

<b>THIS AMENDMENT:</b>	
_____ Passed _____	Passed as amended by _____
_____ Failed _____	Not Offered _____



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Arizona Corporation Commission

**DOCKETED**

SEP - 8 2009

**ORIGINAL**

**PIERCE PROPOSED AMENDMENT #2**

TIME/DATE PREPARED: September 8, 2009

DOCKETED BY	<i>mm</i>
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COMPANY: Arizona Public Service Company

AGENDA ITEM NO. U-1

DOCKET NO. E-01345A-09-0263

OPEN MEETING DATE: 9/9/09

Page 9, line 16.5, INSERT New Finding of Fact:

“We are concerned that systems such as school solar systems and other municipal and governmental solar energy systems, which distribute the benefits of distributed energy to large swaths of people, are being crowded out by systems that more fully isolate the benefits of distributed energy to a single ratepayer. There are many reasons why some ratepayers will not be able to install distributed energy systems on their housetop. In addition to the economic barrier for moderate and low-income ratepayers, other reasons why some ratepayers will not be able to install distributed energy systems on their housetop include:

- the roof is the wrong orientation
- there is a lack of usable roof area
- the roof cannot structurally handle the dead or wind loads
- roof warranty/leaks/replacement
- shading issues
- architectural aesthetics or limitations
- unable to utilize the 30% investment tax credit (ITC)
- renters

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One<sup>1</sup> of the advantages of solar systems on schools is that all ratepayers, whether they can install solar energy system on their own housetops or not, receive tangible benefits as schools' utility bills decline.

<sup>1</sup> Another advantage, at least in this case, of funding school solar systems is that it will produce more MW and MWh of solar energy. In this case, spending \$20 million on school solar projects instead of spending it on residential solar projects, even assuming full utilization of the \$20 million on residential projects, will produce more than 1 MW and nearly 3,000,000 more kWhs of solar energy annually.

For this reason, we believe it is in the public interest for APS to file, as a supplement to its 2010 REST Implementation Plan, a proposal to create a separate category for schools, municipalities, and other governmental entities. In 2009, APS' annual distributed generation requirement is 15% of its renewable energy requirement. In 2010, it's 20%. APS should submit a plan which would reserve all funding for the incremental increase in the distributed generation requirement (5%) in 2010 for schools, municipalities, and other governmental entities.

Page 10, line 13, INSERT New Ordering Paragraph: "IT IS FURTHER ORDERED that APS shall file by October 16, 2009, as a supplement to its 2010 REST Implementation Plan, a proposal to create a separate category for schools, municipalities, and other governmental entities. The funding for this category shall come from that currently set aside for the incremental increase of its distributed generation component (5%). We believe that this supplemental proposal has the potential to increase the amount of renewable energy obtained in 2010, more equitably distribute renewable energy surcharge monies, and ensure that schools, municipalities and governmental entities these institutions are able to take advantage of the unique circumstances presented by the federal stimulus funding."

Make all conforming changes.