



Solar Rebate Programs General Terms & Conditions

The following terms and conditions apply to all CPS Energy solar rebate programs (the "Solar Programs"). Each customer must review the terms and conditions specific to his/her installation type (e.g., Photovoltaic (PV) or Water) before project initiation.

General Terms and Conditions for All Solar Rebate Programs

Customer Responsibilities

1. The customer must seek appropriate advice concerning any tax liabilities that may be associated with the receipt of a rebate. CPS Energy is not responsible for any tax liabilities the customer may incur.
2. The customer hereby agrees to indemnify, defend and hold harmless, CPS Energy, its parents, subsidiaries, affiliates, officers, employees, contractors and agents from any and all liability associated with the Solar Programs.
3. The customer is responsible for the application process, from initiation through completion. The customer may designate a primary contact; however, the customer must ensure that all guidelines, terms and conditions, requirements, and program processes are followed.
4. The customer must sign the application, and upon doing so, agrees to all program requirements, including all terms and conditions.
5. The customer shall ensure that all appropriate permits (e.g., local and/or state) have been obtained and that deed restrictions or home owner association restrictions do not prohibit the installation of the proposed PV system.

Installation/Equipment Requirements

1. All solar system installations must be completed in accordance with all laws, codes and other requirements applicable under federal, state and local authority (e.g., permits, inspections) and all appropriate city building permits must be obtained.
2. No energy savings are guaranteed as a result of the purchase and installation of eligible equipment.
3. The installer is responsible for all warranties. CPS Energy is not responsible for any contractual and/or construction disputes between the installer and the customer.



Miscellaneous

1. **Program Guidelines.** The Solar Programs' guidelines and terms and conditions are subject to change without notice, and CPS Energy reserves the right to refuse any application request that does not meet CPS Energy requirements.
2. **No Warranties.** CPS Energy is not a manufacturer, supplier or guarantor of the solar systems or installers, and CPS Energy, whether by making available a list of registered installers and equipment sources or otherwise, has not made and makes no representations or warranties of any nature, directly or indirectly, express or implied, as to performance of the installer or reliability, performance, durability, condition or quality of the solar system selected and purchased.
3. **Registered Solar Contractor.** Selection of a registered solar contractor to perform the work is the sole decision of the program participant. Any lists representing the registered solar contractors are of those companies and/or individuals who have met the requirements for placement on the CPS Energy registered solar contractors list. It is not an endorsement by CPS Energy of any product, service, individual or company. There is no work guarantee or warranty, expressed or implied, as to the quality, cost or effectiveness of the work performed by the contractor, employees or subcontractors.



General Terms & Conditions for All Rebated Solar Programs

Eligibility

1. The rebate recipient must be a CPS Energy customer. The customer must have a CPS Energy electric service account number and the equipment must be installed at the specified address.
2. The customer must own the PV system.
3. Participation in the solar rebate program does not affect customer participation in other CPS Energy efficiency and conservation programs.
4. CPS Energy program guidelines and rebate levels are subject to change without notice, and CPS Energy reserves the right to refuse any application for incentive payment or interconnection that does not meet CPS Energy requirements.
5. Prior to, or after paying any rebate, CPS Energy reserves the right to conduct a site visit or audit to verify that the installed equipment is eligible for a rebate. A rebate will not be paid if CPS Energy is not able to conduct any required pre or post site visit/audit or verification. Repeated site visits/audits and commissioning tests may be subject to additional fees. The purpose of the site visit/audit is to determine rebate eligibility and not a safety review.
6. All rebate applications must be approved and requirements met prior to system installation.

Customer Responsibilities

1. It is the customer's responsibility to ensure that the PV system/equipment is installed and maintained in accordance with the current CPS Energy terms & conditions, standards, guidelines and policies.
2. The customer agrees to provide access to CPS Energy personnel or its designated agents to the solar equipment and meters for as long as the solar system is installed.
3. It is the customer's responsibility to inform CPS Energy if the assigned installer changes and the customer acknowledges that rebate eligibility may be affected by this change.
4. Effective June 20, 2016, the customer is required to review and sign the Solar Disclosure Form, which can be found on cpsenergy.com. This form is intended to educate consumers about their rights when purchasing a solar system, typical marketing pricing for solar systems, and expected output based on system sizing. This form is required to be submitted with the rebate application. The Solar Disclosure Form is intended for informational purposes only. CPS Energy in no way warrants any statements, and customers should independently verify information contained in the form before entering into an agreement for a solar installation.



