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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS
KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION) DOCKET NO. E-01025A-08-0332
OF AJO IMPROVEMENT COMPANY'S)
APPLICATION FOR APPROVAL OF) **NOTICE OF FILING**
THE 2009 RENEWABLE ENERGY STANDARD,) **PUBLIC NOTICE (COMPLIANCE)**
IMPLEMENTATION PLAN)

In compliance with Decision No. 70700, Ajo Improvement Company ("AIC") submits its Public Notice of Availability of Distributed Renewable Energy Incentives as approved by Staff. Staff notified the Company on March 26, 2009 that the attached form of notice was acceptable. AIC intends to provide notice to customers through publication in the local newspaper and bill inserts in the next billing cycle.

RESPECTFULLY SUBMITTED this 14th day of April, 2009.

By  

Michael W. Patten
Jason D. Gellman
ROSHKA DEWULF & PATTEN, PLC.
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Arizona Corporation Commission
DOCKETED
APR 14 2009

DOCKETED BY 

1 Original and thirteen copies of the foregoing
filed this 14th day of April, 2009, with:

2 Docket Control
3 ARIZONA CORPORATION COMMISSION
4 1200 West Washington Street
Phoenix, Arizona 85007

5 Copy of the foregoing hand-delivered
6 this 14th day of April, 2009, to:

7 Lyn A. Farmer, Esq.
8 Chief Administrative Law Judge
9 Hearing Division
10 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

11 Janice Alward, Esq.
12 Chief Counsel, Legal Division
13 ARIZONA CORPORATION COMMISSION
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14 Ernest Johnson
15 Director, Utilities Division
16 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

18 Brian Bozzo
19 Compliance Manager, Utilities Division
20 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

22 *Kelcie Arnold*

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PUBLIC NOTICE OF AVAILABILITY OF INCENTIVES FOR ELIGIBLE DISTRIBUTED RENEWABLE ENERGY RESOURCES

On January 20, 2009, the Commission approved the Renewable Energy Standard Tariff Implementation Plan for Ajo Improvement Company ("AIC") in Decision No. 70700 (Docket No. E-01025A-08-0332). As part of its commitment to developing renewable resources, AIC is offering matching incentives as described below (up to \$11,000) for certain eligible Distributed Renewable Energy Resources, as defined in the Commission's Rules at A.A.C. R14-2-1802.B. The Commission further ordered that the incentives for residential solar hot water heaters be increased to \$1.20 per kWh for the first year of savings, that the incentives for residential photovoltaic systems be increased to \$4.00 per watt, and that the incentives for non-residential photovoltaic systems be increased to \$3.50 per watt. AIC's goal remains to create a program that will provide incentives to customers to pursue such resources, which could result in the reduction of electric bills.

Incentive payments will provide for a portion of the total system cost and will be an up front one-time payment based on a 20-year agreement with AIC in accordance with the approved Implementation Plan. **Incentives will be given on a first-come first-serve basis, but in no case will an incentive exceed 60% of the total system cost or \$11,000 – whichever is less.** Further, AIC will receive complete and irrevocable ownership of all Renewable Energy Credits ("RECs") expected from system production for the effective life of the system. AIC will conduct maintenance inspections and meter readings as appropriate to confirm compliance and to determine whether changes in its program are needed and/or warranted. Applications will be reviewed in accordance with the procedure set forth in the approved Implementation Plan.

Under AIC's REST Implementation Plan as approved in Decision No. 70700, there are many types of eligible Distributed Renewable Energy Resources systems that could qualify for incentives. Eligible Distributed Renewable Energy Resources include:

- Photovoltaic Systems;
- Small Domestic Solar Water Heating;
- Small Domestic Solar Space Heating;
- Solar Space Cooling;
- Non-Residential Solar Water Heating and Space Cooling;
- Biomass/Biogas Cooling;
- Non-Residential Solar Daylight; and
- Small Wind Generator.

To qualify for these incentives, however, several criteria must be met. These include both general criteria that apply to all eligible Distributed Renewable Energy Resources, as well as certain technology-specific criteria for each such resource. Installation for any qualifying resource must also be done in accordance with the Implementation Plan, and subject to periodic inspections. All eligible Distributed Renewable Energy Resources must also include a system-dedicated kWh performance meter, which allows AIC to measure system energy production. Further, such a system must be operated and maintained appropriately and for the duration detailed in AIC's approval of any request for approval. Other requirements may apply, as detailed in the approved Implementation Plan.

Those customers who receive distributed renewable generation incentives are also eligible to receive benefits under net metering. The Commission approved Net Metering Rules in Decision No. 70567 (October 28, 2008). Those rules must be certified by the Arizona Attorney General before becoming effective. Once those rules are certified by the Arizona Attorney General and published by the Secretary of State, AIC will have 120 days to file its net metering tariff proposal. That must receive Commission approval before it can take effect.

Both the Commission Decision and AIC's final Implementation Plan are available for public inspection during regular business hours at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona, 85007, and on the internet via the Commission website (www.azcc.gov) using the eDocket function – or can be made available upon request at AIC's offices at South Highway 85, Ajo, Arizona 85321. For more information about AIC's REST Distributed Renewable Energy Program, please call (520) 387-7451.