

E. 01345A-07-0468

ORIGINAL



0000087854

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM RECEIVED

Investigator: Trish Meeter

Phone: [REDACTED]

2008 AUG 19 A 11: 21

Fax: [REDACTED]

Priority: Respond Within Five Days

AZ CORP COMMISSION

DOCKET CONTROL

Opinion No. 2008 70814

Date: 8/18/2008

Complaint Description: 19Y Other - Elec Dereg - Renewable Resource Portfolio
N/A Not Applicable

Complaint By: First: Carlos Last: Coquet

Account Name: Carlos Coquet

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Phoenix

CBR:

State: AZ Zip: 85046

is:

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: [REDACTED]

Arizona Corporation Commission Contact Phone: [REDACTED]

DOCKETED

Nature of Complaint:

AUG 19 2008

8/18 Docket No. E -01345A-07-0468
08-14-2008
Arizona Corporation Commission
Re: electric rates
1200 W Washington St
Phoenix 85007

DOCKETED BY [Signature]

At a time when "alternative energy sources" are being constantly mentioned, and here in Arizona, where we have so much sun, photovoltaic (PV) systems make a lot of sense. Unfortunately, most people are not embracing them because they still do not make financial sense. Last December, I installed a 5,200 W system in my home NOT because it made any sense financially but because of such intangible reasons as helping reduce global warming, helping reduce pollution (both from coal burning power plants as well as atomic ones with their atomic waste), etc. Unfortunately, most people do not have the luxury to ignore the financial aspect But here are the facts. The system cost me \$38,500. After an APS rebate of \$15,600 and federal and state tax credits of \$3,000 my net out of pocket cost was \$20,000. NOW, here is the problem. What no one ever talks about are the opportunity costs H Almost anyone can get 7% return on \$20,000. That means \$1,400 per year. I, a 5,200 W system will, with luck, produce 10,000 KW in a year. APS paying 7 cents per KW, that adds up to only \$700 per year, only half of what the \$20,000 could conservatively produce if invested in something else !! Even using net metering one cannot even break even, let alone ever recuperating the initial investment. My average cost per KVV in 2007 was 9 cents per KW, including taxes and every little charge in APS' bills. So, even if I used my cost per KW, I would only come up to \$900 ROI. So, the Commission should do everything in its power to make PV systems attractive and here are a couple of suggestions to improve existing plans. (1) In API'S net metering scheme, if a user is in the Combined Time Advantage plan, he may lose most of his KW's because the plan matches peak hours usage with peak hours produced. Since PV systems produce most of their power during peak hours but well managed homes are less likely to use KWs during peak hours, the user will end up losing most of the PV system's benefits (see # 2 below).

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Offsetting peak hours used KW's with peak hours production from the PV system drives users such as myself away from the Combined Advantage plan (which is NOT good for APS since lowering demand during peak hours is best for the system as a whole).

I moved to the Standard plan so jj KWs produced by the PV system are match against any KW I use. This is for APS because in the Standard plan users are free to run the drier, the oven, and the AC's all at once raising peak demand astronomically.

(2) In APS' net metering plan, "credit KVV's" (those produced by the user's PV system above and beyond those consumed by the user) do not carry over from year to year. This, again reduces the overall benefit of the PV system. In the past 20 years, my heaviest usage has been in the Summer. My 5,200 W produced more than I needed in January thru June but than I need in the Summer. I expect my credits KWs to begin building up again in October but. .. I won't be able to use them next Summer because APS zeroes them out in December.

This trick in the rate plan causes users to lose part of the benefit of their PV system and this should not be so because PV systems are very environmentally desirable but not financially attractive to begin with.

In summary, the Corporation Commission should consider altering the rate plans as I suggest to improve the attractiveness of PV systems.

Sincerely

[REDACTED]
Phoenix, AZ 85046
[REDACTED]

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

8/18

Called customer. Verified name. Advised his comments would be docketed.

End of Comments

Date Completed: 8/18/2008

Opinion No. 2008 - 70814