Rebate Funds

1. As of February 1, 2016, CPS Energy allocated an additional \$30 million of STEP funds to be distributed for solar rebates, which extends the solar rebate program until these funds are exhausted.

a. The \$30 Million in solar rebates provided in this additional funding will be divided into three tranches, and shall be distributed in the following order with the corresponding rebate level:

Tranche 1 – first \$10 Million at a rebate level of \$1.20 per watt

Tranche 2 – next \$10 Million at a rebate level of \$1.00 per watt

Tranche 3 – last \$10 Million at a rebate level of \$0.80 per watt

Rebates shall be paid based on the applicable rebate tranche at the time the application is filed. CPS Energy will regularly update solar contractors on the status of funding during monthly solar stakeholder meetings.

2. The \$10 million in Tranches 2 and 3 will each be allocated at 70% for residential systems and 30% for commercial systems (*i.e.*, \$7 million shall apply toward residential solar installations and \$3 million shall apply toward commercial solar installations). Once a segment (residential or commercial) reaches its allocation limit, any additional applications will be rebated at the next tranche. If the residential segment expends its rebate dollars in Tranches 2 and 3, and dollars are still remaining for commercial systems, then the allocation limits will no longer apply and dollars will be rebated on a first come, first serve basis.

3. Effective June 20, 2016, all residential PV systems must be priced at \$4.00 per watt (d/c) or lower to be eligible for a rebate. Rooftop solar projects above \$4.00 per watt (d/c) will not qualify for a solar rebate. Customers may request an exception to this requirement by completing a Request for System Pricing Exception form, which is available on cpsenergy.com. Exceptions shall be granted in very limited circumstances, at the discretion of CPS Energy. CPS Energy reserves the right to reject an exception request for any reason.

4. When program funding is exhausted, the applications are placed on hold in the order they were submitted until if and when additional funds are made available to pay the rebates. CPS Energy makes no guarantees that applications placed on hold will be processed, including, but not limited to, payment of a rebate.

5. The final rebate amount is calculated upon final verification and may vary from estimated amount(s).

6. In the event that any terms and conditions of the solar rebate program change, the application date will be used to determine the rebate amount and eligibility, if applicable.

7. A rebate shall not exceed the maximum amount allowed under current CPS Energy solar rebate program guidelines, which are available at cpsenergy.com.

8. Applications for existing systems, are subject to the application procedures, terms & conditions, rebate tranche, and other solar rebate program criteria at the time the existing system is being modified.



Rebate Violations

1. The customer shall refund a prorated portion of the rebate to CPS Energy if it is determined by CPS Energy that the system/equipment has not been installed or maintained pursuant to CPS Energy terms and conditions, standards, guidelines or policies. The prorated portion shall be calculated by reducing the rebate paid by 20% per year for each of the five years following final inspection and approval (first 20% reduction to occur on the first anniversary date of rebate payment).

2. When a violation has been determined, CPS Energy will notify the customer of the violation and allow the customer thirty (30) days to cure the violation. If the customer fails to cure the violation, CPS Energy shall notify the customer in their monthly bill the amount of the refunded rebate that shall be due thirty (30) days after receipt of notice. Failure to comply with these terms and conditions may result in cancellation of the customer's electric service.



Installation/Equipment Requirements

1. The system must be installed by a CPS Energy registered solar. Rebate amounts are lower for non-local contractors. After May 1, 2016, to receive the local rebate rates, semi-annually, an installer must either:
 - a. Provide the CPS Energy account number of the installer's Business Office in the business' name. The term, "Business Office" as used herein, is defined as a physical, commercial space within the CPS Energy service territory that is freely accessible to the public, and where the installer conducts business and maintains regular business hours. A Business Office cannot be located in a residential or storage space; or
 - b. Demonstrate and certify that it (i) operates a Business Office, (ii) maintains a working local phone number, and (iii) proof of response to warranty claims within 48 hours from initial contact from customer. Local installers must certify a local presence semi-annually by providing an affidavit and proof of local occupancy.
 - c. In addition, semi-annually, all local installers must report the number of employees (not including sub-contractors) that are employed locally. Certification as a local installer must be renewed every six months to remain active. If an installer fails to certify local presence initially or semi-annually, CPS Energy shall deem the installer as non-local, and the installer shall receive the non-local rebate rates. CPS Energy reserves the right to audit all assertions of local presence and to verify accuracy and authenticity of installer's statements.
2. If a contractor is removed from the CPS Energy Registered Solar Contractors List, the PV system is no longer eligible for rebate if the system has not been completed.
3. Once energized (placed in service), CPS Energy rebated systems must adhere to CPS Energy terms and conditions, guidelines and policies and cannot be disconnected or moved without prior approval from CPS Energy.
4. The solar system must be placed in service within the CPS Energy service area.
5. Beginning February 1, 2016, a \$100 non-refundable administration fee will be due for each rebate application. The fee can be mailed in with the application or CPS Energy will issue an invoice to the contractor payable within 10 business days. An approval to build letter will not be released to a contractor until the administration fee is paid.
6. An additional commissioning charge of \$300 will be deducted from the final project rebate amount. The fee will be utilized to defray a portion of CPS Energy's metering, commissioning, and administrative costs for solar rebate customer installations.
7. **The rebate amount is capped at \$25,000 per residential account per year and a cap of \$80,000 per Commercial account per CPS Energy fiscal year (February 1 - January 31).** Rebates are also capped at 50% of the installers invoice cost.
 - a. **Residential buildings applying for the commercial rebate incentive must be established for at least one year before they are eligible for the commercial rebate cap.**





