



PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

AVAILABILITY

This Tariff shall apply to purchases by the Company of non-firm energy from a Qualifying Facility ("QF") that has a generating capability of 100 kilowatts (kW) or more.

Purchases of non-firm energy will be made in accordance with P.U.C. Subst. R. 25.242. Consistent with P.U.C Subst. R 25.242, non-firm energy from a QF is energy provided under an arrangement that does not guarantee scheduled availability, but instead provides for delivery as available. Non-firm energy shall include energy provided by generating facilities with intermittent fuel sources such as wind and sunlight.

This Tariff does not require or provide for any electric service by the Company to the QF. The QF may request such service from the Company and, if required by the Company, the QF shall enter into separate contractual agreements with the Company in accordance with the applicable electric tariff(s).

DEFINITIONS

"Applicable Legal Requirements" means all laws, Environmental Laws, statutes, tariffs, regulations, rules, treaties, ordinances, judgments, directives, Permits, decrees, approvals, interpretations, protocols, operating guides, injunctions, writs, orders, or other similar legal requirements of any Governmental Authority having jurisdiction over the Company or QF that may be in effect from time to time.

"Avoided Costs" means the marginal costs for the Company to produce or purchase an additional MW of energy but for the acquisition of energy from the QF, calculated pursuant to the Tariff.

"Bilateral Settlement Schedule" means a financial arrangement between two market participants designating the buyer, seller, MWh amount, and Settlement Location for Energy transactions.

"Central Prevailing Time" means clock time for the season of a year (i.e., Central Standard Time and Central Daylight Time).

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DEFINITIONS (cont.)

"Company" means Southwestern Public Service Company, a New Mexico corporation.

"Company's System" means the electric power generation, transmission, substation, and distribution facilities owned or operated by Company.

"Day-Ahead" means the period of time starting at 0001 and ending at 2400 on the day prior to the Operating Day.

"Day-Ahead Locational Marginal Price" ("DALMP") means the hourly market-clearing price for Energy at a given Settlement Location as determined by the SPP through its Day-Ahead Market.

"Day-Ahead Market" means the financially binding market for Energy and Operating Reserve that is conducted by SPP on the day prior to the Operating Day.

"Dispatch Instruction" means the communicated resource target energy MW output level at the end of the Dispatch Interval.

"Dispatch Interval" means the period of time for which SPP issues Dispatch Instructions for Energy and clears Operating Reserve in the Real-Time Balancing Market. The Dispatch Interval is currently 5 minutes.

"Energy" means an amount of electricity that is Bid or Offered, produced, purchased, consumed, sold or transmitted over a period of time, which is measured or calculated in megawatt hours (MWh).

"Environmental Laws" means any federal, state, or local law including statutes, regulations, rulings, orders, administrative interpretations, and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants, or processed wastewater or otherwise relating to the environment or hazardous substances.

"FERC" means the Federal Energy Regulatory Commission.

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DEFINITIONS (cont.)

"Final Settlement Statement" means a statement created by the SPP at the end of the forty-seventh (47th) calendar day following the Operating Day.

"Forced Registration QF" means any QF for whom SPP files with FERC an unexecuted service agreement under Section 1.2.2A(7) of Attachment AE of the SPP OATT, or any successor provision, because the QF failed or refused to register a resource in the SPP Market.

"Forced Registered Qualified Facility Market Charges" ("FRQFMC") means charges assessed to Company by SPP in connection with Forced Registration QF's operation in the SPP Market.

"Good Utility Practice(s)" means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be reasonably acceptable practices, methods, or acts used in the region.

"Governmental Authority" means any federal, state, local, or other governmental, regulatory, or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power, including without limitation the SPP, the FERC and the PUCT or any successors thereof; provided, however, that such term does not include the OF, the Company or any affiliate thereof.

"Initial Settlement Statement" means a statement created by the SPP at the end of the seventh (7th) calendar day following the Operating Day.

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DEFINITIONS (cont.)

"Interconnection Agreement" means an agreement between the QF and the Interconnection Provider, and, if applicable, the SPP, which provides for interconnection of the QF to the Interconnection Provider's system, as such agreement may be amended from time to time by mutual agreement of the Company and QF or by Applicable Legal Requirements.

"Interconnection Provider" means the Company or another person or entity that owns and/or operates the distribution and transmission lines and the other equipment and facilities to which the QF interconnects at the Point of Delivery. A QF must have an Interconnection Agreement with the Interconnection Provider.

"kW" means kilowatt.

"kWh" means kilowatt-hour.

"Locational Marginal Price" ("LMP") means the market-clearing price for Energy at a given Settlement Location as determined by the SPP.

