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2010 NOV 22 P 3: 55  
November 22, 2010

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

NOV 22 2010

Re: Docket No.: E-01933A-10-0266

Dear Colleagues, Parties and Interested Persons:

DOCKETED BY

Tucson Electric Power (TEP), the parties to this docket and others who are interested in Aggregated Net Metering (ANM) are aware that I have been discussing the possibility of an ANM project in Southern Arizona.

I've introduced an amendment that would require TEP to submit a plan to implement ANM with a governmental entity.

There are two potential rule changes that I would like to mention, and I have discussed these rule changes at length with ANM experts and others:

1. Allow a single entity with multiple meters to 'roll up' multiple meters, as long as the owner is a single entity. In other words, if an agency such as a government body has multiple buildings with different meters, as long as it is the same governmental body, the meters on different buildings can be 'rolled up' or aggregated.
2. Allow a single entity to offset its own load remotely, as long as the remote location is within the same distribution area and does not present engineering problems. In other words, if an entity owns a piece of land that is within the same distribution area, the entity can place a renewable energy project on that land and offset the electricity produced against that entity's buildings in another location. This is a common sense proposal.

The AZ Daily Star ran an Op-Ed by Pima County Manager Chuck Huckelberry on Sunday, November 21, 2010, in support of ANM, which is attached to this letter. I look forward to a healthy discussion of this important issue and hope to get my colleague's support.

Thank you for your time and attention.

Sincerely,

Paul Newman  
Commissioner

## Net-metering utility plan would boost alternative energy in county

**Chuck Huckelberry Special To The Arizona Daily Star | Posted: Sunday, November 21, 2010 12:00 am**

When the Arizona Corporation Commission (ACC) meets on Tuesday, it should endorse a new regulation that will allow Pima County and other large organizations to build solar-energy plants that would, in effect, supply much of their own electricity.

The technology to make this possible is clean, safe and economical, and it benefits taxpayers by reducing government expenses. It would potentially help county government lower its electric bill by approximately \$60 million over a 20-year period. These savings would be passed on to local taxpayers by alleviating the need for increased taxes that would likely accompany the rising cost of conventional energy.

The regulatory change would also reduce our dependence on energy created with natural gas and coal, whose prices increase every year, and increase our use of energy from the sun, which costs us nothing. And while the costs of coal and natural gas and construction of conventional power plants are continuously increasing, the cost of solar-generated electricity is getting cheaper each year.

Replacing our dependence on nonrenewable resources with a system that relies on a dependable, renewable resource makes perfect sense economically and environmentally.

In 2004, Pima County voters approved \$10 million in bonds to enable the county to purchase vacant land in Davis-Monthan Air Force Base's departure corridor. This provided some assurance that the base, a major factor in our area's economy, would remain in Pima County. This vacant land can become the home of a large array of solar panels that would generate much of the electricity the county now must purchase from Tucson Electric Power (TEP). The county has other lands purchased for landfills and flood protection that can also be used for solar panels - in effect, turning them into income-producing properties that benefit local taxpayers and reduce consumption of carbon-based fuels.

If the ACC adopts the new regulation, formally called Aggregate Net Metering (ANM), it could benefit every city and county government, as well as other large electricity users, not just in Pima County but throughout the state. This will also greatly reduce water consumption and the need for expensive transmission lines.

The ANM concept is simple: Large power users who support clean, renewable energy and are willing to install solar facilities on land that is not directly adjacent to the buildings where the power will be used should be allowed to do so. At present, this is not allowed. Many potential users are located in congested areas (such as downtown Tucson) where land is extremely limited or not available for a solar installation.

If the ACC adopts the ANM policy, we could create a solar installation on county land remote from downtown, feed the electricity into TEP's grid and then be credited for the amount we have contributed.

This would reduce county and ratepayer expenses for electricity and potentially reduce the amount of coal, natural gas and water consumed by utility companies for electricity generation. We are confident the ACC could structure the program in a way that makes it a win-win for taxpayers and utility companies. ANM would be a positive step for taxpayers, the state's economy as a whole and the health of our air and water supplies.

Arizona should join the seven other states - California, Connecticut, Delaware, Oregon, Pennsylvania, Rhode Island and West Virginia - that have already adopted some version of ANM.

*Chuck Huckelberry is Pima County administrator. Email him at [chh@pima.gov](mailto:chh@pima.gov)*