

OPEN MEETING AGENDA ITEM TUCSON ELECTRIC POWER

E-01933A-11-0269

Antonio Gill



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From: John LeSueur  
Sent: Thursday, December 15, 2011 3:03 PM  
To: Antonio Gill  
Subject: FW: TEP Implementation Plan: Addition to Pierce Amendment #4  
Attachments: Amendment Pierce #4 TEP.pdf; ATT00001..htm

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Antonio,

Please docket.

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From: Valerie [vajra@vecat-inc.com]  
Sent: Thursday, December 15, 2011 2:53 PM  
To: Pierce-Web; Burns-Web; Stump-Web; Kennedy-Web; Newman-Web  
Cc: John LeSueur; Nancy LaPlaca; Katherine Nutt; Amanda H. Ho; Thomas Galvin  
Subject: TEP Implementation Plan: Addition to Pierce Amendment #4

Commissioners & Staff:

At the request of John LeSueur, to follow is the text of the addition to the Chairman's Amendment #4 that was discussed at yesterday's open meeting. A pdf copy is attached as well. I will be attending the 12/16 open meeting.

Tucson Electric Power Company

Docket No: E-01933A-11-0269

Requested by: Valerie Rauluk vajra@vecat-inc.com 520-401-6703

Requested Amendment to Pierce Proposed Amendment #4

Page 21, after deletion of lines 5-12 in REPLACE paragraph, after "and higher systems for TEP" line 11, insert and UFI of \$.50 per kWh of 1<sup>st</sup> year kWh performance and PBI of \$0.057 kWh for Solar Thermal applications.

Rationale

Direct Value to Ratepayers

Solar thermal offers "exceptional value to rate-payers" in terms of cost per Renewable Energy Credit on both an up front and performance (20 year payout) basis. In addition, solar thermal does not negatively impact TEP revenues, thus the \$.07810/ kWh of lost revenue expenses do not need to be recovered from the PBI Legacy Cost Budget.

Solar thermal REC Purchase:	\$0.057
Lost TEP Revenue Cost	-0-

Total \$.057 kWh (per REC)

Solar PV \$.064 to \$.072 / kWh (proposed)

Lost TEP Revenue Cost \$.0781/ kWh

Total \$.1421 to \$.1501 kWh (per REC)

*Value to Arizona Economy*

Recent advances in solar thermal devices are making commercial applications more robust with improved bankability. A recent pilot launched in southern Arizona in 2011 established a enhanced solar thermal business opportunity for Arizona. 2012 installations will build on the success and greatly expand Arizona manufacturing and business opportunities (2 Phoenix businesses and 1 Tucson have been identified). Allocating funding for nonresidential solar thermal applications from the PBI Legacy Cost budget would solidify this opportunity for the benefit of the Arizona economy and ratepayers.

Valerie Rauluk will attend the 12/16 ACC Open Meeting to respond to any questions regarding this amendment and opportunity.