"Metering Devices" means all meters, metering equipment, and data processing equipment, owned, installed, and maintained in accordance with this Tariff and the Interconnection Agreement and used to measure, record, or transmit data relating to the energy delivered from the QF to the Company at the Point of Delivery.

"Miscellaneous Amount" is an SPP charge type which is assessed for ad hoc situations that occur where a charge or credit must be assessed for which there is no other applicable charge type. This could be due to resettlement of inappropriately calculated charges from a prior bill or to reconcile settlement disputes between counterparties

"MW" means megawatt.

"MWh" means megawatt hour.

"NAESB" means the North American Energy Standards Board.

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DEFINITIONS (cont.)

"NERC" means the North American Electric Reliability Corporation, or any successor organization.

"Operating Day" means the daily period beginning at midnight for which transactions within the SPP are scheduled.

"Operating Reserve" means resource capacity held in reserve for resource contingencies and NERC control performance compliance.

"Parties" means the Company and the QF.

"Party" means either the Company or the QF.

"Permits" means all licenses, certificates, approvals, orders, permits, and other authorizations required by any Governmental Authority to engage in the activities described in this Tariff and to authorize the QF to construct, operate, and maintain the QF facilities consistently with the terms of this Tariff and Applicable Legal Requirements.

"Point of Delivery" means the point at which the QF is delivering energy to the Company's system where the Company accepts title to and risk of loss for the energy delivered by the QF to the Company.

Purchase Agreement" means the agreement that is attached to this Tariff.

"PUCT" means the Public Utility Commission of Texas.

"PURPA" means the Public Utility Regulatory Policy Act of 1978.

"Qualifying Facility" ("QF") means the entity selling non-firm energy to the Company under this Tariff, including a Forced Registration QF.

"Real-Time Balancing Market" ("RTBM") means the market operated by SPP continuously in real-time to balance generation and load.

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DEFINITIONS (cont.)

"Real-Time Locational Marginal Price" ("RTLMP") means the five-minute market clearing price for Energy at a given Settlement Location as determined by the SPP through its Real-Time Balancing Market.

"Real-Time Out-Of-Merit Amount" is an SPP charge type used to compensate resources for additional cost incurred as a result of being manually dispatched away from the optimal point. This is calculated in each settlement interval for each resource receiving an out-of-merit instruction.

"Revenue Neutrality Uplift Distribution Amount" is an SPP charge type that uplifts the imbalance from all other settlement charge types. This is calculated hourly for each settlement location.

"Reliability Unit Commitment ("RUC") Make Whole Payment Distribution" is an SPP charge type that allocates costs of make-whole payment for resources committed in RUC. This is calculated hourly for each settlement location where a resource has deviations from the RUC vs. real-time actual performance.

"Setpoint Instruction" means the real-time desired MW output signal calculated for a specific resource by SPP's control system.

"Settlement Adjustment Charges" ("SAC") means the sum of adjustments to the Settlement Interval to account for SPP Market charges or credits applicable to the QF resource. These charges shall include Real-Time Out-of-Merit Amount, RUC Make Whole Payment Distribution, Revenue Neutrality Uplift Distribution Amount, Miscellaneous Amount, and other charges incurred under SPP Market rules, as those rules are hereafter adopted or revised.

"Settlement Interval" means the applicable period of Energy integration for the applicable market settlement function. In the Day-Ahead Market the settlement interval is hourly. In the Real-Time Balancing Market the settlement interval is each 5-minutes starting with the top of each hour.

"Settlement Location" means the location defined for the purpose of commercial operations and settlement in the SPP Market.

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DEFINITIONS (cont.)

"SPP" means the Southwest Power Pool, a non-profit corporation organized and existing under the laws of the State of Arkansas.

"SPP Market" means the regional energy market administered by SPP under its Integrated Marketplace tariff, initially scheduled to begin operations in 2014, and any successor regional energy market design.

"SPP OATT" means the SPP Regional Open Access Transmission Tariff.

"System Emergency" means a condition on Company's system which is likely to result in imminent significant disruption of service to customers or is imminently likely to endanger life or property.

"Tariff' means this tariff, which is the Company's rate schedule for the purchase of non-firm energy from QFs in Texas.

"Texas QF Rules" means the sections of the PUCT's Substantive Rules that govern relations between utilities and QFs, including but not limited to sections 25.211, 25.212 and 25.242.

PURCHASE AGREEMENT

A QF that chooses to sell non-firm energy to SPS under this Tariff must execute the standard Purchase Agreement that is attached to this Tariff.

SPP MARKET REGISTRATION AND SCHEDULING

The Company is a member of the SPP Regional Transmission Organization and participates in the SPP Market, pursuant to Attachment AE of the SPP OATT.

A. QFs that Elect to Self-Register with SPP

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SPP MARKET REGISTRATION AND SCHEDULING (cont.)