Solar PV Program Specific Terms & Conditions

The following terms & conditions are specific to the CPS Energy Solar Photovoltaic (PV) Program. It is recommended that these and the General Terms & Conditions for All Solar Programs are reviewed before project initiation.

Eligibility

1. All PV systems must be interconnected, at customer's expense, to CPS Energy's electrical grid. All PV systems must comply with current CPS Energy guidelines governing interconnection with CPS Energy's electric system, and any subsequent revisions to these guidelines. These and other requirements are subject to change.

Equipment/Installation Requirements

1. All equipment (modules, inverters), must be listed as under the current California Energy Commission's (CEC) Emerging Renewables Program.
2. The solar PV system must be installed in compliance with CPS Energy's technical requirements and must conform to CPS Energy standards.
3. CPS Energy will install and own the Billing/Revenue and PV meters.
4. Customers must provide CPS Energy access to all applicable meters (e.g. Revenue/Billing and PV) for billing and inspection purposes.
5. Solar PV systems may not be energized until the commissioning test; additionally, systems may only stay energized if they pass the commissioning test.
6. Violations pertaining to policies regarding the start of construction or energizing the PV system prior to CPS Energy commissioning test may result in the installer being placed on probation or being removed from the CPS Energy Registered Solar Contractors List.
7. All PV systems must be interconnected, at customer's expense, to CPS Energy's electrical grid. All PV systems must comply with current CPS Energy guidelines governing interconnection with CPS Energy's electric system, and any subsequent revisions to these guidelines. These and other requirements are subject to change.
8. Solar PV systems over 25kW-AC will need signed & sealed design drawings to be submitted by a professional engineer registered with the State of Texas. This requirement also applies to modifications to an existing system under 25kW-AC if the modifications will result in the system size exceeding 25kW-AC.



Specific Terms & Conditions for Rebated Solar PV Systems

Eligibility

1. In order to receive a rebate, the solar PV system must pass a CPS Energy commissioning test and post-site visit/audit.
2. All required electrical permits (e.g., Authority Having Jurisdiction (AHJ)) must be acquired and released before a commissioning test is scheduled and performed, and for finalization of rebates.
3. CPS Energy will review and approve or disapprove the registration form and pre construction documents once the application fee is paid by the contractor. After approval, the customer will be notified that PV system equipment installation may begin. The customer will have 120 days from date of CPS Energy approval or disapproval to complete the installation of the system. Systems completed after 120 days will be disqualified for the rebate. These may be resubmitted; however, will be subject to the program terms & conditions, funding availability, rebate amount, and policies at time of being resubmitted.
4. In receiving a rebate incentive from CPS Energy, the customer will assign the energy generated by the solar PV system to CPS Energy. The Renewable Energy Credits produced by the system and other program participants will be aggregated by CPS Energy through the CPS Energy Solar Rebate Program. CPS Energy will record and track the amount of renewable energy generated by the solar PV system.
5. CPS Energy will not rebate any solar PV system less than 1 kW ac.
6. Individual condominium owners qualify under the residential rebate program and must obtain condo association permission.
7. Condo associations qualify under the commercial rebate program, and the system must be connected to a commercial meter.
8. Apartments qualify as commercial projects. Entire project must be under a single rebate application.
9. CPS Energy retains the right to deny rebates or modify rebate amounts if the expected output varies from the output on the rebate application.

Customer Responsibilities

1. The customer agrees to allow CPS Energy to account for renewable energy generated by the PV system for reporting purposes.
2. The customer must sign, complete and submit the PV incentive rebate application. The rebate application must be accompanied by the manufacturer's rating and warranty information.



Rebate Funds

1. The requested rebate amount will be calculated based on the expected performance, per this formula: [(Number of PV Modules) X (CEC - PTC Rating per Module)] X [Inverter Efficiency] X [Rebate w/ AC].
2. The final rebate level will be determined following a post site visit/audit and commission test of the system by CPS Energy or its designated agent. Unfavorable shading, angles or direction may influence the final rebate amount.

