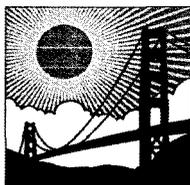


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THE
Vote Solar
INITIATIVE

December 21, 2010

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street, Suite 108
Phoenix, Arizona 85007

Re: *Reply Comments to Request for comments on Aggregated Net Metering (ANM)*
Docket No. E00000J- 10-0202

Dear Docket Control:

Enclosed, please find reply comments to Staff's recommendations in the above-reference matter.

Yours truly,

Adam Browning

Arizona Corporation Commission
DOCKETED

DEC 27 2010

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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

KRISTIN K. MAYES, CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE
COMMISSION'S INQUIRY INTO
AGGREGATED NET METERING FOR
ELECTRIC SERVICES AND POSSIBLE
MODIFICATION OF NET METERING
RULES

Docket No. E-00000J-10-0202

**REPLY COMMENTS OF THE VOTE
SOLAR INITIATIVE**

The Vote Solar Initiative is pleased to provide reply comments in the the matter of the Commission's inquiry into aggregated net metering (docket number E-00000A-10-0368).

The Utilities Division of the Arizona Corporation Commission (Commission) released a report detailing their recommendation on the Commission's inquiry into aggregated net metering (ANM) on November 30, 2010. Staff recommends that the Commission establish a pilot program for ANM, requiring participation from Arizona's three largest investor-owned utilities - APS, TEP, and UNS Electric, and permitting voluntary participation by Arizona's cooperatives.

Vote Solar's initial filing in this matter supported a full-scale ANM program. The Staff Report did not endorse this position. While we would prefer full implementation, we also support Staff's recommendation to begin with a pilot project, and we suggest that the pilot be used to evaluate the benefits for future consideration. Some specific responses to elements of the

1 Staff recommendations are detailed below.

2 **Vote Solar Recommendations to the Staff Report:**

3
4 **1. Eligible customer classes**

5 The Staff report recommends that the Commission should allow only governmental and
6 agricultural customers to participate in its pilot ANM program. We do not support this
7 recommendation. While these two customer classes have been identified as examples of
8 customers that may benefit from ANM, they are not the only types of customers that might
9 benefit, and we see no reason to arbitrarily limit participation. Schools, for example, may fit a
10 similar profile (and while some schools are public, and therefore may be considered government
11 customers, others are private and would not be). Many commercial customers might also
12 benefit. We fail to see the rationale behind artificially limiting participation in this pilot
13 program.
14

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17 **2. Geographic restrictions**

18 The Staff report recommends that the Commission limit the distance between an ANM
19 customer's generating facility and participating meters to the same property or contiguous
20 properties. We do not support this limitation. As the Staff report noted, the majority of states
21 with ANM programs have far less restrictive positions. The purpose of the program is to
22 maximize generation by enabling self-generation at the best possible sites; this type of
23 geographic restriction will reduce the program's efficacy and utility. We reiterate our support
24 for a broader geographic consideration, ideally requiring that the generation facility simply be
25 located within the same service territory. There are instances where a program with the
26

1 geographic restriction recommended by Staff will still be useful (i.e. on a large campus, or a
2 farm with multiple and separately metered irrigation pumps), but to get maximum benefit out of
3 the pilot program, we urge a more expansive approach.

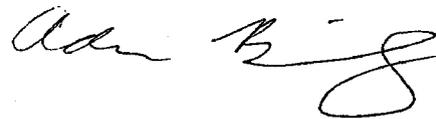
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5 **3. Allocation of excess generation credits to multiple accounts**

6 Staff recommends that the utilities should be able to decide how to allocate excess
7 generation credits among a customer's participating meters, after allocation to the meter at the
8 generation facility. We do not support this approach. We believe it is better policy—and better
9 business practice—to allow the ANM customer to be able to decide how to allocate excess
10 generation credits. In certain circumstances (e.g. if the participating meters are under different
11 tariffs), leaving this decision to the discretion of the utility may introduce uncertainty as to the
12 economic returns from the investment, and thereby discourage participation. We suggest that a
13 customer should be able to make the allocation in order to properly calculate the potential impact
14 of the investment.
15
16

17 Vote Solar appreciates the opportunity to provide comments to this important proceeding.

18 Dated this 21st day of December, 2010.

19 The Vote Solar Initiative

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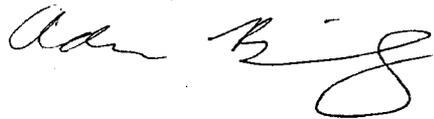
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24 Executive Director
25 The Vote Solar Initiative
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CERTIFICATE OF SERVICE

Pursuant to A.A.C. R14-3-204, the original and 13 copies were mailed on December 21, 2010 to:

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007



Adam Browning