Any OF that is eligible under the SPP OATT may elect to register itself in the SPP Market. If a QF elects to register itself, Company shall purchase the Energy made available to Company by the QF, but the QF shall be responsible for all obligations of a registrant in the SPP Market, including settling all applicable SPP Market-related charges directly with the SPP. A self-registered QF that intends to sell Energy to Company must submit a Bilateral Settlement Schedule. If QF elects to sell Energy to Company on a Day-Ahead basis, QF shall submit the Bilateral Settlement Schedule no later than 1000 Central Prevailing Time on the Day-Ahead. A OF that submits a Bilateral Settlement Schedule after 1000 Central Prevailing Time in the Day-Ahead shall be deemed to have elected to sell its Energy to Company at the RTLMP. A OF that does not submit a Bilateral Settlement Schedule shall be presumed to have chosen not to sell its Energy to Company. The Bilateral Settlement Schedule shall specify the portion of forecast output from the resource that the OF elects to sell to Company under this Tariff. A Bilateral Settlement Schedule may not be changed after the closing of the applicable market.

B. Forced Registration OF

Company shall purchase Energy made available to Company by a Forced Registration QF. Company will not provide resource capability information to the SPP on behalf of a Forced Registration QF. To the extent the SPP requires resource capability information relating to a Forced Registration QF resource, Forced Registration QF is required to provide such information.

C. QFs that Elect to be Registered by Company

Company will register a QF in the SPP Market only if the QF agrees to sell 100% of its energy output to Company. Company will not register a QF that sells less than 100% of its energy output to the Company. If the QF elects to have Company register the QF's facilities in the SPP Market, Company will register the QF in the SPP Market and will be responsible for providing the SPP with forecasts of the QF's output and managing the resource's participation in the SPP Market. A QF registered by Company shall not settle directly with the SPP for payment of any SPP Market charges.

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SPP MARKET REGISTRATION AND SCHEDULING (cont.)

A QF that elects to be registered by Company shall pay a one-time registration fee of \$1,000 at the time it requests registration by Company.

To the extent the SPP requires resource capability information relating to QF resources that elect to be registered by Company, Company will provide such information to the SPP on behalf of the QF. The QF remains responsible for compliance with NERC standards and its obligations under the applicable Interconnection Agreements. The QF agrees to respond to any requests from Company for information necessary to support such requests for information from the SPP.

INTERCONNECTION COSTS

If the Company or the SPP determines an interconnection study is necessary for interconnection of the QF, the SPP or the Company shall perform such study consistent with the SPP OATT or Texas QF Rules, whichever is applicable. The interconnection study shall determine the equipment and facilities that must be designed, purchased, installed, modified, replaced and/or removed to economically, reliably, and safely integrate the QF into the Company's electrical system. The interconnection study shall also quantify the costs associated with the design, purchase, installation, modification, replacement or removal of such equipment or facilities. The QF shall be responsible for all interconnection costs, including costs of the interconnection study, except as provided by the SPP OATT or Texas QF Rules.

DELIVERY ARRANGEMENTS

For purchases under this Tariff, the Company shall be responsible for acquiring transmission service to deliver energy from the QF to Company's load. Non-firm transmission service will be utilized during the pendency of the firm transmission request. If the SPP determines that no transmission upgrades are necessary for firm transmission service from the QF to Company's load, Company shall procure firm transmission service to deliver energy from the QF to Company's load. If the SPP determines that transmission upgrades are necessary for firm transmission service from the QF to Company's load, Company shall continue to utilize non-firm transmission service to deliver energy from the QF to Company's load.

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PAYMENT DETERMINATION

Rates for purchase of non-firm energy under this Tariff Sheet No. IV-117 are based on the Company's Avoided Cost of energy.

The monthly payment to the QF shall be the aggregate of the hourly payments for that month, minus a monthly administrative charge. Each QF's monthly administrative charge for the computation, billing, and creation of the QF's credit statement shall be \$215. For a QF that elects to be registered by the Company, the monthly administrative charge will also include an additional amount of \$190 to reimburse the Company for forecasting and scheduling the QF's energy. The administrative charges will be subtracted from the QF's monthly credit statement regardless of whether the Company has purchased non-firm energy from the QF during such billing period.

Company shall pay the QF for all Energy sold to Company by the QF. The method for calculating the rate payable to the QF shall depend on whether the QF elects to register its own facilities in the SPP Market, whether it elects for Company to register the QF's facilities in the SPP Market, or whether it forces the SPP to register its facilities.

A. QFs That Elect to Register in the SPP Market

A QF that elects to register its facilities in the SPP Market may sell its Energy to Company or may sell its Energy to other purchasers. To sell its Energy to Company, a self-registered QF must submit a Bilateral Settlement Schedule quantifying the amount of Energy that the QF intends to sell to Company in each interval.

