



0000085199

EXCEPTION

Arizona Corporation Commission
RECEIVED DOCKETED

2000 MAR 22 P 3: 21 MAR 22 2000

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY [Signature]

1 Kenneth C. Sundlot, Jr. 004430
2 JENNINGS STROUSS & SALMON, PLC
3 One Renaissance Square
4 Two North Central Avenue
5 Sixteenth Floor
6 Phoenix, Arizona 85004
7 Attorneys for New West Energy

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7 CARL J. KUNASEK
8 COMMISSIONER-CHAIRMAN
9 JIM IRVIN
10 COMMISSIONER
11 WILLIAM A. MUNDELL
12 COMMISSIONER

11 IN THE MATTER OF THE GENERIC) Docket No. E-0000A-99-0205
12 INVESTIGATION OF THE)
13 DEVELOPMENT OF A RENEWABLE) **NEW WEST ENERGY COMMENTS**
14 PORTFOLIO STANDARD AS A) **ON THE RECOMMENDED OPINION**
15 POTENTIAL PART OF THE RETAIL) **AND ORDER**
16 ELECTRIC COMPETITION RULES)

16 New West Energy supports the hearing officer's recommended opinion and order (docketed
17 March 13, 2000), and urges that it be adopted by the Commission. Specifically New West Energy
18 supports the recommended opinion and order for these reasons:

- 19 a. The concepts are consistent with the renewables portfolio adopted by the Salt River
20 Project Board of Directors on February 7, 2000.
- 21 b. The proposal is consistent with price settlements made between the customers and
22 the utilities.
- 23 c. The proposal allows for maximum flexibility to facilitate the development of
24 renewable resources.

1 d. The proposal is a cost effective approach to encourage the development of
2 renewable energy sources.

3 **I. The concepts are consistent with the renewables portfolio adopted by the Salt River**
4 **Project Board of Directors on February 7, 2000.**

5 On February 7, 2000 the Salt River Project adopted a Renewable Portfolio Standard for SRP
6 which includes up to \$77 million of direct investment in renewable resources. This Renewable
7 Portfolio Standard is consistent with the approach advocated by New West Energy, and advocated
8 by RUCO, ACAA, TEP, Cyprus, and New Energy in this proceeding. More importantly, most of
9 the concepts in the SRP Renewable Portfolio Standard are consistent with the approach set forth in
10 the recommended opinion and order. Specifically, the approved SRP Renewables Portfolio
11 Standard has these elements:

- 12 1. **Funding Level** – Under the Renewable Portfolio SRP will fund a renewable energy
13 program at the levels shown in the table below. Programs will be funded using the
14 systems benefits charge without increasing prices. Extension of the program beyond
15 2003 will be contingent upon review and evaluation based on measurable goals and
16 objectives.

Year	Funding Level	Year	Funding Level
2000	\$8,200,000	2004	\$12,000,000
2001	\$7,000,000	2005	\$12,000,000
2002	\$7,000,000	2006	\$12,000,000
2003	\$7,000,000	2007	\$12,000,000

- 17
18
19 2. **Eligible Technologies and Program Elements** – The program will utilize a variety
20 of renewable technologies to realize the greatest cost effectiveness and
21 environmental benefit: solar electric, solar dish, solar hot water heating, landfill gas,
22 and other “clean” technologies such as fuel cells. The primary project for the first
23 two years of the program will be the landfill gas facility.

- 24 3. **Price Reductions and Other Measurable Goals** – Specific price reduction targets
25 and other measurable goals will be established at the outset. Continuation of the
program beyond 2003 will depend on meeting measurable goals in at least the
following areas:

- The success of the industry in meeting price targets for eligible technologies.
- The demonstrated market support for “green energy” products.

- 1 • The success of the program in creating a wholesale “green energy” market
2 capable of sustaining itself without ongoing subsidies.
- 3 • The cost-effectiveness of the program in creating new jobs and business in
4 Arizona.
- 5 • The cost-effectiveness of the program in improving air quality in Arizona.

6
7 **4. Customer Participation** – In keeping with SRP’s tradition of customer
8 involvement, SRP will create a customer advisory committee to provide opportunity
9 for input in this program and on SRP’s measurement of its success.

10 **II. The proposal is consistent with price settlements made between the customers and the**
11 **utilities.**

12 A major point raised by the customers during this proceeding and during the negotiations is
13 that customers do not want to lose their hard-fought price reductions (achieved through settlements
14 and through the legislatively imposed price caps). A major advantage of this proposal is that it is
15 funded through existing system benefits charges. There are no price increases.

16 **III. The proposal allows for maximum flexibility to facilitate the development of renewable**
17 **resources.**

18 Many of the participants, including New West Energy, advocated that no party can predict
19 with certainty the path of technology development. For this reason, parties advocated that the
20 Renewable Portfolio Standard should incorporate maximum flexibility, to permit experimentation
21 with and utilization of new technologies as they may become available. By leaving open the issue
22 of particular technologies, the proposal meets this objective.

23 **IV. The proposal is a cost effective approach to encourage the development of renewable**
24 **energy sources.**

25 Because the proposal allows for the use of a variety of renewable technologies, it permits the
participants to realize the greatest cost effectiveness for the resources deployed. This is consistent
with the goals of all parties, that the funds deployed result in the greatest benefit to the cause of
developing sustainable renewable resources in Arizona.

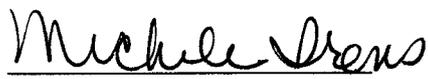
1 For these reasons New West Energy urges that the Commission adopt the proposed
2 Opinion and Order.

3 RESPECTFULLY SUBMITTED this 22nd day of March, 2000.

4 JENNINGS, STROUSS & SALMON, P.L.C.

5
6 By 
7 ~~for~~ Kenneth C. Sundlof, Jr.
8 Two North Central Avenue
9 Sixteenth Floor
10 Phoenix, Arizona 85004

11 Copies mailed to all parties of record:

12
13 By: 
14 Michele Irons
15 Paralegal to Kenneth Sundlof
16 September 13, 1999
17
18
19
20
21
22
23
24
25