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**Sulphur Springs Valley
Electric Cooperative, Inc.
E-01575a-09-0453
E-01575a-08-0328
In Opposition**

From: Leslie F. Kramer [kramerlaw@earthlink.net]
Sent: Wednesday, June 16, 2010 2:29 PM
To: Utilities Div - Mailbox; Mayes-WebEmail; Pierce-Web; Newman-Web; Kennedy-Web; Stump-Web
Cc: 'John Maynard'; Ron.Barber@mail.house.gov; Sara.HummelRajca@mailhouse.gov
Subject: FW: consolidated dockets E-01575A-08-0328 and E-01575A-09-0453
Attachments: 2009 utility solar rankings executive summary.pdf; 2010-001 press release.pdf

OPEN MEETING AGENDA ITEM

Dear All: This time the attachments are attached, sorry for the quick "send button" finger.

Leslie

From: Leslie F. Kramer [mailto:kramerlaw@earthlink.net]
Sent: Wednesday, June 16, 2010 2:15 PM
To: 'mailmaster@azcc.gov'; 'mayes-web@azcc.gov'; 'pierce-web@azcc.gov'; 'newman-web@azcc.gov'; 'kennedy-web@azcc.gov'; 'stump-web@azcc.gov'
Cc: 'John Maynard'; 'Sara.HummelRajca@mailhouse.gov'; 'Ron.Barber@mail.house.gov'
Subject: consolidated dockets E-01575A-08-0328 and E-01575A-09-0453

Dear Commissioner Mayes and Commissioners:

A friend recently forwarded to me an interesting article (copy attached) about solar energy, discovering that SSVEC had made the Solar Electric Power Association's top ten list and was ranked as the NUMBER ONE solar utility per customer in 2009 with 56 watts per customer, beating out Maui Elect5ic Company of Hawaii which came in as a distant second with 33 watts per customer.

SSVEC should be tooting its own horn about this award but that wouldn't help its case for the 69kV line would it? Instead SSVEC is mum on solar and the sort of press release they do send out is attached ("SSVEC Eager to Begin Sonoita Line Project"). SSVEC is doing its best to avoid any spotlight on how much the residents of this community are utilizing solar even though many of us will now wait years to get our rebates.

In 2009, the Mountain Empire communities held the 2nd Annual Santa Cruz County Renewable Energy Expo in Sonoita which was attended by over 300 people on a snowy day. Homeowners are utilizing solar like crazy in this area which I am certain will keep SSVEC at number one in 2010. Commissioner Mayes stated that she wanted to see how this community would respond to the 69kV line by embracing alternative energy. We have done so and SSVEC doesn't want you to know.

I respectfully request that the Commission obtain an updated report on the solar installs in the V7 area before the upcoming June hearings so that a full picture of our community's dedication to clean energy and saving cooperatoor dollars is clear. A decision acknowledging that there is no need for a 69kV is in the best interest of the public, SSVEC and its cooperative members.

Thank you for your consideration.

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**Sulphur Springs Valley
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative 

**For more information
contact Jack Blair
at (520) 515-3470**

#10-001

For Immediate Release

SSVEC Eager to Begin Sonoita Line Project

Sierra Vista, January 14—Sulphur Springs Valley Electric Cooperative (SSVEC) has asked the Arizona Corporation Commission (ACC) to let it begin construction of a new 69-kV transmission power line to serve the Elgin, Sonoita, and Patagonia areas.

The cooperative's request comes on the heels of an independent third party study which confirmed that SSVEC's proposal for that line is the most cost effective method to solve reliability and power quality problems that have long plagued the area.

Presently only one high voltage feeder line serves 2,400 consumers in Elgin, Sonoita, and Patagonia areas. That line is 360 miles long and has become overloaded due to growth, leading to hundreds of hours of outages annually, along with power quality problems that could damage motors and electronic equipment belonging to consumers.

The study, which was ordered by the ACC and paid for by SSVEC customers at a cost of \$360,000, said that SSVEC "should take immediate action" to address those problems and called the line proposed by SSVEC "the preferred alternative."

The study examined 20 different alternatives, including other routes for the new line or reducing the need for a new line by increasing energy efficiency, developing renewables like wind or solar energy, or using fossil fuel generators.

The study found that many of those solutions simply are not workable with today's technology or would provide only partial or short-term solutions at great expense.

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The study was performed by Navigant Consulting of Massachusetts, one of the nation's leading electric utility engineering firms.

"We are pleased that the study reaffirmed the work of our own excellent engineering staff," said Creden Huber, CEO of the cooperative. "It also affirms what the ACC's own engineering staff concluded. The ACC ordered us to do the study. We cooperated fully with the independent firm that conducted the study. The results are unambiguous. There is a problem and this is the best way to solve it. Further delay or make-shift solutions could wind up wasting millions of ratepayer dollars. It is time to move forward."