A QF that elects to register its facilities in the SPP Market will receive a monthly payment that is the sum of all interval settlements for that month. The interval settlement for each hour shall be calculated according to the following formula if the QF submits the Bilateral Settlement Schedule to the SPP before 1000 Central Prevailing Time on the Day-Ahead:

Interval Settlement_i = $DALMP_{QF,i} \times MWhDA_{QF,i}$

where:

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PAYMENT DETERMINATION (cont.)

DALMP_{QF,i} = The Day-Ahead Locational Marginal Price at the registered resource Settlement Location associated with the QF for Settlement Interval i as expressed in dollars per MWh;

MWhDA_{QF,i} = Megawatt-hours scheduled to Company by QF during Settlement Interval i of the month in the SPP Day-Ahead Market;

The settlement for each interval shall be calculated according to the following formula if the QF submits the Bilateral Settlement Schedule to the SPP after 1000 Central Prevailing Time on the Day-Ahead:

Interval Settlement_i = $RTLMP_{QF,i} \times MWh_{QF,i}$

where:

RTLMP_{QF,i} = The Real-Time Locational Marginal Price at the registered resource Settlement Location associated with the QF for Settlement Interval i as expressed in dollars per MWh;

MWh_{QF,i} = Megawatt-hours scheduled to Company by QF during Settlement Interval i of the month in the SPP Real-Time Market;

Self-registered QF resources shall settle all other applicable SPP Market charges and credits directly with the SPP.

Self-registered QF resources shall arrange for meter output information to be provided directly to the SPP Market for settlements through the meter data agent role established in the SPP Market tariff.

DALMPs shall be calculated using hourly intervals. RTLMPs shall be calculated using five-minute intervals.

B. QF's That Elect for Company to Register their Facilities in the SPP Market

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PAYMENT DETERMINATION (cont.)

A QF that elects to have Company register the QF's facilities in the SPP Market will receive a monthly payment that is the sum of all interval settlements for that month. The settlement for each interval shall be calculated according to the following formula:

Interval Settlement_i = $[(RTLMP_{QF,i} / 1000) \times kWh_{QF,i}] - [SPP SAC]_{QF,i}$ where:

RTLMP_{QF,i} = The Real-Time Locational Marginal Price at the registered resource Settlement Location associated with the QF for Settlement Interval i as expressed in dollars per megawatt-hour;

kWh_{QF,i} = Kilowatt-hours delivered to Company by QF during Settlement Interval i;

SPP SAC $_{QF,i}$ = Charges Assessed by SPP in connection with the QF's operation in the SPP Market

Company shall settle with the SPP for payment of any SPP Market charges associated with QF's resource.

RTLMPs shall be calculated using five-minute intervals.

C. Forced Registration OFs

A Forced Registration QF will receive a monthly payment that is the sum of all interval settlements for that month. The settlement for each interval shall be calculated according to the following formula:

Interval Settlement_i = $[(RTLMP_{QF,i} / 1000) \times kWh_{QF,i}] - [SPP SAC + FRQFMC]_{QF,I}$ where:

RTLMP_{QF,i} = The Real-Time Locational Marginal Price at the registered resource Settlement Location associated with the QF for Settlement Interval i as expressed in dollars per megawatt-hour;

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PAYMENT DETERMINATION (cont.)

kWh_{QF,i} = Kilowatt-hours delivered to Company by QF during Settlement Interval i;

SPP $SAC_{QF,i}$ = Charges Assessed by SPP in connection with the QF's operation in the SPP Market

FRQFMC_{QF,i} = Forced Registered Qualified Facility Market Charges assessed to Company by SPP in connection with QF's operation in the SPP Market

Company shall settle with the SPP for payment of any SPP Market charges associated with Forced Registration QF's resource.

RTLMPs shall be calculated using five-minute intervals.

PAYMENT

For QFs other than Forced Registration QFs, the Company shall send a monthly statement and make a payment on or before the 20th calendar day of the month following the delivery of energy. The payment will be based on data in the Initial Settlement Statement. Any changes or adjustments made in the Final Settlement Statement will be reflected in the monthly statement following such change or adjustment. The statement will show the summation of the hourly kilowatt-hours of energy delivered by the QF, the LMP price for the Settlement Interval, any applicable SAC charges or credits assessed by the SPP, the applicable monthly administrative cost assessed by the Company, and the total credit amount due to the QF or the amount due to the Company.

For a Forced Registration QF, Company shall send a monthly statement and make a payment on or before the 20th calendar day following the date on which SPP provides the information necessary to calculate the payment due to the Forced Registration QF. The statement will show the summation of the hourly kilowatt-hours of energy delivered by the QF, the LMP price for the Settlement Interval, any applicable SAC charges or credits assessed by the SPP, the applicable monthly administrative cost assessed by the Company, the FRQFMC charges, and the total credit amount due to the QF or the amount due to the Company.

