

PRELIMINARY STATEMENTS
Solar and Battery Tax Memorandum Account

III. Solar and Battery Tax Memorandum Account

(N)

Bear Valley Electric Service, Inc. ("BVES") shall maintain the Solar and Battery Tax Memorandum Account ("SBTMA").

(C)

1. PURPOSE

Pursuant to D.25-12-024, Ordering Paragraph No. 5, the purpose of the SBTMA is to track and record any increase or decrease in the Investment Tax Credit ("ITC") allowed in a given tax year or in the aggregate, including but not limited to: the ITC rate, the amount of costs eligible for ITC, timing of when the ITC reduces tax liability, subsequent recapture events, subsequent ITC ineligibility if any, subsequent changes in tax laws, Internal Revenue Service audits and tax-related interest and penalties.

2. APPLICABILITY

The SBTMA applies to all residential customer classes, except for those specifically excluded by the Commission.

3. RATES

The SBTMA does not have a rate component.

4. ACCOUNTING PROCEDURES

BVES shall maintain the SBTMA by making entries at the end of each month as follows:

a. Entries shall be made to the SBTMA at the end of each month to record the differences between the Solar Project and the Battery Storage Project's adopted and realized ITC.

b. Interest shall to the SBTMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Non-Financial Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. EFFECTIVE DATE

The SBTMA shall have the effective date of January 21, 2026.

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6. DISPOSITION

Disposition of amounts recorded in the SBTMA shall be addressed in a Tier 3 advice letter pursuant to D.25-12-024, OP 6.

(Continued)

Advice Letter No. 535-E
Decision No. 25-12-024

Issued By
Paul Marconi
President

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Resolution No. _____