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NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

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2012 MAY -4 P 4: 51

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E-01750A-12-0161

IN THE MATTER OF THE APPLICATION
OF MOHAVE ELECTRIC COOPERATIVE,
INCORPORATED TO EXPEND
ADDITIONAL RENEWABLE ENERGY
STANDARD AND TARIFF FUNDS ON
MODIFIED RESIDENTIAL AND
COMMERCIAL INCENTIVES.

DOCKET NO. E-01750A-12-_____

APPLICATION
(Expedited Action Requested)

Mohave Electric Cooperative, Incorporated. ("MEC" or "Cooperative") by and through undersigned counsel, submits this Application to expend \$250,000 of its Renewable Energy Standard and Tariff ("REST") funds currently allocated to its 5MW Distributed Generation fund on Residential and Commercial Incentives at modified Residential and Commercial Incentives.

By Decision No. 72082, dated February 2, 2012, the Arizona Corporation Commission ("Commission") approved MEC's 2012 REST Plan and Surcharge. Because the Residential and Commercial Incentives in the 2011 REST Plan had generally been sufficient to meet the 2011 demands, MEC made no modifications in the incentive levels and allocated \$777,177 of funds to that program in 2012 versus \$578,048 in 2011. (Decision No. 72082, p. 7, Table 1) MEC also budgeted an additional \$548,884 for its 5MW Distributed Generation fund. During the month of April, MEC saw an unusual increase in Residential and Commercial Incentive applications, culminating in almost \$250,000 in applications in the last week of April alone. As a result, MEC has unexpectedly already depleted its 2012

1 Residential and Commercial Incentive fund and has placed three (3) residential customers and
2 one (1) commercial customer on a waiting list.

3 MEC proposes to use \$250,000 in surcharge funds currently designated for its
4 5MW Distributed Generation fund to provide additional funding to a modified Residential
5 and Commercial Incentive program.¹ The Incentive for both commercial and residential
6 customers would be reduced from \$2.00 or \$1.50 per Watt (depending on size of the project)
7 to \$0.50 per Watt for photovoltaic ("PV"), and small wind turbine systems. The incentive
8 would remain capped at 40% of the total cost of the renewable facility, but the dollar caps
9 would be reduced to \$25,000 from \$30,000 (residential) and \$50,000 (commercial) to reflect
10 the lower incentive. The combined generation capability at the location would remain limited
11 to 125% of the total connected load at the location, with one installation per service entrance.

12 MEC intends to provide customers on its waiting list first opportunity to apply
13 for the increased funding at the modified Residential and Commercial Incentives.
14 Alternatively, the customer can remain on the waiting list, in which case they will receive
15 funding at the prior Residential and Commercial Incentive levels if, but only if, a portion of
16 the reserved funds become available for that purpose. The customer will choose which
17 program to pursue, but they will not be eligible for both.

18 As the Residential and Commercial Incentive fund for 2012 is already
19 oversubscribed, MEC respectfully requests the Commission take expedited action on this
20 Application.

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¹ The \$250,000 is more than 15% of the 5 MW Distributed Generation 2012 budget of \$548,884 and therefore is too great to move without Commission authorization.

1 RESPECTFULLY SUBMITTED this 4th day of May, 2012.

2 CURTIS, GOODWIN, SULLIVAN,
3 UDALL & SCHWAB, P.L.C.

4
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11 Attorneys for Mohave Electric
12 Cooperative, Incorporated

13
14 PROOF OF AND CERTIFICATE OF MAILING

15 I hereby certify that on this 4th day of May, 2012, I caused the foregoing
16 document to be served on the Arizona Corporation Commission by delivering the original and
17 thirteen (13) copies of the above to:

18 Docket Control
19 Arizona Corporation Commission
20 1200 West Washington
21 Phoenix, Arizona 85007

22 And on this 4th day of May, 2012,
23 I caused a copy of the foregoing
24 to be emailed to:

25 Steve Olea at solea@azcc.gov

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Barbara Keene at bkeene@azcc.gov

Terri Ford at tford@azcc.gov

Mary Walker