

ORIGINAL



0000127424

OPEN MEETING AGENDA ITEM

BEFORE THE ARIZONA CORPORATION COMMISSION

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

- GARY PIERCE
CHAIRMAN
- BOB STUMP
COMMISSIONER
- SANDRA D. KENNEDY
COMMISSIONER
- PAUL NEWMAN
COMMISSIONER
- BRENDA BURNS
COMMISSIONER

RECEIVED

2011 JUL -8 A 10:46

Arizona Corporation Commission

DOCKETED

JUL - 8 2011

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	
-------------	--

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR PROPOSED ELECTRIC VEHICLE
READINESS DEMONSTRATION PROJECT

Docket No. E-01345A-10-0123

RESIDENTIAL UTILITY CONSUMER OFFICE'S
COMMENTS

RUCO supports Staff's recommendation to approve two new EV rate schedules and to deny APS's request to collect \$5 million from ratepayers to incent the emerging Plug-In Electric Vehicle (PHEV) industry. The combination of a robust market, high consumer demand and federal-funded subsidies makes additional ratepayer subsidies unnecessary.

RUCO finds Staff's recommendations well said:

"Staff believes that the role of EV market stimulation is being adequately addressed by federal funded incentive programs, therefore, Staff does not believe that utility ratepayer funded incentives are necessary or prudent at this time...Staff further believes that the introduction of EVs into APS's service territory represents a load and revenue growth opportunity for APS. If APS wants to stimulate the EV market, it could use non-ratepayer monies for incentives and all investments related to EV and EV infrastructure research and market development."

(Staff Report, p. 13.)

1 RUCO agrees with Staff that APS benefits from the additional energy sales and federal
2 grants are already available to defray the costs of PHEVs.

3 RUCO supports the vision of PHEVs and all of their possibilities. A more fully
4 developed PHEV technology can meaningfully reduce America's dependency on foreign oil as
5 well as reduce vehicle emissions. However, at this time, the PHEV technology is in its infancy.
6 Yet, many consumers still choose to purchase PHEVs. A growing selection of PHEVs coupled
7 with high consumer demand will drive prices down and bring quality up.

8 The responsibility of growing this segment of the auto industry should fall on the
9 competitive marketplace and not on the shoulders of captive APS electric customers. RUCO
10 does not support APS's proposal that over one million APS customers should pay \$5 million to
11 help cover the costs of in-home, commercial and public use PHEV chargers. RUCO is
12 cautious about a program that requires captive utility customers to aid the auto industry in the
13 promotion of car sales and, ultimately, to allow APS to sell more electricity. RUCO further
14 questions why the competitive auto industry is not the more obvious industry to invest in PHEV
15 infrastructure in order to support the proliferation of their vehicles rather than the regulated
16 monopoly of electric utilities.

17 The Commission, through a Mayes Amendment adopted in Open Meeting, directed
18 APS to file a "Vehicle to Grid" (V2G) proposal. APS's Application is **NOT** a V2G proposal as
19 envisioned by the Mayes Amendment and does not come at the Commission's direction. Staff
20 finds that V2G is not commercially viable. RUCO agrees. Additionally, RUCO was informed
21 by APS that allowing electricity to flow from the PHEV to the grid voids the warranty of the
22 vehicle.

23 Setting aside any debate whether ratepayer-funded incentives for PHEVs and their
24 infrastructure are good public policy, RUCO believes that additional ratepayer funded
incentives for the promotion of PHEVs are not needed at this time. RUCO participates in an
EV Stakeholder group. Another stakeholder from the auto industry reported that his dealership

1 has a **waiting list** for the 40 PHEV vehicles his dealership is scheduled to receive in 2012.
2 And this waiting list is without any additional financial incentive provided by APS customers.

3 For these reasons, RUCO agrees with Staff that the Commission should only approve
4 the two new experimental rate schedules and deny the proposed \$5 million budget request.

5 RESPECTFULLY SUBMITTED this 8th day of July, 2011.

7
8 
9 Daniel W. Pozefsky
Chief Counsel

10 AN ORIGINAL AND THIRTEEN COPIES
11 of the foregoing filed this 8th day
of July, 2011 with:

12 Docket Control
13 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

14 COPIES of the foregoing hand delivered/
15 mailed this 8th day of July, 2011 to:

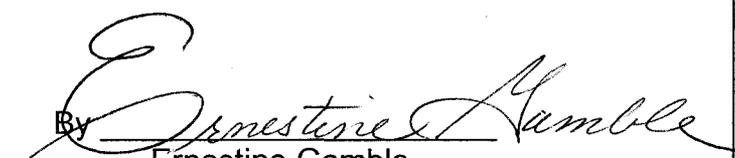
16 Lyn Farmer, Chief Administrative
Law Judge
17 Hearing Division
Arizona Corporation Commission
1200 West Washington
18 Phoenix, Arizona 85007

Linda J. Arnold
Deborah R. Scott
Pinnacle West Capital Corp.
P. O. Box 53999, Mail Station 8695
Phoenix, AZ 85072-3999

19 Janice Alward, Chief Counsel
Legal Division
20 Arizona Corporation Commission
1200 West Washington
21 Phoenix, Arizona 85007

Alana Chavez-Langdon
ECOtality, Inc.
80 E. Rio Salado Pkwy, Suite 710
Tempe, Arizona 85281

22 Steven M. Olea, Director
Utilities Division
23 Arizona Corporation Commission
1200 West Washington
24 Phoenix, Arizona 85007

By 
Ernestine Gamble