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CURTAILMENT AND INTERRUPTIONS

All delivery arrangements are subject to all applicable NERC reliability standards, NAESB standards, and SPP curtailment policies and procedures. Additionally, non-firm energy purchases may be interrupted in case of a System Emergency or when a hazardous condition exists if, in the Company's sole judgment, the continuation of such purchases would contribute to the System Emergency or hazardous condition. Upon ten (10) minutes' notice to the QF to cease delivery of energy, non-firm energy purchases may be interrupted due to operational circumstances, including instances when the amount of energy produced by the QF exceeds the portion of the Company's load that can reliably be served by said energy. The foregoing language shall be interpreted in accordance with the following principles:

- 1. SPS may curtail the output of QFs only in the circumstances defined by 18 C.F.R. § 292.307 and 18 C.F.R. § 292.304(f).
- 2. The reference to a "hazardous condition" in this section of the Tariff refers to an event that rises to the level of a System Emergency, and does not allow SPS to curtail QF energy for other reasons.
- 3. The "operational circumstances" referred to in this section of the Tariff addresses the low-loading condition identified in 18 C.F.R. § 292.304(f), as well as other operational circumstances that would give rise to a System Emergency.
- 4. The violation of federal reliability standards is ground for curtailment when such violation would cause a System Emergency.
- 5. SPS will not curtail a QF's output under the Tariff to account for transmission congestion unless the congestion gives rise to a System Emergency.
- 6. In administering this Tariff, SPS will comply with the FERC-approved SPP curtailment policies and procedures, as they may be revised from time to time. The FERC-approved SPP curtailment policies and procedures currently allow curtailment of QFs' output when transmission congestion rises to a Southwest Power Pool Transmission Loading Relief Level 5 or higher.

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CURTAILMENT AND INTERRUPTIONS (cont.)

If transmission or distribution service is curtailed by SPS or SPP for the reasons set forth in this "Curtailment and Interruptions" section of the Tariff, SPS shall be relieved of its obligation to purchase the QF's energy during the time the condition giving rise to the curtailment exists.

DATA SHARING

A QF shall inform the Company of any planned or unplanned outage or de-rate or any other significant change to the operating capability of the QF as soon as reasonably practicable so that the Company can effectively manage its obligations under the Tariff and in the SPP Market, and to provide such other information regarding the QF as may be reasonably required.

The QF shall provide such additional information regarding its operations that the Company may reasonably request.

For wind or solar resources, the QF shall provide to the Company the operating specifications of the generating unit(s), along with historical and real-time meteorological data, unit availability, and operating data, including wind turbine operating data, for each of the units comprising the QF. The Parties will make reasonable efforts to implement a system to automatically communicate with onsite equipment in order to acquire data for actual monitored real-time data point information using communications mutually agreed upon by the Parties. Until such automated systems are established, upon request by the Company, the QF will provide its operating specifications to the Company, along with historical wind speeds for wind QFs.

Each QF with Solar Panels registered by Company shall provide the following information to Company:

(a) Solar Panel information:

Panel manufacturer(s).
Panel models and year of all panels.
Panel inverters and meteorological instrumentation
Solar Panel Manufacturer power curve

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DATA SHARING (cont.)

(b) Geographic information:

> Longitude and latitude of the center of the solar panels for every inverter. Longitude and latitude of the center of the soar panels for every meteorological tower.

Real-Time data: (c)

> Inverter generation (kW) Inverter availability

Direct normal insolation

Global Horizontal Irradiance Ambient temperature (Celsius)

Barometric pressure (mb)

Wind speed (mps)

Wind direction (degrees relative to true north)

The information provided shall be refreshed as frequently as allowed by the SCADA system, not to exceed sixty (60) second intervals

Each OF with wind turbines registered by Company shall provide the following information to Company:

Turbine information: (a)

Turbine manufacturer(s).

Turbine models and year, including any prefixes and suffixes if available.

Turbine Manufacturer power curve

Number of turbines.

Nameplate capacity of each turbine.

Hub height of the center of each turbine in meters above ground level.

Rotor blade diameter of each turbine in meters.

Temperature range of operation in degrees Celsius.

Manufacturer, model and year of all meteorological instrumentation

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DATA SHARING (cont.)

(b) Geographic information:

Longitude and latitude of the center of the wind facility.

Longitude and latitude of the met tower/nacelle anemometer.

(c) Real-time data:

Turbine generation (kW)
Turbine availability
Air density
Ambient temperature
Wind speed (mps)
Wind direction (in degrees relative to true north)
Wind Pressure (mb)

Each QF shall provide additional information regarding its operations that Company may reasonably request.

