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Arizona Independent Scheduling Administrator Association

ORIGINAL

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Arizona Corporation Commission
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March 30, 2010

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AZ CORP COM
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Docket Control
Arizona Corporation Commission
1200 West Washington St.
Phoenix, Arizona 85007

E-00000A-01-0630

Re: Electric Competition/Sempra Energy Solutions Docket No. E-00000A-02-0051,
Comments of the Arizona Independent Scheduling Administrator Association

Dear Sir or Madam:

Enclosed for filing in the above referenced Electric Competition Docket pursuant to the
Arizona Corporation Commission Staff's March 12, 2010 request for comments, are an Original
and 15 copies of the remarks of the Arizona Independent Scheduling Administrator Association.

Sincerely,

[Handwritten signature of Vicki Sandler]

Vicki Sandler

BEFORE THE ARIZONA CORPORATION COMMISSION

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ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

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IN THE MATTER OF THE GENERIC PROCEEDING
CONCERNING ELECTRIC RESTRUCTURING ISSUES

E-00000A-01-0630
Docket No. E-00000A-02-0051
COMMENTS OF THE AZISA

Pursuant to ACC Staff's March 12, 2010 request for comments in the above matter, the Arizona Independent Scheduling Administrator's Association (AZISA) files these remarks. The AZISA filed similar comments January 30, 2009. In essence, the AZISA is and remains an active participant in the transmission and retail competition arenas. The AZISA is a stakeholder in the Southwest Arizona Transmission (SWAT) and Westconnect transmission planning processes and monitors related ACC proceedings.

The ACC enumerated several questions about competition over a year ago. As mentioned then, the AZISA is prepared to schedule competitive retail electric transactions and thus the risk of not having a regional Independent System Operator (like the California ISO) in this State, is removed. Moreover, retail competition is poised to reopen in California in April of this year, and the experience there of reopening the market may be instructive for the Commission. Competition continues in the East and in Texas, so we have another year of learning.

As brief background, the AZISA is a non-profit 501 (c) (6) services corporation established in 1998 to ensure fair, non-discriminatory access to the owners and users of the transmission grid within Arizona. Prior to the formation of the AZISA in 1994-5, the Commission's Utilities Division Staff was directed to form an Electric Competition Advisory Group (ECAG) that provided input into the rules for electric competition relating to transmission access and prices; transmission and generation system operation; and system reliability. Over the following 18 months, these rules were reviewed, debated and adopted. ECAG recognized that a regional RTO would not be operational in time for competition commencing in 1998-1999, so the AZISA was formed to operate in the interim. Sec. R14-2-1609.

During the development plan for the AZISA, stakeholders determined the need for a set of operational and administrative protocols (the Protocols Manual) to govern operations. The Protocols Manual was developed through a participatory process open to all stakeholders. The agreements to implement these protocols with the transmission providers also ensure compliance with settlement processes, establish creditworthiness of energy service providers (ESPs), and provide for other protections. In 1999-2000, various ESPs were granted Certificates of Convenience and Necessity (CCNs). APS Energy Services was one ESP who served retail customers, such as Albertsons, in the service territories of Arizona Public Service Salt River Project and the University of Arizona in Tucson Electric Power's territory, for example. These schedules were arranged pursuant to the FERC filed Open Access

Transmission Tariffs of the utilities and the Protocols Manuals. These transactions were successfully completed.

The AZISA has an active Board comprised of a diverse group of stakeholders and an Interim Executive Director with over thirty years of industry experience who visibly and actively represents its Board and Members' interests. The AZISA is ready, willing and prepared to facilitate the movement and delivery of competitive electric sales to retail customers in Arizona. Renewable energy developers, independent power plant owners, transmission providers, demand response providers and customers are interested in the availability of the AZISA's services. This will occur once the ACC approves the request for a CCN to grant an ESP the ability to provide electric service in Arizona, such as the pending CCN request submitted by Sempra Energy Solutions.

The ACC reaffirmed the AZISA's purpose by stating that the AZISA "provides the important benefit of keeping the possibility of retail access available to Arizona consumers at minimal cost, by providing potential competitors with the necessary assurance that they will have fair and equitable access to transmission until an RTO is formed and approved by FERC to take over that function." ACC Decision No. 68485 (February 23, 2006) at 15.

In conclusion, the creation and governing instruments of the AZISA were formed with active stakeholder input, have been put to the test, and provide protections to ensure fair, non-discriminatory access to Arizona's transmission grid—an essential element of moving forward with retail competition in this State.

Dated this 30th day of March 2010.



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Original and 15 copies filed via Express Mail sent on March 30, 2010 to:
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