

ORIGINAL

Comments and Recommendations submitted 12-17-09

OPEN MEETING AGENDA ITEM



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TO: Arizona Corporation Commission:
Commissioners
Kristin K. Mayes, Chairman
Gary Pierce
Paul Newman
Sandra D. Kennedy
Bob Stump

EXCEPTION RECEIVED

2009 DEC 21 A 10:04

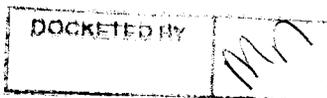
Arizona Corporation Commission

DOCKETED ARIZONA CORP COMMISSION
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DEC 21 2009

FROM: James F. Rowley III, Intervenor

DATE: December 17, 2009



RE: Sulphur Springs Valley Electric Cooperative, Inc - Application for Approval of SSVEC's Proposed 2010 REST Plan (Docket Number E-01575A-09-0429)

SUBJECT: Comments and Recommendations, Exceptions to the Staff ROO, and Recommendations to hold Hearings to Resolve the Many Issues in this Matter.

Part I – Comments and Recommendations submitted 12-17-09.

In full disclosure, I am the owner and Qualifying Party for Elgin Energy, LLC, a licensed Electrical Contractor with the State of Arizona ROC # 254282. Neither myself nor my company has installed any Renewable Energy systems. On September 4, 2009 Sulphur Springs Valley Electric Cooperative, Inc (SSVEC) submitted their 2010 REST plan to the Arizona Corporation Commission (ACC). After reading the proposed plan and being an SSVEC cooperative member/owner, I applied for and was granted Intervenor status from Administrative Law Judge, Jane L. Rodda. I have made three Discovery requests from SSVEC.

As I mentioned in my previous statement, again I would preface my remarks and recommended changes with the observation that the SSVEC REST Plan is totally upside down because SSVEC over committed funds to the Large Scale PV Program funded by Clean Renewable Energy Bonds. I want to help make our Co-op, the Best it can be, and help them get back into balance.

SSVEC reported they had meetings with community groups and focus groups to determine the direction to go with the REST money. "It was made abundantly clear to SSVEC from these discussions that our members want this money to be spent in the SSVEC service territory. The clear preference is that the money that SSVEC collects from its member-owners should be spent to directly assist the members." Quoted from the SSVEC July 16, 2007 CREB for Schools Proposal.

From these statements, it appears that SSVEC was misleading these citizen groups by suggesting the SSVEC REST funds might be spent in another state. Almost as if they were creating a panic to spend the REST funds quickly, so they would not be lost.

SSVEC was in fact taking these REST funds from the customers to pay for the CREBS for Schools Program. In my opinion SSVEC should not be allowed to pay the Clean Renewable Energy Bonds back with the REST funds. I am asking the Commission to consider another mechanism by which this Bond can be repaid.

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SSVEC mentioned that Mr. Jay Lane a grant writer would be applying for additional funds to help pay for the Schools PV, and that SSVEC would either pay the CREB down with the money or put up more solar panels at the schools. What is the result of this grant writer's work? How many grants have they received since July 16, 2007 when they made this statement?

Another issue to address in this matter is the fact that SSVEC has applied for another CREB bond for a 750kW Solar Project in Sonoita that will cost SSVEC ratepayers \$6,000,000. SSVEC is proposing that this will also be paid back through the REST funds. If this happens then the REST program will again be left without funding for the residential and business member-owners.

The Renewable Energy Standard Tariff is a program to help encourage renewable energy installations in the state of Arizona. I believe the member-owners of SSVEC would be better served if this money was spent in cooperation with their members, on local facilities (homes and businesses) at a fraction of the cost for a major installation on the part of the utility.

Some specific items of fact are SSVEC: 1. Paid more money per kilowatt for the school's systems than they will pay the cooperative member for a residential system; 2. Paid for the infrastructure to install the school's systems when they won't include this cost for member-owner rebates.

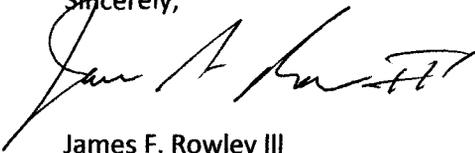
The concept of "Cooperative" could be taken to the next level, where the member-owner is helping to produce the energy in "partnership" with the company.

SSVEC would benefit greatly by paying less per watt for Renewable Energy. Local jobs would be stimulated by installing RE on homes and business in their service area. This will result in an annual peak kW savings for SSVEC, as wholesale power costs increase, the savings to SSVEC and its member-owners will increase as well. And finally SSVEC can come closer to meeting their Renewable Energy Goals.

Part II – RECOMMENDATIONS FOR REST FUND ALLOCATIONS

- 1) Recommend the SSVEC REST Program be audited.
- 2) Recommend that SSVEC provide another mechanism to satisfy their debt for the CREB Loans.
- 3) Allocate full funding to the Customers waiting for rebates at \$4.00 per watt.
- 4) ACC appoint PV expert to evaluate the School Solar PV Systems to be sure each unit is optimized for maximum production.
- 5) SSVEC Grant Writer work with local businesses to help attain grants and/or loans for RE Installations. Once a template is in place to set a goal to help a minimum of 10 small businesses per year.

Sincerely,



James F. Rowley III

cc: Jack Blair, SSVEC, Chief Member Services Officer