GENERAL OPERATIONS

At all times, the QF shall operate, maintain, and repair its facilities in accordance with the terms of this Tariff and any applicable SPP or NERC procedures or requirements, Good Utility Practice(s) and the Interconnection Agreement. The QF shall bear its own costs of operating, maintaining and repairing its facilities.

The QF shall provide the Company with a dispatch control interface necessary to manage output as required for reliability. In the alternative, the QF shall staff and operate its facility as required to be responsive to the Company's or SPP's request to curtail deliveries of non-firm energy.

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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

METERING DEVICES

The QF shall install Metering Devices consistent with this Tariff, any applicable Interconnection Agreement, and the Purchase Agreement.

Any QF with an aggregate nameplate capability of one (1) megawatt or greater shall also install telemetry equipment as required by the Company to ensure reliable operations.

All Metering Devices used to provide data for the computation of payments due under this Tariff shall be sealed and the seal may only be broken when the Metering Devices are to be inspected, tested, or adjusted in accordance with this Tariff. Both the QF and the Company shall be given the opportunity to be present, with at least fifteen (15) calendar days' prior notice. The number, type, and location of Metering Devices shall be configured to accurately measure power purchases by the Company from the QF. Either the QF or the Company shall have the right to install and maintain a back-up metering device.

The Metering Devices may be inspected and tested by the Company at its option at least once every (12) months while making purchases under this Tariff, and the QF shall provide the appropriate ingress and egress to Company for completing such inspections according to the provisions of this Tariff.

If a Metering Device fails to register, or if the measurement made by a Metering Device is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Metering Device for both the amount of the inaccuracy and the period of the inaccuracy in the following manner:

(a) If the Metering Device is found to be defective or inaccurate, the Company and the QF shall use back-up metering, if installed, to determine the amount of the inaccuracy, provided that the back-up metering has been tested and maintained in accordance with the provisions of this Tariff. If back-up metering is installed on the low side of the QF's step-up transformer, if back-up metering is unavailable, or if back-up metering is also found to be inaccurate by more than one percent (1.0%), the Company and the QF shall estimate the amount of the necessary adjustment on the basis of the sum of the metered energy adjusted for historical line losses.

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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

METERING DEVICES (cont.)

- (b) If such information is not available, the estimate shall be based on deliveries of energy from the QF during periods of similar operating conditions when the Metering Device was metered accurately. The adjustment shall be made for the period during which inaccurate measurements were made.
- (c) If the QF and the Company cannot agree on the actual period during which the inaccurate measurements were made, the period during which the measurements are to be adjusted shall be the shorter of (a) the last one-half of the period from the last test of the Metering Device to the test that found the Metering Device to be defective or inaccurate, or (b) one hundred eighty (180) calendar days immediately preceding the test that found the Metering Device to be defective or inaccurate.
- (d) To the extent that the adjustment period covers a period of deliveries for which payment has already been made by the Company, the Company shall use the corrected measurements as determined in accordance with this Tariff to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by the Company for this period from the recomputed amount. If the difference indicates undercompensated production by the QF, the difference shall be paid by the Company to the QF; if the difference indicates over-compensation for production by the Company, that difference shall be paid by the QF to the Company, or at the discretion of the Company, may take the form of an offset against payments due to the QF by the Company.
- (e) Payment of this difference by the owing party shall be made not later than thirty (30) calendar days after the owning party receives notice of the amount due, unless the Company elects payment by way of an offset.

Each QF shall provide at its own cost sufficient communications capabilities to allow the Company to remotely read the Metering Devices electronically. The Company shall read the Metering Devices monthly. The QF shall provide the Company written notice within two (2) calendar days of the connection of any telephone communication hook up to the Metering Device or modifications thereto.

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			E OF NON-FIRM JALIFYING FACILITIES
	PUR		GREEMENT FOR GY FROM QUALIFYING FACILITIES
1.0		es. This Purchase Agreement (ed into by and between Southw ("QF").	"Agreement"), dated as of, is estern Public Service Company ("Company") and
2.0	under Quali	Company's Electric Tariff Shee ifying Facilities ("Tariff"), as suc e Public Utility Commission of	ourchases of non-firm energy by Company from QF at No. IV-117, <i>Purchase of Non-Firm Energy from</i> th may be amended or superseded with the approval Texas. The Tariff is incorporated by reference
3.0	date		nent shall continue for a period of one year from the apany or QF. The Agreement shall continue on a provided below.
	3.1	terminate this Agreement effect	nent by providing written notice to the Company to ctive upon the end of the applicable renewal period, later than 90 days prior to the noticed termination
	3.2	energy of the QF is eliminat Federal Energy Regulatory Co- a replacement agreement be approves changes to this stand	Agreement if (1) SPS's obligation to purchase the ted by legislation, regulation, or an order of the mmission; or (2) it becomes necessary to enter into cause the Public Utility Commission of Texas dard purchase agreement. Company shall provide han 90 days prior to the noticed termination date.
4.0	facili	ty described in Exhibit A of t	ompany shall purchase non-firm energy from the his Agreement (the "Facility"). The terms and the purchase of non-firm energy by Company.
5.0	Facili toregi regist	ty in the Southwest Power Pocister the Facility in the SPP Marration option.	greement, QF shall elect whether it will register the ol ("SPP") Market, whether it will ask Company rket, or whether it has availed itself of the forced
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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

