

ORIGINAL

OPEN MEETING AGENDA ITEM



0000018177

EXCEPTION

Arizona Cogeneration Association

(dba Distributed Energy Association of Arizona)

P.O Box 10594, Phoenix, AZ 85064

1220

March 14, 2005

Arizona Corporation Commission

DOCKETED

MAR 14 2005

Judge Lyn Farmer
Administrative Law Judge
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

DOCKETED BY *CM*

Subject: Comments on Proposed Opinion and Order on Docket No. E-01345A-03-0437 -

Dear Judge Farmer,

The Distributed Energy Association of Arizona (DEAA) has reviewed the proposed order. We encourage the Arizona Corporation Commission to strengthen the language in the Proposed Settlement related to the DG Workshop to create Distributed Generation (DG) standards. We propose the attached be included in the Order.

DEAA would like the Commission to focus on how to streamline the workshop process.

The key to a productive workshop is strong proactive leadership.

We have tried to meet with the leadership of the ACC Staff to discuss this and other workshop issues, but were unable to, because of heavy scheduling at the ACC.

We, therefore, recommend that the ACC consider retaining an outside leader/consultant, familiar with Distributed Generation issues in other states.

We believe that the workshop could be accomplished within 4 months with an experienced, proactive leader. We recommend that ACC Staff work with DEAA and APS to select a leader.

Sincerely:

William J. Murphy P.E.
Vice-President
Distributed Energy Association of Arizona
602-703-8163

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 MAR 14 P 2:58

Attachment
Original and 13 copies delivered to Docket Control

RECEIVED

ATTACHMENT – Recommendations Regarding Distributed Generation (DG) to be Added to [Paragraphs 108 and 109 of the Proposed Settlement] and Order for Docket No. E-01345A-03-0437:

1. Regarding DG tariff, we recommend a “straw man” DG tariff as a starting point. We continue to recommend the SRP-32 TOU be used as this starting point. The ultimate DG rate should include Net Metering; be cost-based, send efficient pricing signals to consumers, and to the extent feasible not discriminate against customers.
 2. Regarding interconnection we again recommend a “straw man” interconnection standard based upon the State of Texas’ (or California) and all deviations from the straw man and IEEE # 1547 will be noted and justified in the final report.
 3. The DG Workshop should also cover defining "Distributed Generation" to include projects of up to 20 MW; and establishing predetermined costs that will be charged by APS to interconnect to the APS system.
The workshop should not start with the work result from the ACC 1999 DG workshop effort. Standards for interconnection have already evolved significantly with the efforts in other states and in creation of IEEE 1547.
 4. As mentioned in our brief - 100MW of customer owned and sited Distributed Generation should be connected to APS system before 2015. Re-visit the progress of this goal every year with reports by APS and DEAA.
 5. Provide adequate funding for a leader and consultants for the DG workshop. (The ACC has ordered APS to fund similar expenses to benefit all ratepayers in the past).
 6. The DG workshop shall be scheduled with an overall deadline to produce a final report to Commission within four (4) months.
 7. All interested parties are invited to participate in the workshop.
 8. Milestone reports will be given monthly to a Commissioner level contact monitoring the progress of the workshop.
 9. Meetings will be held weekly or more often to complete the workshop. Meetings will be held on a regular schedule with the schedule posted on the ACC web site.
 10. The final report may include Utility and DEAA recommendations for Commission consideration.
-