Rebate Violations

1. The customer's failure to adhere to all CPS Energy solar program terms and conditions, requirements, standards, policies, and guidelines shall constitute a violation and result in the customer forfeiting his/her right to the rebate and require the customer to refund the rebate to CPS Energy as discussed in the General Terms & Conditions for Rebated Solar Systems.
2. Violations pertaining to policies regarding the start of construction or energizing the PV system prior to the CPS Energy commissioning test will render the system ineligible for a rebate.

Installation/Equipment Requirements

1. All equipment including inverters and panels must be new.
2. All installed PV systems must carry a 5-year warranty from the installer. Solar modules must carry a 20-year warranty from the manufacturer. Inverters must carry at least a 5-year manufacturer warranty without battery back-up.
3. Installation location must have, and maintain, sufficient amount of unobstructed space to provide the 80% of system production efficiency. The system should be on the most southern facing side. Systems facing in a northern direction do not qualify for a rebate.
4. If re-roofing is required, PV system removal and reinstallation is at the customer's expense.
5. Batteries and system monitoring equipment, including software, will not be covered under the rebate.
6. The rebated solar PV system cannot be removed from the CPS Energy service territory.
7. A rebated solar PV system that has received a rebate may be relocated only within the CPS Energy service territory and the following conditions apply:
 - a. The relocated system will not be eligible for another rebate.
 - b. The customer of record must inform the solar program administration by sending an email to cpesolar@cpsenergy.com providing a description of their relocation intent and contact information.



- c. The new transferee, if applicable, shall be required to obtain CPS Energy's approval of the relocated system by submitting a new application and following the solar PV system program application process.
- d. The relocated system must meet all requirements under the solar PV system program.
- e. The relocation effort and installation must be accomplished in accordance with current CPS Energy's rules and regulations, service standards and technical and operational requirements under the solar PV system program.
- f. CPS Energy is not responsible for any costs associated with the relocation effort.
- g. The relocated system will be subject to the qualifying rate, rider, and fees associated with such a system at the time of relocation application/installation.



Specific Terms and Conditions for Rebated Solar Water Heater Systems

Eligibility

1. This incentive is available to any valid CPS Energy customer, primarily residential and commercial customers.
2. Applications must be approved by CPS Energy prior to installation of the solar water heating system. Also, CPS Energy may require a pre-site visit/audit. The application must be accompanied by Solar Rating Certification Corporation (SRCC) rating data, warranty information and a site sketch showing solar collector location(s).
3. A post-site visit/audit may be required prior to issuance of the rebate.
4. CPS Energy will review and approve or disapprove the Registration Form and Preconstruction Documentation. After approval, the customer will be notified to begin the system equipment installation. The customer will have 90 days from the date of CPS Energy's approval or disapproval to complete the installation of the system. Systems completed after 90 days will be disqualified for the rebate. The Registration Form and Preconstruction Documentation may be resubmitted; however, will be subject to the program requirements, terms & conditions, funding availability, rebate amount, and policies at time of being resubmitted. CPS Energy may require a pre-site visit/audit before the installation begins.

Customer Responsibilities

1. The customer must sign, complete and submit the Solar Water Heater Rebate Application.

Installation/Equipment Requirements

1. The solar water heater equipment installed must be new and must be OG-300 certified by the SRCC. For qualified systems visit: www.solar-rating.org/ratings/ratings.htm.
2. The existing/installed solar water heater must be electric. Removal or replacement of existing/installed natural gas water heaters will deem the system ineligible for program participation.
3. The solar water heater must preheat water for an electric water heater that is permanently installed at the structure.
4. All installations must adhere to the City of San Antonio building permit process and new equipment must be installed by licensed contractors.
5. All installations must meet all applicable local (e.g. City of San Antonio), state and other applicable codes.
6. The solar water heater installer is responsible for determining the optimal location of the solar collectors. The proposed location must provide maximum benefits.



7. Manufacturer must provide a minimum five (5) year warranty on major components.
8. The system shall be designed for frost protection and scale elimination or remediation.
9. Use of existing water storage tanks will be allowed on a case by case basis.
10. If re-roofing is required, solar water heating system removal and reinstallation is at the customer's expense. Motors, Pumps, Batteries or any other such device associated with the solar water heating system will not be covered under the rebate.

Rebate Funds

1. The rebates will be calculated using the SRCC's calculated Annual kWh Energy Savings Performance table for San Antonio. The listed calculated savings for the system will be multiplied by a rate of \$0.60.
2. Rebates for the solar water heating systems will have a maximum allowable rebate amount of \$2,000.
3. Rebates will not be offered retroactively (on equipment already installed).

Rebate Violations

1. A rebated solar water heating system cannot be removed from the CPS Energy service territory.

I have read the above terms and conditions that are applicable to me and agree to comply with all of them. I accept that any violation of the above terms and conditions will result in my forfeiture of any rebate and may require me to refund a portion or all of any rebate funds received to CPS Energy.

Customer Signature

Customer Printed Name