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Docket No 2 E-01345A-10-0394/E-01345A-12-0290
2013 FEB 22 E-01999A-12-0296/E-04204A-12-0299

Greg L. Bernosky
Arizona Public Service
Manager, Renewable Energy Programs
400 North 5th Street
Phoenix, AZ 85004-3902

Arizona Corporation Commission
DOCKETED

FEB 22 2013

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LM

Re: Technical Conference on Value of Solar

Dear Greg,

We write to express concerns regarding the upcoming technical conference on the future of net metering in APS' service territory. Several of our members and others in the solar industry have had the opportunity to meet with the facilitators and have learned more about the way APS intends to run the Commission ordered technical conference. This correspondence sets out the key issue that SEIA and ARISEIA have identified and suggests a revised plan of action in hopes that APS can make the appropriate changes to ensure the technical conference is a worthwhile tool for all stakeholders.

First and foremost, SEIA and ARISEIA are disappointed that APS has already unilaterally commenced a study on the costs and benefits of solar that is being developed without input from stakeholders. Since APS utilized a robust stakeholder process to create the RW Beck Study on the benefits of DG solar in 2009, there have been several studies performed across the nation that have helped to develop key methodology and assumptions to be utilized when performing a cost-benefit analysis for DG solar. These studies represent advancements in the way to analyze this important issue and must be taken into consideration when performing any study through the technical conference. According to the facilitators, at some point during the technical conference APS intends to simply present the results of its new cost-benefit analysis that will have been developed entirely outside the technical conference process.

SEIA agrees with the Corporation Commission that the delivery of a conclusion on costs and benefits of distributed solar is the primary purpose of the technical conference. In Decision 7363 the Commission ordered that this technical conference be conducted "...to evaluate the costs and benefits of Distributed Renewable Energy and Net Metering..." Order 7363, page 27. APS' decision to commence its own study before the initiation of the technical conference and outside the technical conference proceeding calls into question APS' commitment to the technical conference itself and suggests that APS' decision will not be informed through this process. Our goal should be to get the right answer to these important questions and the input (through the technical conference) is key to not only getting the right answer but to complying with the Commission's Order.

SEIA and ARISEIA propose that the initial sessions of the technical conference involve a discussion of the key methodology and assumptions needed to perform an accurate cost-benefit analysis and then after completion, the cost-benefit analysis study process should begin. It is more productive to discuss the methodology and assumptions to be included in a cost-benefit analysis before the analysis begins. While ARISEIA and SEIA are committed to participating in good faith in the technical conference, it is hard to see how the conference will be

meaningful if it proceeds in the manner proposed.

We sincerely hope that APS will consider making the formation of the cost-benefit analysis the key deliverable of the technical conference as the Commission ordered. We request that your agenda be modified to clearly set out that the first step will be gathering and agreeing on a set of assumptions and a methodology to be utilized in performing the cost-benefit analysis. It is only after this step, and guided by the stakeholder input, that the analysis should be performed. We look forward to working with APS to make this process fair and objective.

Thank you,

Carrie Cullen Hitt
Senior Vice President, State Affairs SEIA

Mike Neary
Executive Director, ARISEIA

Cc: Bob Stump, Arizona Corporation Commission, Chair
Gary Pierce, Arizona Corporation Commission, Commissioner
Bob Burns, Arizona Corporation Commission, Commissioner
Brenda Burns, Arizona Corporation Commission, Commissioner
Susan Bitter Smith, Arizona Corporation Commission, Commissioner