



Grand Canyon State Electric Cooperative Association, Inc.



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AUG 25 2009

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

DOCKETED BY 

Re: *Electric Cooperatives' Comments on Biennial Transmission Assessment Report*
(Docket No. E-00000D-07-0376)

Dear Sir/Madam:

The following comments on the Biennial Transmission Assessment Report are provided by Duncan Valley Electric Cooperative, Inc. ("Duncan"); Graham County Electric Cooperative, Inc. ("Graham"); Graham County Utilities ("Graham Utilities"); Mohave Electric Cooperative, Inc. ("Mohave"); Navopache Electric Cooperative, Inc. ("Navopache"); Trico Electric Cooperative, Inc. ("Trico"); Sulphur Springs Valley Electric Cooperative, Inc. ("Sulphur") (collectively, "Distribution Cooperatives") and Southwest Transmission Cooperative, Inc. ("SWTC") (collectively, "Cooperatives").

The Distribution Cooperatives and SWTC are supplementing and clarifying the record with respect to the recently enacted Order by the Commission on the Fifth Biennial Transmission Report with respect to jurisdictional electric cooperative utilities being required to create renewable energy projects and associated transmission.

The Distribution Cooperatives are transmission dependent utilities ("TDUs"). As such, they do not have transmission. All of their transmission needs are provided by third parties. Public Service of New Mexico, Arizona Public Service, Salt River Project and Tucson Electric provide Navopache's transmission needs through contracts and agreements. SWTC and the Western Area Power Administration ("WAPA") are responsible for furnishing to the five distribution cooperatives that are members of Arizona Electric Power Cooperative, Inc., transmission requirements for both delivery and interconnection through contracts and agreements. The Distribution Cooperatives own facilities for distribution purposes, which are operated at 69 kV (sub-transmission) and below. All of these facilities are radial in nature and operate to supply distribution service. Distribution Cooperatives also have looped facilities to provide "continuity of service" in the event of outage for their local loads.

As TDUs, the Distribution Cooperatives do not have any transmission plans of any type in future work plans and have no ACC jurisdictional facilities with voltages in excess of 100kV

that fall under the Commission's Line Siting Committee. All of the capital investment plans of the Distribution Cooperatives are focused on distribution infrastructure related to retail load growth and continuity of service to maintain local distribution reliability.

Since the Distribution Cooperatives are not transmission entities or transmission planning entities, they are not WECC/NERC transmission reliability entities. Distribution Cooperatives do not have the financial and staff resources otherwise required to enter the transmission business and become subject to the costly WECC/NERC capital and operating fund requirements (an effort which requires in most cases creation of a new department and staff and budget). Consequently, the Distribution Cooperatives have neither the staff, nor the funding, nor the access to capital to investigate and create one or more renewable and related transmission projects.

However, the Distribution Cooperatives are willing to meet and confer with entities and transmission providers seeking to establish and create renewable energy projects which require interconnection to the transmission system from which the Distribution Cooperatives receive service. The Distribution Cooperatives will do so in a manner that is consistent with the rules and regulations of the Commission and the constraints of the Rural Utilities Services ("RUS") or National Rural Utilities Cooperative Finance Corporation ("CFC") (which are the primary lenders and whose rules and regulations, as the financiers of the Distribution Cooperatives, are required to be complied with concurrently with those of the Commission).

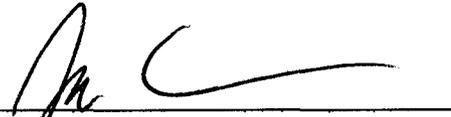
As indicated above, the Distribution Cooperatives do not have any transmission plans of any type, and would rely on the transmission owners and developers in Arizona to develop lists of potential renewable transmission related projects. The Distribution Cooperatives can provide a filing in support of, or objection to, plans developed by transmission owners and developers once the plans are filed with the Commission and shared with other TDU entities.

If a renewable energy project requiring transmission were to locate within Distribution Cooperative's service territories, the Distribution Cooperatives will endeavor to coordinate and cooperate with the renewable and transmission entities as they seek to gain access to the transmission grid. To that end, the cooperatives have been participating in the Arizona Renewable Resource Transmission Infrastructure Study (ARRTIS) meetings and attending other transmission provider meetings. In addition, the Distribution Cooperatives are currently encouraging the development of renewable energy resources through implementation of the ACC REST standard and working with members in connecting small solar installations.

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Sincerely,

GRAND CANYON STATE ELECTRIC
COOPERATIVE ASSOCIATION

By 
John V. Wallace

Original and thirteen (13) copies of
Electric Cooperative's Comments
filed this 24th day of August, 2009
with:

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Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007