

ORIGINAL

OPEN MEETING AGENDA ITEM



0000140604



Department of Veterans Affairs
Office of Asset Enterprise Management
810 Vermont Ave., N.W.
Washington, D.C. 20420

2012 NOV 21 P 2:56

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Certified Mail-Return Receipt Requested

November 26, 2012

Arizona Corporation Commission
DOCKETED

NOV 27 2012

State of Arizona Corporation Commission
1200 West Washington Street
Room 108
Phoenix, Arizona 85007

DOCKETED BY [Signature]

RE: Docket No. E-01345A-12-0290, Matter Of The Arizona Public Service Company For Approval Of Its 2013-2017 Renewable Energy Standard Implementation Plan (Docket No. E-01345A-10-0394)

Dear Chairman Pierce and Commissioners:

The U.S. Department of Veterans Affairs (VA) respectfully requests that the Arizona Corporation Commission (ACC) deny and consider alternatives to the Arizona Public Service Company (APS) "Track and Record" solution set out in their 2013 Renewable Energy Standard and Tariff Implementation Plan ("the Plan").

As the Plan stands, it would interfere with VA's ability to sell or claim solar generation from VA's facilities in Phoenix, Prescott and other portions of APS's service area in Arizona. From VA's perspective, the Plan would threaten the viability of the renewable energy certificate (REC) system and would set a dangerous precedent if approved. VA's current renewable energy investments in Arizona would be devalued and the policy would deter future VA renewable energy investments in the State of Arizona.

VA has made significant investments in VA solar projects in Arizona to meet Federal renewable energy requirements and standards, as set forth in legislation and Presidential executive orders. Under Executive Order 13423, Federal facilities are required to own renewable energy attributes to meet renewable energy and greenhouse gas goals. With the "Track and Record" proposal, APS would have the ability to count any of VA's generated RECs towards APS' own renewable energy generation requirements. However, pursuant to the Department of Energy's *Renewable Energy Requirement Guidance for EPACT 2005 and Executive Order 13423*, VA cannot retain credit

for the RECs generated by VA facilities if they are counted towards another entity's renewable energy requirements. Therefore the duplicate accounting of these RECs contemplated by APS's "Track and Record" solution would preempt VA's ability to utilize the credits for meeting Federal mandates, allowing APS to effectively deprive VA of its VA's legitimately created RECs.

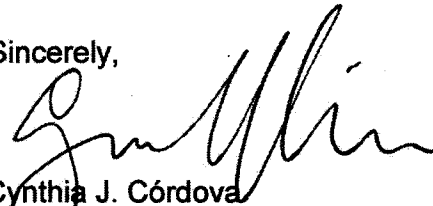
VA's solar projects and other energy projects are essential to meet Federal renewable energy policy mandates while furthering the VA mission of caring for Veterans, and saving taxpayer dollars that can be used in other aspects of VA operations. If APS is allowed to record the REC credits from VA projects, it will effectively deny VA the ability to count these credits towards VA's own renewable energy goals.

In lieu of the current "Track and Record" proposal, VA suggests that APS purchase the RECs needed to comply with its requirements at auction on the open market. This would ensure appropriate compensation to the current REC owner and uphold the viability of the REC system, while appropriately incentivizing further investment in renewable energy generation in the utility's service territory.

VA requests that the ACC deny approval of the "Track and Record" solution, and instead consider other options.

Thank you for your consideration of VA's request.

Sincerely,



Cynthia J. Córdoba
Director, Green Management Program
U.S. Department of Veterans Affairs
810 Vermont Ave., NW
Washington, DC 20420
cynthia.cordova@va.gov

cc:

Director
Phoenix VA Health Care System
650 E. Indian School Road
Phoenix, AZ 85012

Director
Northern Arizona VA Health Care System
500 North Highway 89
Prescott, AZ 86313

Director
Southern Arizona VA Health Care System
3601 South 6th Avenue
Tucson, AZ 85723