

**Duncan Valley Electric Cooperative, Inc.**  
**Distributed Generation Annual Export Rate**  
**Plan of Administration**

**General Description**

This Plan of Administration ("POA") relates to the administration of the Duncan Valley Electric Cooperative, Incorporated ("DVEC") Distributed Generation Annual Export Rate ("AER") and is filed for Arizona Corporation Commission ("Commission") approval pursuant to Decision No. 76897, dated September 20, 2018. The purpose of the POA is to describe how DVEC calculates and administers the AER. The AER is applied to the excess energy supplied by a customer with distributed generation as described in the Distributed Generation ("DG") tariff.

The initial AER is effective from the first of the month following the Decision's effective date. The AER is established through September 30, 2024 by Decision No. 76897. The AER shall change each October 1st from October 1, 2018 to and including October 1, 2024 for DG energy received by DVEC from a DG customer. However, if less than the AER, the energy rate paid by the DG customer to DVEC under its applicable tariff, adjusted by the applicable Purchased Power and Fuel Cost Adjustor, shall be the value used to credit Excess Generation on the monthly customer bill.

DVEC may submit a proposed methodology for calculating a new AER either 1) with a full rate case submitted pursuant to A.A.C. R 14-2-103 or 2) submittal to Commission Staff under this POA for review and a recommendation. Prior to submitting a proposed methodology, DVEC shall meet with Commission Staff to discuss the methodology it intends to propose and the data Staff needs to evaluate the proposed methodology. After DVEC files its proposed methodology, Staff shall submit a staff report and proposed order for the Commission's review and approval within ninety (90) days of receiving DVEC's proposed methodology. DVEC shall provide the data identified by Staff when it submits the proposed methodology. If appropriate, DVEC may request that the AER in effect beginning on October 1, 2024 remain in effect until otherwise ordered by the Commission

**Annual Adjustment of the AER:**

The current AER, once approved by the Commission, will be available at DVEC's office and posted on its website. The current AER will continue in effect until the next AER is effective, which shall be October 1st following the annual filing of an updated DG Tariff, unless suspended or otherwise ordered by the Commission, prior thereto. Unless altered by Commission Decision, beginning October 1, 2018, the initial AER and annual changes to the AER shall be:

October 1, 2018 - September 30, 2019 (Initial Rate): .....	\$0.07952
October 1, 2019 - September 30, 2020: .....	\$0.07157
October 1, 2020 - September 30, 2021: .....	\$0.06441
October 1, 2021 - September 30, 2022: .....	\$0.05797
October 1, 2022 - September 30, 2023: .....	\$0.05217
October 1, 2023 - September 30, 2024: .....	\$0.04696
October 1, 2024 - until changed by Commission Decision: .....	\$0.04231

**Recoverable Power Cost:**

All payments made for excess energy, under this POA, up to the currently effective avoided cost, are defined as eligible power cost included in Account 555 which are recoverable through DVEC's Purchased Power and Fuel Cost Adjustor. Any power costs in excess of the avoided cost will be recovered through the Renewable Energy Standard and Tariff surcharge to the extent surcharge funds are available for such purpose. Otherwise, power costs shall be included in Account 555 and recovered through DVEC's Purchased Power and Fuel Cost Adjustor.

**Customer Billing**

DVEC will provide the customer a monthly bill credit for the excess energy based on the lesser of: 1) the applicable AER, or 2) the energy rate paid by the DG customer to DVEC under its applicable tariff adjusted by the applicable Purchased Power and Fuel Cost Adjustor. Any bill credit in excess of the customer's otherwise applicable monthly bill will be credited on the next monthly bill, or subsequent bills if necessary.

**System Eligibility**

A distribution facility must meet all of the following qualifications to be eligible for due AER:

The facility must be operated by or on behalf of the customer and is located on the customer's premises;

- The facility is intended to provide part or all of the customer's requirements for electricity;
- The facility uses renewable resources, a fuel cell or combined heat and power ("CHP") to generate electricity;
- The facility has a generation capacity less than or equal to 125% of the customer's total connected load, or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity; and
- The facility is interconnected with and can operate in parallel with the Cooperative's existing distribution system.

**Switching from a grandfathered net metering tariff**

A customer may switch from the grandfathered Net Metering Service Tariff ("Schedule NM") to the Distributed Generation Service Tariff ("Schedule DGS"). However, the customer will lose his/her grandfathered status and may not subsequently switch back to the grandfathered Schedule NM. In addition, the customer's bill credits will be based on the AER as it changes as described in section Annual Adjustment of the AER above.