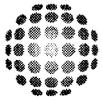
Huber added that the study found that the selected route affects the landscape views of fewer people than would alternative routes. It was that issue which prompted some local opposition to the line, despite the cooperative's having owned rights of way for the line for 28 years. "That right-of-way is a matter of public record that was available to everyone who purchased property along that route since 1982," said Huber.

SSVEC has posted the entire study on its Web site, www.ssvvec.org and so has the ACC.

"If we can't get this line built, a permanent moratorium on new meters in that area will become a fact of life," said Huber. "We hate that as much as anyone because we're in business to sell electricity."

SSVEC hopes that the ACC will act on the motion quickly.

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SEPA

solar electric power association

Executive Summary

2009 Top Ten Utility Solar Rankings



2009

TOP TEN RANKINGS

2009 Top Ten Utility Solar Rankings

SEPA's third annual Utility Solar Rankings report highlights the growing importance of utilities to diversification of the nation's energy portfolio with more clean energy sources, including solar electricity. The Top Ten utilities' solar megawatts grew 66% from 2008 to 2009, and they represented an estimated two-thirds of the nation's solar installations in 2009. This growth can be partly attributed to the emerging trend of utility-scale and utility-owned projects, which is a new layer on the foundation of the traditional customer rooftop market.

This growth has been fueled by significant price declines in solar installations – on the order of 40% or more in the last two years – and this change will continue to drive both customer solar market activity and spark or accelerate internal utility interest for their generation portfolio.

Among the Report's key conclusions:

- *The ten utilities with the most solar integrated into their grid ("Top Ten Utilities") are still a focal point for the nation's solar growth.* The Top Ten Utilities' solar megawatts grew from 192 megawatts (MW) added to the grid in 2008 to 279 MW in 2009, a 66% growth.
- *Utilities across the U.S. are strengthening their solar portfolios, beyond the national headlines.* The Top Ten Utilities' share of the overall survey megawatts dropped from 88% in 2008 to 80% in 2009, indicating increasing solar activity by utilities outside of the Top Ten. In addition, only two utilities made both the solar megawatts and watts-per-customer rankings, showing a diversity of activity on both an absolute and relative basis.
- *Utilities' solar portfolios are on the cusp of significant changes.* Traditionally, solar electric markets have been distributed, consumer-focused, and solar industry driven but 2009 marked the beginning of change in market dynamics. The 2009 rankings were impacted in part by several centralized or aggregated distributed solar projects¹ that were built or began construction and several utilities that were directly involved in owning new solar projects. Installations on the utility side of the meter increased 267% from around 18 MW in 2008 to 65 MW in 2009 and made up 19% of the survey's total, up from 9% the previous year.



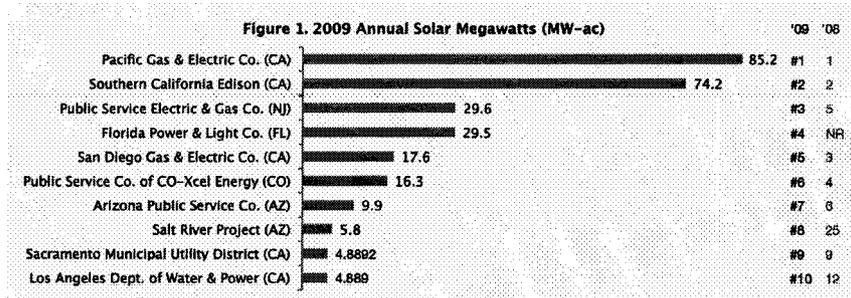
An aerial view of Florida Power & Light Company's DeSoto Next Generation Solar Energy Center. This 25 MW solar photovoltaic power plant was completed ahead of schedule and \$22.2 million under budget.

Solar Megawatts

Once again, Pacific Gas & Electric (CA) topped the annual solar megawatts rankings with 85 MW installed in 2009, but was followed closely by Southern California Edison (CA) with 74 MW, which itself experienced an unprecedented 131% growth over the previous year's total (Figure 1). Public Service Electric & Gas (NJ) moved up two spots to number three, Florida Power & Light (FL), a newcomer to the Top Ten, was ranked fourth, and San Diego Gas & Electric (CA), fifth. Five of the Top Ten Utilities were from California, an increase of one over the previous year.