- 5.1 If QF elects to have Company register the Facility in the SPP Market, Company shall maintain registration of the Facility for the term of this Agreement.
- 5.2 If QF elects to have Company register the Facility in the SPP Market, QF shall sell 100% of its net energy output to Company.
- **Rates.** Company shall pay QF for the energy delivered to Company from the Facility at the rates set forth in the Tariff.
 - 6.1 QF agrees that if the Commission approves a new tariff during the term of this Agreement, that new tariff will be applicable to this Agreement upon the effective date of the new tariff.
- 7.0 Payment. Payments due under this Agreement shall be paid by electronic funds transfer, or by wire transfer, as designated by QF on Exhibit C of this Agreement.
 - 7.1 If an undisputed amount is not paid on or before the due date, a late payment charge shall be applied to the unpaid balance.
 - 7.2 The late payment charge shall be calculated based on an annual interest rate equal to one hundred twenty-five percent (125%) of the U.S. Dollar LIBOR three-month rate published on the date of the invoice in the Wall Street Journal (or if the Wall Street Journal is not published on that day, the next succeeding date of publication); provided, however, that in no event shall the resulting late payment charge exceed the maximum interest rate allowed by law.
 - 7.3 If the due date occurs on a date other than a business day, the late payment charge shall begin to accrue on the next succeeding business day.
 - 7.4 Any late payment charge shall be due and payable within thirty days of the date it begins to accrue.
- 8.0 Disputed Payments. When a billing dispute is resolved, the party owing shall pay the amount owed within five business days of the date of resolution, with late payment charges calculated on the amount owed in accordance with the provisions of Paragraph 7.2.

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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

- 8.1 Each party may offset against any and all amounts due and owed by it to the other party any and all undisputed amounts, including damages and other payments that are owed by the other party or that are past due under other accounts for other services relating to the sale of energy by QF to Company.
- 9.0 Dispute Resolution. Because Company and QF agree that it is in the best interest of both parties to attempt to resolve disputes that arise under this Agreement in a quick and inexpensive manner, the parties commit to use good faith efforts to resolve disputes informally.
 - 9.1 For any disputes that arise under this Agreement, Company and QF shall negotiate with one another in good faith through their designated representatives to attempt to reach resolution of the dispute.
 - 9.2 Such negotiation shall commence within fourteen (14) business days after the date of the letter from one party representative to the other party representative notifying that party of the nature of the dispute.
 - 9.3 If the parties' representatives cannot agree to a resolution of the dispute within thirty (30) business days after the commencement of negotiations, written notice of the dispute, together with a statement describing the issues or claims, shall be jointly prepared by the parties' representatives and delivered, within three (3) business days after the expiration of the thirty (30) business day negotiation period, by each party representative to a senior officer or official who has authority to bind the respective party.
 - 9.4 Within three (3) business days after receipt of the dispute notice, the senior officers or officials for both parties shall negotiate in good faith to attempt to resolve the dispute.
 - 9.5 If the senior officers or officials are unable to resolve such dispute within thirty (30) business days after receipt of the dispute notice, either party may proceed in accordance with any appropriate means of redress at law or in equity.

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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

- 10.0 Compliance with Legal Requirements. QF shall be solely responsible for complying with all applicable laws and regulations that apply to the Facility and its operations, including all environmental laws and permitting requirements.
 - 10.1 QF shall not attempt to assert that Company is in any way responsible for compliance with any such legal requirements by virtue of its purchases of energy under this Agreement.
 - 10.2 If Company is held responsible by a governmental authority for any noncompliance by the Facility with such legal requirements, QF will be obligated to indemnify Company in accordance with Paragraph 11.1.

