confidentiality agreements with GRDA prior to reviewing this information.

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6. Initial Negotiation. GRDA will negotiate the terms of REPA(s) for the site(s) identified in the PRI with the prevailing Developer. GRDA may, in its discretion, negotiate individual REPAs, regional REPAs, or a single REPA for the Community Solar projects within the same tranche if GRDA believes that this will provide a better overall value for the Customers included in that tranche. GRDA will use reasonable efforts to negotiate scaled pricing from the Developer for the Community Solar project. However, if one or more of the Customers who executed a PRI or letter of intent elect not to proceed, the average price of the Community Solar development may be impacted.

7. Definitive Request for Inclusion. GRDA will provide written notice to the Customers participating in the tranche regarding the negotiated pricing terms. Any Customer that wishes to remain in the tranche must execute a legally-binding Definitive Request for Inclusion (“DRI”) within thirty days of GRDA’s written notice, in the form supplied by GRDA.
 - a. Customer’s Approved Price Range. A participating Customer’s DRI must identify the energy price range (in MWh) at which the Customer will remain willing to participate in the Community Solar development tranche. If, after final negotiations, the energy price range of the Community Solar development exceeds the maximum price listed by the Customer, the Customer will be excluded from Community Solar development tranche. If the price range of the Community Solar development is within the Customer’s price range, the Customer will be required to proceed with the Community Solar development tranche.
 - b. GRDA Board Approval. After obtaining DRIs from all Customers who seek to remain in the tranche, GRDA will seek preliminary approval from the GRDA Board of Directors to proceed with the Community Solar development, contingent upon final negotiation of terms and the execution of all necessary documentation by participating Customers.
 - c. Final Negotiations and Firm Pricing. If the GRDA Board of Directors grants preliminary approval for the Community Solar development tranche, GRDA will notify the Developer, and will supply the Developer a list of all Customers who have executed DRIs. GRDA will request the Developer to supply firm pricing based upon the customers who have completed DRIs.
 - d. Final Contracting and Documentation. GRDA will provide the firm pricing information to the Customers who remain in the tranche. If the firm price is within the price range provided by a Customer pursuant to paragraph 7(a), the Customer must, within 30 days:

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- i. provide: (a) final evidence of site control for the Community Solar project; and (b) an approved point of interconnection with the Customer's distribution system; and
 - ii. Execute an amendment to the PPSA to:
 1. document whether the Customer's Community Solar resource will qualify under the Customer's Article 13.04 customer-owned generation threshold, and that the Community Solar development will be considered to be customer-owned generation for purposes of Article 13 of the PPSA.
 2. require the Customer to purchase all of the power and energy generated from the Community Solar project from GRDA; and
 3. if the remaining term of the PPSA is shorter than the term of a REPA for a Community Solar project, extended the PPSA to at least the term of the REPA for the Community Solar project.
8. Commencement of Development. GRDA will contract with the Developer to construct Community Solar developments for the Customers who remain in the tranche.

BILLING AND INVOICING:

1. Class I Community Solar.
 - a. Energy: GRDA will invoice the Customer for the REPA energy price (i.e. the actual price that GRDA pays to the Developer) times the metered output from the Community Solar facility, and will include that amount on Customer's monthly Schedule WP invoice. The Customer will not be required to pay GRDA for energy charges that the Customer avoided due to the Community Solar project.
 - b. Delivery Charge: The Customer will pay GRDA the Schedule WP Delivery Billing Demand rate multiplied by the output of the Community Solar facility (in kW) during the interval in which the Customer's Delivery Billing Demand is calculated for any billing period.
 - c. Demand Charge: The Customer will not be required to pay GRDA for Capacity Billing Demand charges that the Customer avoided due to the Community Solar project.

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- d. Metering: If GRDA installs a meter to measure output from the facility, GRDA will invoice the meter charges in accordance with Schedule WP.
 - e. Administrative Fee: GRDA may apply an administrative fee equal to the administrative fee listed in the Supplemental Supply Rider to recover GRDA's costs of administering the Community Solar Program.
2. Class II Community Solar. Customer will purchase: (a) Wholesale Full Requirements Service for (i) all of its metered load, plus (ii) the metered output from the Class II Community Solar project, both of which will be billed at Schedule WP rates; and (b) the metered output from the Community Solar project, which will be billed at the applicable REPA rates. GRDA will credit the Customer for the metered output from the Community Solar facility times GRDA's Avoided Cost. GRDA may apply an administrative fee equal to the administrative fee listed in the Supplemental Supply Rider to recover GRDA's costs of administering the Community Solar Program.
 3. SPP Requirements. For any Class I Community Solar project or Class II Community Solar project that causes GRDA to incur costs or obligations from SPP due to the nature or size of the project (including registration of the project in the SPP Integrated Marketplace), the Customer will make GRDA whole from and against those costs or obligations. GRDA will minimize these costs to the extent feasible.

INTERCONNECTION REQUIREMENTS:

Community Solar will interconnect on the Customer's distribution system, but will require a three-party interconnection agreement between GRDA, the Customer, and the Developer. GRDA and the Developer will review the proposed method of interconnection, and will supply the Customer with the proposed interconnection one-line diagram for review. The Customer must notify GRDA if it will require additional interconnection requirements.

GRDA may, in GRDA's discretion, establish interconnection and planning requirements that are applicable to any Community Solar development. GRDA may perform a system impact study prior to approving any Community Solar interconnection, and may require the Customer to take measures to mitigate adverse conditions that the Community Solar development will create on the GRDA transmission system. Any applicable requirements identified by GRDA (including the construction of any necessary transmission or distribution system facilities) must be satisfied before any Community Solar development may be interconnected to the Customer's distribution system.

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REPORTING:

Revenue-Grade Metering must be installed at any Community Solar development. Community Solar developments with an aggregate nameplate capacity rating of between 100 kW and 2,000 kW must be interval metered, and the interval data must be supplied to GRDA by the end of each month. Community Solar developments with an aggregate nameplate capacity rating of greater than 2,000 kW must be telemetered to GRDA.

RENEWABLE ENERGY CERTIFICATES:

GRDA will deliver (or retire, on behalf of the Customer) all RECs for Customer Community Solar developments to the specific Customer. To conserve costs, these deliveries or retirements will occur via attestation. If a Customer seeks to register the RECs on an exchange or tracking system, GRDA will assist the Customer with that process, but the Customer must pay the applicable third-party registration or exchange fees.

AVAILABILITY:

This Program will become available on the Effective Date, and may be terminated or amended at any time by GRDA. Nothing in this Program will require GRDA to take any action that is contrary to applicable law, or that would create impermissible Private Business Use as defined by the Internal Revenue Code.