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Solar Advocates
The Arizona Solar Energy Industries Association
The Solar Alliance

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AZ CORP COMMISSION
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Comments on Staff Report on Draft Proposed Net Metering Rules
RE-00000A-07-0608

The Solar Advocates wish to express our appreciation to the Commission and Staff for their work on the recent decision (Decision No. 70194) regarding net metering. This decision, if successfully implemented, has the potential to be one of the most inclusive and best-designed net metering rules in the country.

Our comments address some of our concerns associated with successful implementation. Our comments are divided into two sections. The first section addresses clarifications to the proposed rule. The second section addresses implementation issues at the time the utilities file their net metering tariffs

Clarifications Proposed Net Metering Rules

Section R14-2-2305 (B.) New or Additional charges.

Net Metering costs shall be assessed on a nondiscriminatory basis with respect to other customers with similar load characteristics.

From discussions with Staff, it is our understanding that this section was intended to indicate that the utility may not assess any charges to a net metering customer that are not assessed to all customers with similar load characteristics, even those that do not participate in net metering. We feel that this section should be clarified to read.

“No Net Metering charges shall be assessed to a Net Metering customer that are not assessed to all customers with similar load characteristics, regardless of whether or not they participate in Net Metering.”

Section R14-2-2307 Net Metering Tariff

To this section we suggest adding a new “part D” that would read. “To the extent practicable, R14-2-2301 through R14-2-2308, inclusive, shall be implemented consistent with the Renewable Energy Standard and Tariff (R14-2-1801 et seq.)” In the alternative, this wording could be included in the order approving the net metering rule. Our proposed language makes explicit the link between successful implementation of the net metering rules and successful implementation of the Renewable Energy Standard.

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Implementation Issues

The following comment would apply at the time the Commission considers the tariffs to be filed pursuant to R14-2-2307 (B). This section of the rule indicates that net metering tariffs *shall specify standard rates for annual purchases of remaining credits from Net Metering Facilities and may specify total utility capacity limits.*

Solar Advocates oppose utility capacity limits in general. However, if capacity limits are to be imposed, it is of vital importance that they be set at a level high enough so that they do not interfere with REST requirements. The REST requires that Commission-regulated utilities get 4.5% of their energy from distributed renewable resources by 2025. It is likely that the vast majority of the projects producing this energy will be taking advantage of net metering. At the very least, utility capacity limits should be set above 4.5% so as to avoid hindering compliance with REST goals.

Respectfully Submitted,

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