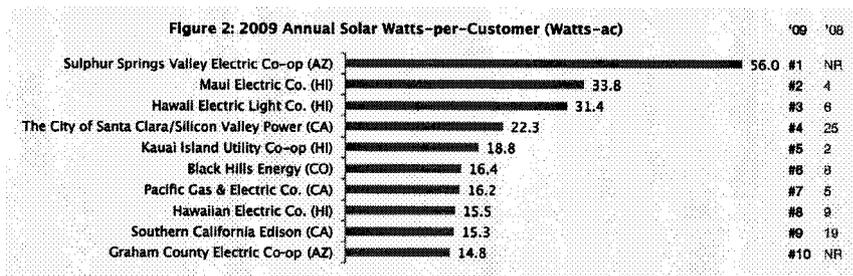
¹A single large project or program that consists of multiple distributed solar projects procured in a coordinated process.

While Pacific Gas & Electric, Public Service Electric & Gas, and San Diego Gas & Electric were driven by distributed solar projects, both Southern California Edison and Florida Power & Light can attribute their growth, in part, to the construction of new centralized PV plants. This trend will continue in 2010 as several projects that were announced or under construction in 2009 are completed, and this will alter the subsequent rankings in turn.



Solar Watts-per-Customer

Solar megawatts integrated into each utility's grid do not paint the entire picture. The rankings also reflect solar watts-per-customer to provide a measure of relative solar activity. Sulphur Springs Valley Electric Cooperative (AZ) emerged as the number one solar utility per customer in 2009 with 56 watts/customer, followed by Maui Electric (HI), Hawaii Electric Light (HI), the City of Santa Clara (CA), and Kauai Island Utility Co-op (HI) (Figure 2). With one exception, these utilities' portfolios were entirely driven by distributed projects and were customer based. In addition, only three of the Top Ten Utilities were from California, a decrease from five the previous year, and only Pacific Gas & Electric and Southern California Edison made both rankings.



Conclusion

These rankings snapshots of the annual solar megawatts and solar watts-per-customer paint a picture of utilities' increasing involvement in the expanding solar market. Utilities in these Top Ten rankings continue to have a strong national and/or regional influence in their respective solar markets. However, as the number of utilities influencing their local solar markets increases, through a combination of consumer-, industry-, and utility-driven projects, the focus may be moving outside of this list.

The full report includes cumulative portfolio rankings, and a number of additional rankings, including regional, utility-type, and side-of-the-meter, as well as a trends analysis and a look at future centralized announcements. To view the full report, please visit tinyurl.com/SEPAREports.

SEPA Research Reports

Each year SEPA produces a number of research reports on current industry topics. Most are available as free downloads from our website at www.solarelectricpower.org

Utility Solar Procurement Study – Jan 2009

This report identified best practices for traditional utility solar procurement (RFPs/PPAs) and innovative new acquisition methods that may present cost or efficiency solutions for both utilities and the solar industry.

Utility Solar Tax Manual – Jan 2009

In 2008, Congress extended the federal solar investment tax credit for eight years and removed the utility exemption, allowing regulated investor-owned utilities to utilize the credit. This manual provides detailed explanations of the tax provisions related to the bill, as well as exploring other tax issues such as Clean Renewable Energy Bonds, and unique business tax structures and issues.

Decoupling Utility Profits from Sales: Issues for the Photovoltaic Industry – Feb 2009

The reduced sale of electricity creates an inherent problem for electric utilities in maintaining long-term operating revenue, especially as the solar industry expands. Decoupling is a regulatory policy option that can change the way utilities recover revenues to adjust this disincentive. This decoupling white paper introduces the concept into the solar community, explaining what decoupling is, and defining the different types. It includes a case study showing how solar market development in the future might affect utility rates under decoupling.

Distributed Photovoltaic Generation for Regulated Utilities – Feb 2009

This analysis looks at both the regulatory and practical issues surrounding the installation and ownership of distributed generation photovoltaic systems by electric utilities, including an overview

of the regulatory process, the standards utilities must demonstrate to regulatory for approval, and various configurations of utility ownership.

Utility Solar Integration Rankings – May 2009

Each year, SEPA conducts a nationwide survey of utilities to find out how much solar electricity was integrated into their service territories both annually and cumulatively. The resulting report crowns the most solar integrated utilities in the United States and discusses the large scale solar projects being planned for the future.

Photovoltaic Incentive Program Survey – Nov 2009

In coordination with SEPA, an electronic survey was developed and distributed by U.S. utility and state PV incentive program managers to consumers who installed PV systems and received a rebate to offset the cost. The survey asked about the participants' satisfaction and experiences with the installation, incentive, interconnection, and ongoing maintenance of their systems. The resulting report analyzed the data across geographies to draw distinctions and parallels across the country.

2008 Reports

- *Special Report: Electric Utilities and Solar, A Market Review*
- *Top Ten Utility Solar Integration Rankings*
- *Fact Finding Mission to Germany for Utility Decision Makers*
- *Utility Solar Business Models*
- *Photovoltaic Capacity Valuation Methods*
- *Residential Photovoltaic Metering and Interconnection Study*



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The following image used in this report is courtesy of Florida Power & Light Company: page 2