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E-01933A-09-0340

Pima County Comments Re At

P 2010 RSET Docket 09-0340

Chairman Mayes and Commissioners; My name is Terry Finefrock; I am Pima County's Chief Contracts & Procurement Manager.

OPEN MEETING AGENDA ITEM

My remarks are related to only two items of the TEP 2010 REST Plan; the proposed Community Solar tariffs and use of Residential RES funds for Commercial projects and are provided to augment our November 5, 2009 letter to the ACC already attached to this docket(09-0340).

Pima County was a party to the development of and strongly supports TEP's proposed Community Solar Tariffs that would allow them to aggregate Residential orders for Green power and purchase Solar electric facilities to satisfy those orders and to allow TEP to use Residential RES fund allocations funds for Commercial projects when there are no applications for residential funds available.

These actions will promote and facilitate cost effective and prudent use of ratepayer RES funds and the achievement of the ACC Renewable Energy goal. Benefits and basis for supporting the TEP requests include:

- Both of the requested actions will promote the cost effective use of Ratepayer RES funds and accelerate solar electric facility installations and achievement of the ACC Renewable Energy Goals
- Individual residential projects cost significantly more than larger-scale projects; Power Purchase Agreements for a 15MW facility costs just 15 cents/kwh within the Distribution grid enabling significantly more Green power to be established per Ratepayer dollar
- The establishment of Solar Electric facilities by TEP would allow all TEP Customers to participate and support Renewable Energy, not just those residents that are financially capable of establishing privately owned facilities;
- The Commercial and Residential RES allocation is temporary, the ACC requires annual review and adjustment if appropriate; historically Residential RES funds have been underutilized and current and economic conditions are not likely to incite increased usage;
- The proposed tariffs are local and limited in scope, Pima County and other community organizations were involved in their development and support the tariffs with minor revisions; it would not be appropriate for the ACC to delay these actions

Pima County, who has responsibilities similar to that of the ACC to optimize benefit to taxpayers who are the same persons as ratepayers and is not a private or special interest organization, has developed significant experience with these issues; we are active in the establishment of Power Purchase Agreements for 5.4MW of ground, roof, and parking structure mounted net metered photovoltaic facilities and a 15MW solar electric facility. This will significantly increase AZ's current 30 MW of solar PV.

In summary, TEP's requested actions are a more productive and prudent use of Ratepayer funds and are aligned with those of Pima County and the ultimate goal of the ACC to expedite the implementation of renewable energy generation. Pima County encourages the Commissioners to quickly approve some version of both of these requests.

Arizona Corporation Commission

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