



**APS Solar Communities Program Agreement
Rural Government Municipality**

This Agreement is entered into as of February 20, 2024 by and between Arizona Public Service Company, an Arizona corporation (“APS”), and the CITY OF BISBEE (“Customer”), a rural Arizona municipal corporation. APS and Customer may be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

- A. By Decision No. 76295 (August 2017), the ACC (Arizona Corporation Commission) approved a program now known as the APS Solar Communities Program (the “Program”). APS is implementing the Program for utility-owned solar distributed generation on covered parking at the Property listed in Section 1. The purpose of this program is to expand access to solar for limited and moderate-income Arizonans.
- B. “System” is defined as a solar photovoltaic generation Facility.
- C. For a period of 20 years following installation by APS of the System, APS will own and operate the System at the Property. At the end of the term APS, unless the parties agree otherwise, as set forth below, APS will remove the Systems and return the site back to its original condition, with normal wear and tear excepted.
- D. At the end of the term, the Parties may agree in writing to: (1) extend the Program or (2) transfer ownership of the System to Customer.
- E. Customer desires to have a System installed on its property and will comply with the terms and conditions set forth below.
- F. “Rural Government” means rural Arizona incorporated cities and towns with populations of less than 150,000 not contiguous with or situated within a Metro Area.

The Parties agree as follows:

- 1. APS will install an approximately 162.5 ACkW System on property owned by Customer and located at 300 COLLINS RD, BISBEE, AZ 85603 (the “Property”). The terms and conditions of the installation will be contained in a separate agreement between APS and a licensed installer that meets utility qualification criteria through RFP (Request for Proposal) process. APS will own, operate, and maintain the System.
- 2. APS will pay all costs associated with the installation, ownership, operation, and maintenance of the System.
- 3. APS will install the lighting fixtures attached to the parking structure and will be responsible for the operation and maintenance of the lighting fixtures for the first 3 years. Customer acknowledges, however, that APS’s inspection of the lighting

fixtures will only occur once annually and that Customer is responsible, during its routine maintenance of its Property, for notifying APS if it observes that the lighting is off or not working. Following the 3-year period, Customer shall be solely responsible for the installation, operation, and maintenance of the lighting fixtures.

4. Customer desires to participate in the APS Solar Communities program and agrees to allow APS to install, own, operate and maintain the System at the Property for the purpose of generating electricity that will be delivered to the APS grid. Customer agrees to reasonably cooperate with APS, APS's installer, and any subcontractor in order to facilitate timely installation of the System.
5. Customer will grant APS an easement in the form attached to this Agreement as Exhibit A, on the Property for the purpose of installing, owning, operating, and maintaining a System.
6. 20 Year Term; Property Ownership Transfers. The Agreement will run for a term of 20 years from the date the solar array is installed. At the end of this Agreement, APS will remove the solar array at its cost. If the ownership of the Property changes, through a sale or otherwise, the subsequent property owner may elect to execute this same Agreement in their name. If the subsequent property owner decline participation in the program, APS will remove the solar array at its cost.
7. In exchange for the installation of the System, for so long as this Agreement is in effect, Customer will receive a monthly incentive, at the rate of \$2.50 per kW as referenced in Section 1 (example: 100kW @ \$2.50 = \$250 monthly incentive) for participation in this Program.
8. The Parties agree that APS may need to disclose the information in connection with its regulatory filing or to otherwise satisfy its regulatory requirements. In the event that APS intends to disclose any of the Information to the ACC, or any employee, staff member, consultant, or agent thereof, it shall give Customer prompt prior written notice of its intention so that Customer may seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, Customer waives APS' compliance with the terms hereof with respect to such information. Nothing herein shall be deemed to permit Customer to disclose the Information to the ACC, or any other party, unless such disclosure is otherwise permitted herein. The Parties understand and agree that Customer is subject to Arizona's Public Records Law and Customer may not keep information related to this Agreement confidential unless explicitly authorized by Arizona's Public Records Law.
9. This Agreement shall become effective upon execution by both Parties.
10. This Agreement is a binding contract. To the extent that either Party incurs any costs in connection with this Agreement or the subject matter hereof, such costs shall not be reimbursable by the other Party.
11. This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511.

12. Either APS or the Customer may terminate this Agreement upon providing 90 days' advance written notice to the other Party. Upon termination by either Party, APS will remove the solar array at its cost. As of the effective date of the termination, APS will no longer pay the monthly incentive to the Customer and APS' easement shall terminate. Upon termination of the Agreement, APS agrees to promptly execute all documentation necessary to terminate APS' easement.

13. All notices under this Agreement shall be provided to Parties as follows:

a. Customer:

i. City Manager

City of Bisbee

76 Erie Street, Bisbee, AZ 85603

(520) 432-6000

b. APS:

i. apsolarcommunities@aps.com

14. This Agreement constitutes the entire agreement of the Parties with respect to its subject matter and supersedes all other oral or written representations.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the respective authorized representatives as of the date first set forth above.

ARIZONA PUBLIC SERVICE COMPANY

By: Erika Larsen, Manager Renewable Energy

Signature: *Erika Larsen*

Date: 3/14/24

CITY OF BISBEE (Property Owner)

By: Ken Budge, Mayor

Signature: *Ken Budge*

Date: 2/20/24

ATTEST:

Ashlee Coronado

Ashlee Coronado, City Clerk

APPROVED AS TO FORM:

Joseph D. Estes

Joseph D. Estes, City Attorney