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AZ CORP COMMISSION
DOCKET CONTROL

Vote Solar

August 16, 2007

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

RE: Docket No. E-00000A-99-0431

Dear Docket Control:

Enclosed, please find an original and 13 copies of the comments of the Vote Solar Initiative, on behalf of the Solar Advocates.

If there are any questions, I can be reached at 415 817 5062.

Yours truly,

Adam Browning

Arizona Corporation Commission
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**The Solar Advocates
Comments on Staff's Transmittal Memorandum and Proposed Order
Docket No. E-00000A-99-0431**

**NET METERING IN THE GENERIC INVESTIGATION OF DISTRIBUTED
GENERATION**

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Adam Browning
The Vote Solar Initiative
300 Brannan, Suite 609
San Francisco, CA 94107
Telephone: (415) 817-5062
FAX: (415) 543-1374
E-mail: adam@votesolar.org

**Comments on Staff's Transmittal Memorandum and Proposed Order
Docket No. RE-00000A-99-0431
NET METERING IN THE GENERIC INVESTIGATION OF DISTRIBUTED
GENERATION**

The Vote Solar Initiative, a project of the Tides Center, is a 501(c)(3) non-profit organization with the mission of helping bring solar photovoltaics into the mainstream. We are filing these comments on behalf of the Greater Tucson Coalition for Solar Energy, and the Solar Alliance (an alliance of the leading solar manufacturers and installers, including American Solar Electric, BP Solar, Conergy, Energy Innovations, Evergreen Solar, First Solar, Kyocera Solar, MMA Renewable Ventures, Mitsubishi Electric, PPM Solar, REC Solar, Sanyo Energy, Schott Solar, Sharp Electronics Corp.-Solar Energy Solutions Group, Solar World, SPG Solar, Sun Edison, SunPower, Suntech, Turner Renewable Energy, and Uni-Solar); collectively known as the Solar Advocates. We are pleased to have the opportunity to contribute to the Commission's proceedings.

Many of the Solar Advocates' organizations participated in the September 7, 2006 workshop on net metering, and have long been urging the Commission to conduct rulemaking on the matter. Our arguments for why net metering is important for Arizona were amply covered at the meeting and by our comments submitted on October 20, 2006, and we incorporate them by reference herein.

To those arguments, we would also like to add that Arizona's lack of a Commission-approved standard means that the matter is being dealt with in multiple forums, causing unnecessary confusion and duplication of resources amongst stakeholders. For instance, while the Renewable Energy Standard rulemaking (Decision No. 69127) recognized the need for net metering standards as an enabling policy to achieve compliance, Arizona Public Service proposed a highly controversial net metering tariff rider in their recent rate case. Stakeholders had to intervene in this proceeding as well. Statewide rules will eliminate this possibility for duplication of effort.

Recommended Modifications

We suggest that paragraph 19 of the proposed order be modified. The current wording states:

"The draft rules should address, at a minimum, the following issues:

- Customer sector participation
- Types of generation resources
- Project size
- Total participation
- Metering
- Treatment of net excess generation
- Responsibility for costs"

This way of framing the issue presupposes that there are only costs associated with net metering, eliminating a thoughtful cost-benefit discussion. A more accurate way of assessing the financial implications of net metering would be to include an investigation of the benefits (provided in comments to the Commission and referenced in Staff's discussion) to ratepayers and utilities as well. Just looking at only one side of the ledger games the analysis.

We recommend replacing paragraph 19 with the following:

"The draft rules should address, at a minimum, the following issues:

- Customer sector participation
- Types of allowable generation resources
- Limits to project size, if any
- Limits to total participation, if any
- Metering hardware and cost responsibility
- Treatment of net excess generation both monthly and annually
- Net financial implications of net metering for ratepayers and utilities
- Relationship to existing tariffs
- The role net metering plays in the furtherance of other Commission rules, policies, and goals."

We support Staff's recommendation to begin a rulemaking process on net metering, with the changes recommended above.

Respectfully submitted August 16, 2007

By: 

Adam Browning
The Vote Solar Initiative