11.0 Indemnity.

- 11.1 QF shall indemnify, defend, and hold harmless Company from and against all claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to persons and damage to Company's property or facilities or the property of any other person to the extent arising out of, resulting from, or caused by a violation of any Applicable Legal Requirements, or by the negligent or tortious acts, errors, or omissions of QF, its affiliates, directors, officers, employees, or agents.
- 11.2. Company shall indemnify, defend, and hold harmless QF from and against all claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to persons and damage to QF's property or facilities or the property of any other person to the extent arising out of, resulting from, or caused by a violation of any Applicable Legal Requirements, or by the negligent or tortious acts, errors, or omissions of Company, its affiliates, directors, officers, employees, or agents.
- 12.0 Government Contract Clauses. QF acknowledges that Company, as a government contractor, is subject to various federal laws, executive orders, and regulations and is required to include certain of those obligations in its contracts.
 - 12.1 All applicable equal opportunity and affirmative action clauses shall be deemed to be incorporated in this Agreement as required by federal laws, executive orders, and regulations, including 41 C.F.R. §§ 60-1.4(a)(1-7).

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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

12.2 QF shall also comply with all applicable provisions of the Federal Acquisition Regulation, including those contract clauses set forth below and incorporated by reference:

52.203-7	Anti-Kickback Procedures
52.219-8	Utilization of Small Business Concerns.
52.222-26	Equal Opportunity.
52.222-35	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era.
52.222-36	Affirmative Action for Workers with Disabilities.
52.222-37	Employment Reports on Disabled Veterans and Veterans of the

13.0 Limitation of Liability. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL, OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT TO THIS AGREEMENT.

Vietnam Era.

- 14.0 No Assignment. The rights and obligations of the parties under this Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed, or conditioned.
 - 14.1 Any purported assignment of this Agreement in the absence of the required consent shall be void.
 - 14.2 Notwithstanding the foregoing, Company's consent shall not be required for QF to make a collateral assignment of this Agreement to or for the benefit of any lender providing financing and/or refinancing for the Facility from which Company is purchasing energy; provided, further, that Company shall deliver a written consent, acceptable to Company, to assignment to any of QF's lenders requesting such consent.

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PURCHASE OF NON-FIRM **ENERGY FROM QUALIFYING FACILITIES**

- 15.0 Survival of Obligations. Cancellation, expiration, or earlier termination of this Agreement shall not relieve the parties of obligations that by their nature should survive such cancellation, expiration or termination, prior to the expiration of the applicable statute of limitations, including warranties, remedies or indemnities, which shall survive for the period of the applicable statute of limitations, and obligations under law.
- 16.0 Notices. Any notice, demand, request, or communication required or authorized by this Agreement shall be in writing and shall be delivered either by hand, facsimile, overnight courier or mailed by U.S. certified mail, return receipt requested, with postage prepaid, to each party as described on Exhibit D of this Agreement.
 - 16.1 The designations and titles of the persons to be notified or the address of those persons may be changed at any time by written notice.
 - Any notice, demand, request, or communication is effective upon receipt if delivered by hand, facsimile, overnight courier, or deposited for delivery by U.S. certified mail.
- 17.0 **Duties.** Company and QF incorporate the following duties into this Agreement.
 - Duty to Cooperate and Communicate. Company and QF agree to cooperate and 17.1 communicate to the extent required to ensure reliable operation of the Facility and the delivery system elements used to deliver QF's output to Company's loads.
 - 17.2 Duty of Good Faith and Fair Dealing. Each party shall have a duty of good faith and fair dealing in the performance of the obligations in this Agreement.
 - 17.3 Duty to Mitigate. Each party agrees that it has a duty to mitigate damages and to use commercially reasonable efforts to minimize any damages it may incur as a result of the other party's performance or non-performance of this Agreement.

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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

IN WITNESS WHEREOF, Company and QF have caused this Agreement to be executed as of the date and year first above written.

[Qr Entity Name]
Ву:
Name:
Title:
SOUTHWESTERN PUBLIC SERVICE COMPANY, A NEW MEXICO CORPORATION
Ву:
Name:
Title:

Effective March 1, 2014

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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

EXHIBIT A

FACILITY DIAGRAM INCLUDING POINT OF DELIVERY

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	E	хнівіт в		
	REGISTRATION ELECTION			
Choose one	Choose one of the following:			
	QF elects to register its own generating facilities in the SPP Market.			
· .	QF elects for Company to register QF's generating facilities in the SPP Market.			
	QF has availed itself of the forced registration provision in Section 1.2.2A(7) of Attachment AE to the SPP OATT or any successor provision.			
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PURCHASE OF NON-FIRM ENERGY FROM QUALIFYING FACILITIES

EX	CHIBIT C
METHOD OF P.	AYMENT ELECTION
Choose one of the following:	
Payments due under this Agreement	t shall be paid by electronic funds transfer.
Payments due under this Agreement	shall be paid by wire transfer.
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EXHIBIT D

NOTICE

If to Company:	If to Customer:
Vice President, Commercial Operations Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, Colorado 80202 Telephone: Fax:	
With copies to:	With a copy to:
Manager, Renewable Purchased Power Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Telephone: Fax:	
And:	And:
Purchase Power Analyst Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Telephone: Fax:	

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