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Arizona Corporation Commission
Docket E-01575A-10-0308, Proposed 2011 REST Plan
Sulphur Springs Valley Electric Cooperative

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Dear Commissioners,

I respectfully request that you give the following comments due consideration in the above referenced case. My purpose is to help ensure the long-term health and viability of SSVEC's SunWatts program.

Staff's recommended REST Tariff CAP

As a green developer whose future customers stand to benefit from SSVEC's SunWatts program, it is in my interest for SSVEC to retire the REST backlog as soon as possible. However, if ratepayers are pushed too far, I fear a backlash could undermine heretofore popular support for the REST program, especially given the state's current political climate. Specifically, the Staff-supported \$5.66 residential cap represents a **435% increase** over the \$1.30 cap in effect at the beginning of last year. According to the company's application, three-fourths of its residential customers would be subject to the current \$3.49 cap under its proposed 2011 tariff, and more than half would be subject to a \$5.66 cap.

I urge the Commission to adopt SSVEC's proposed REST Tariff as I believe it achieves an appropriate balance between clearing the current backlog and maintaining support for the program.

SSVEC's proposal to extend 2011 REST Plan through 2012

Given that nearly 9 months have passed since the 2011 REST Plan was filed, I support SSVEC's request to extend the plan through the end of 2012. However, I suggest that the Commission check SSVEC's new reservation volume to ensure the backlog is actually shrinking. This is difficult to glean from the arizonagoessolar.com website, or from status reports posted on SSVEC's website.

Elimination of Off-Grid Incentives

The SSVEC SunWatts and C&I programs provide (reduced) incentives for off-grid renewable energy systems. Since off-grid homeowners and businesses are, by definition, not customers of SSVEC, they pay nothing toward REST funds. It is unfair to ask SSVEC ratepayers to subsidize these systems, especially considering the large backlog of customers awaiting rebates. I urge the Commission to require SSVEC to end off-grid energy incentives, including any outstanding reservations for systems not yet installed.

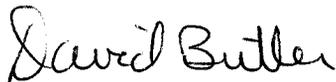
Should the Commission not agree, it should at least seek to clarify SSVEC's intent regarding the One-Time Incentive (OTI) for off-grid residences, something that is not explicitly addressed in its application. Although the application outlines reduced performance-based incentives for off-grid residences, there is no mention of any reduction to the One-Time Incentive (OTI). In contrast, both PBI and OTI are spelled out for off-grid C&I projects. Does this mean residential off-grid systems would be eligible for the same \$2/watt OTI as grid-tied customers? Or is the intent to only offer PBI's to off-grid residences? The 2010 REST Plan was similarly unclear on this point.

Implementation of UPCC's recommended De-rating Factors

SSVEC has not adopted the UPCC working group's recommended PV de-rating factors for up-front incentives. Although not required under the REST law, adoption of this procedure would help SSVEC's up-front incentives go further. Currently, homes with shaded roofs or poor solar orientation are eligible for the full up-front incentive. I'm aware of systems that received an up-front incentive that point a full 45 degrees off of south, and at least one system pointed due east.

The administrative burden for SSVEC to implement UPCC recommended de-rating factors would be trivial since solar installers already must determine azimuth, tilt and shading as a matter of course. SSVEC would only need to require installers to submit de-rating documentation (TEP's de-rating chart is included for reference). I urge the Commission to consider this modification to SSVEC's REST Plan.

Respectfully submitted,



David Butler, President
Optimal Building Systems, LLC

cc: Service List

TEP - SunShare
 PV Off-Angle & Shading Annual Energy Derating Chart"

