

OPEN MEETING ITEM

ORIGINAL



0000126510

MEMORANDUM

RECEIVED

2011 JUN 20 P 3:43

AZ CORP COMMISSION
DOCKET CONTROL

TO: Chairman Gary Pierce
Commissioner Bob Stump
Commissioner Sandra D. Kennedy
Commissioner Paul Newman
Commissioner Brenda Burns

Arizona Corporation Commission

DOCKETED

FROM: Steven M. Olea
Director
Utilities Division

JUN 20 2011

DOCKETED BY

DATE: June 20, 2011

RE: ARIZONA CORPORATION COMMISSION STAFF MEETING ITEM - ARIZONA PUBLIC SERVICE COMPANY FOR APPROVAL OF SCHOOLS AND GOVERNMENT RENEWABLE PROGRAM AND FOR APPROVAL OF ITS RENEWABLE ENERGY STANDARD AND TARIFF IMPLEMENTATION PLAN FOR 2011 (DOCKET NOS. E-01345A-10-0166 AND E-01345A-10-0266)

Attached to this memo is a sample order for the Commission's consideration. This sample order is not intended as a Staff recommendation, but is instead provided for the Commission's convenience in its deliberations in Docket Nos. E-01345A-10-0166 and E-01345A-10-0266.

Steven M. Olea
Director
Utilities Division

SMO:RTW:lhm

ORIGINATOR: Ray Williamson

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 GARY PIERCE
Chairman

3 BOB STUMP
Commissioner

4 SANDRA D. KENNEDY
Commissioner

5 PAUL NEWMAN
Commissioner

6 BRENDA BURNS
Commissioner

8 IN THE MATTER OF ARIZONA PUBLIC)
SERVICE COMPANY FOR APPROVAL OF)
9 SCHOOLS AND GOVERNMENT)
RENEWABLE PROGRAM AND FOR)
10 APPROVAL OF ITS RENEWABLE)
11 ENERGY STANDARD AND TARIFF)
12 IMPLEMENTATION PLAN FOR 2011)

DOCKET NOS. E-01345A-10-0166
E-01345A-10-0262

DECISION NO. _____

ORDER

13
14 Open Meeting
15 July 12 and 13, 2011
16 Phoenix, Arizona

16 BY THE COMMISSION:

17 FINDINGS OF FACT

18 1. Arizona Public Service Company ("APS" or "the Company") is certificated to
19 provide electric service as a public service corporation in the State of Arizona.

20 2. On June 8, 2011, Arizona Public Service Company ("APS") filed a Request for
21 Approval of Modification to its Distributed Energy Administration Plan ("DEAP") in the 2011
22 APS Renewable Energy Standard and Tariff ("REST") Implementation Plan.

23 3. The APS request addressed the need to allow additional authorized entities to
24 determine if a solar water heater technology meets the standards to qualify for APS' renewable
25 energy incentives.

26 4. APS indicated that an increased volume of new technologies and products has
27 resulted in the need to utilize more than one organization to certify the performance of solar

28 ...

1 water heating systems. Currently, the only certifying organization allowed for solar water heaters
2 per the DEAP is the Solar Rating and Certification Corporation (“SRCC”).

3 5. APS reports that SRCC has not been able to promptly process the increased number
4 of requests for solar water heater certification. This has resulted in a back-log and delay in
5 certification of new systems. The delay means that the un-tested systems are not eligible for APS
6 solar incentives.

7 6. APS has proposed that a Nationally Recognized Testing Laboratory (“NRTL”) or
8 an American National Standard Institute (“ANSI”) accredited laboratory that has been approved by
9 APS be authorized to certify solar water heating technologies to the Operating Guidelines-300
10 (“OG-300”) Standard. Certification of solar water heaters meeting the OG-300 Standard is
11 required for the solar water heaters to be eligible for renewable incentives.

12 7. APS claims that SRCC has a waiting list of up to one year for solar water heater
13 system testing and certification. This delay has become a roadblock for some customers who wish
14 to install the new uncertified systems. APS attached to its filing wording changes to its July 1,
15 2010, DEAP that would allow APS to accept the solar water heating system certifications by
16 NRTL and ANSI accredited laboratories. APS is requesting approval of the DEAP modifications
17 on an expedited basis.

18 8. Currently, the International Association of Planning and Mechanical Officials
19 (“IAPMO”) is ANSI-accredited and is providing solar water heating system certifications. This
20 approval would allow IAPMO systems to be eligible for the APS incentive program.

21 9. We have reviewed the filing by APS. We concur with APS that the proposed
22 modification to the DEAP should be approved. We believe that such an approval will help
23 alleviate the one-year backlog and help bring more competitive technologies to the solar water
24 heating marketplace.

25 10. We recognize that IAPMO is ANSI-accredited and has an excellent reputation in
26 certifying plumbing equipment. Inclusion of IAPMO-certified equipment would increase
27 competition in the solar water heater market and would benefit customers. We approve the
28 proposed changes to the APS DEAP, with one minor wording change.

1 11. APS has proposed to add wording to the DEAP, on Page 13 of 24 of Exhibit B in
2 the DEAP, that says:

3 Equipment Qualifications

- 4 • The system will utilize OG-100 certified collectors and will be tested and certified to
- 5 the OG-300 by the SRCC or an APS-approved NRTL or ANSI accredited and have a
- 6 rating that is accompanied by the certified system design schematic.

7 We believe that the phrase “certifying organization” be added after the phrase “or ANSI
8 accredited”.

9
10 The final change to the DEAP would say:

11 Equipment Qualifications

- 12 • The system will utilize OG-100 certified collectors and will be tested and certified to
- 13 the OG-300 by the SRCC or an APS-approved NRTL or ANSI accredited certifying
- 14 organization and have a rating that is accompanied by the certified system design
- 15 schematic.

16 CONCLUSIONS OF LAW

17 1. Arizona Public Service Company is an Arizona public service corporation within
18 the meaning of Article XV, Section 2, of the Arizona Constitution.

19 2. The Commission has jurisdiction over APS and over the subject matter of the
20 Application.

21 3. The Commission, having reviewed the application, concludes that it is in the public
22 interest to approve the APS-proposed changes to the APS Distributed Energy Administration Plan
23 in the 2011 APS REST Implementation Plan, as discussed herein.

24 ORDER

25 IT IS THEREFORE ORDERED that the Arizona Public Service Company proposed
26 changes to the DEAP are approved, along with one minor wording change to read as follows:

27 ...

28 ...

...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Equipment Qualifications

- The system will utilize OG-100 certified collectors and will be tested and certified to the OG-300 by the SRCC or an APS-approved NRTL or ANSI accredited certifying organization and have a rating that is accompanied by the certified system design schematic.

IT IS FURTHER ORDERED that this Decision become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2011.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:RTW:lh\CH

1 SERVICE LIST FOR: Arizona Public Service Company
2 DOCKET NOS. E-01345A-10-0166 and E-01345A-10-0262

3 Ms. Deborah Scott
4 Pinnacle West Capital Corporation
5 400 North Fifth Street
6 Post Office Box 53999, MS 8695
7 Phoenix, Arizona 85072

8 Mr. C. Webb Crocket
9 Fennemore Craig, PC
10 3003 North Central Avenue, Suite 2600
11 Phoenix, Arizona 85012-2913

12 Mr. Steven M. Olea
13 Director, Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 Ms. Janice M. Alward
18 Chief Counsel, Legal Division
19 Arizona Corporation Commission
20 1200 West Washington Street
21 Phoenix, Arizona 85007

22
23
24
25
26
27
28