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AZ CORP COMMISSION
Kevin Moore
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Tucson, Az 85705
July 22, 1998

DOCUMENT CONTROL

Secret # RE-00000-94-0165

Commissioner Carl Kunasek
Arizona Corporation Commission
1200 W. Washington
Phoenix, Az 85007

Dear Commissioner Kunasek,

I am writing to you about the regulatory documents being composed about electric utility restructuring. I have read the July 10th draft, and I attended the public meeting in Tucson. I spoke there of my concerns about net metering and the formation of standard interconnection requirements. I would like to reiterate those concerns here, and add to them by supporting in writing some of the comments others made at that meeting.

1. I support the Solar Portfolio Standard (R14-2-1609). I believe that although PV costs more in current dollar terms, the value that it contains in being a clean energy source is priceless, and will become more so in the years to come when the effects of burning fossil fuels become more pronounced. For this reason, I think that the standard should be higher, starting with 1% of the total retail energy sold, as opposed to 1/2 of 1%, and increasing to 2% in 2002.
2. I support the formation of a penalty fund (R14-2-1609E). However, I think that this fund should be available to the general public through buy downs. Handouts to public entities are notoriously ill maintained. I also think this penalty could be higher. The point, I believe, is to encourage utilities to purchase PV and offer that electricity as part of their energy portfolio. They should not feel that it is easier or more cost effective to simply pay the penalty fee. One possible alternative would be to gradually increase the penalty, starting at 30 cents per kWh, but then increasing that amount every quarter by 5 cents until it reaches some upper limit.

Arizona Corporation Commission

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3. I am very concerned about net metering. What happens to net metering in a market opened up to competition? It should be just as attractive to buy a grid tied PV system after restructuring as before, or you will not have moved forward to a better economy. With unbundled electric bills, who will administer the net metering contract? Will grid connected PV owners have to pay twice for their transmission and distribution services? Will net metering only be allowed for unbundled customers, prohibiting them from participating in the competitive market? Net metering should be a requirement, and I would hate to see it get lost in restructuring. This could be prevented by adding a clause mandating net metering and explaining how each party should deal with it.

4. I think the commission has an opportunity to further support the solar industry by taking restructuring as an opportunity to establish standard interconnection requirements for grid connection. The standards would include appropriate equipment and charges so as not to compromise safety, nor the ability of customers to reasonably establish a grid connected PV system.

Thank you for your consideration of my concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Moore', with a long horizontal flourish extending to the right.

Kevin Moore

cc: Commissioners Jennings, Irvin, and Mr. Ray Williamson