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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**BOB STUMP  
CHAIRMAN**

**GARY PIERCE  
COMMISSIONER**

**BRENDA BURNS  
COMMISSIONER**

**SUSAN BITTER SMITH  
COMMISSIONER**

**BOB BURNS  
COMMISSIONER**

10 IN THE MATTER OF THE APPLICATION  
11 OF ARIZONA PUBLIC SERVICE  
12 COMPANY FOR APPROVAL OF  
13 UPDATED GREEN POWER RATE  
14 SCHEDULES GPS-1, GPS-2 AND GPS-3.

DOCKET NO. E-01345A-10-0394

13 IN THE MATTER OF THE  
14 APPLICATION OF ARIZONA PUBLIC  
15 SERVICE COMPANY FOR APPROVAL OF  
16 ITS 2013 RENEWABLE ENERGY  
17 STANDARD IMPLEMENTATION FOR  
18 RESET OF RENEWABLE ENERGY  
19 ADJUSTOR

DOCKET NO. E-01345A-12-0290

17 IN THE MATTER OF THE APPLICATION  
18 OF TUCSON ELECTRIC POWER  
19 COMPANY FOR APPROVAL OF ITS 2013  
20 RENEWABLE ENERGY STANDARD  
21 IMPLEMENTATION PLAN AND  
22 DISTRIBUTED ENERGY  
23 ADMINISTRATIVE PLAN AND REQUEST  
24 FOR RESET OF ITS RENEWABLE  
25 ENERGY ADJUSTOR.

DOCKET NO. E-01933A-12-0296

23 IN THE MATTER OF THE APPLICATION  
24 OF UNS ELECTRIC, INC. FOR APPROVAL  
25 OF ITS 2013 RENEWABLE ENERGY  
26 STANDARD IMPLEMENTATION PLAN  
27 AND DISTRIBUTED ENERGY  
28 ADMINISTRATIVE PLAN AND REQUEST  
FOR RESET OF ITS RENEWABLE  
ENERGY ADJUSTOR.

DOCKET NO. E-04204A-12-0297

**NOTICE OF FILING TESTIMONY OF  
CARRIE CULLEN HITT**

1 Solar Energy Industries Association hereby provides notice of filing the Direct  
2 Testimony of Carrie Cullen Hitt in the above-captioned case.

3  
4 **Respectfully submitted** this 24<sup>th</sup> day of April, 2013.

5  
6 A handwritten signature in cursive script, appearing to read "Court S. Rich", is written over a horizontal line.

7  
8 Court S. Rich  
9 Rose Law Group pc  
10 Attorney for SEIA  
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1 **Original and 13 copies filed on**  
2 **This 28<sup>th</sup> day of April, 2013 with:**

3 Docket Control  
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5 1200 W. Washington Street  
6 Phoenix, Arizona 85007

7 *I hereby certify that I have this day served the foregoing documents on all parties of record in  
8 this proceeding by sending a copy via electronic and/or regular U.S. mail to:*

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1                                   **INTERVENOR TESTIMONY OF CARRIE CULLEN HITT**  
2                                   **ON BEHALF OF SOLAR ENERGY INDUSTRIES ASSOCIATION**  
3                                   **(Docket Nos. E-01345A-10-0394; E-01345A-12-0290;**  
4                                   **E-01933A-12-0296; E-04204A-12-0297)**

5  
6                                   **I.     INTRODUCTION**

7   **Q.   PLEASE STATE YOUR NAME AND CONTACT INFORMATION.**

8   A.   My name is Carrie Cullen Hitt. My business address is PO Box 534 North Scituate MA  
9       02066.

10   **Q.   PLEASE STATE YOUR EMPLOYER AND TITLE.**

11   A.   I am employed by the Solar Energy Industries Association (SEIA) as Senior Vice  
12       President of State Affairs. SEIA is the national trade association for the U.S. solar  
13       industry and is a broad-based voice of the solar industry in Arizona. SEIA represents an  
14       estimated 31 member companies who employ approximately 1500 people in Arizona  
15       across all market segments – residential, commercial, and utility-scale. In addition, SEIA  
16       member companies provide solar panels and equipment, financing and other services to a  
17       large portion of Arizona solar projects.

18   **Q.   ON WHOSE BEHALF ARE YOU TESTIFYING?**

19   A.   I am testifying on behalf of SEIA. This testimony represents the views of SEIA and not  
20       any individual member company.

21   **Q.   PLEASE SUMMARIZE YOUR QUALIFICATIONS.**

22   A.   I have extensive experience with respect to the matters to be decided in this case. As  
23       Senior Vice President of State Affairs at SEIA, I am responsible for all state level  
24       activities on behalf of the organization. This includes net metering, renewable portfolio  
25       standards, permitting, interconnection and wholesale market issues, rate design, incentive  
26       and tax policies. Prior to SEIA, I served as President of the Solar Alliance, a national  
27       solar trade association. As President of the Solar Alliance, I coordinated policies and  
28       positions of the association in multiple jurisdictions, and represented the solar PV

1 industry in state and national venues. With respect to solar issues, I am generally familiar  
2 with technical and economic characteristics of the solar PV industry. In addition, I have  
3 provided expert witness testimony before several state public utility commissions.  
4

5 I received my B.A. in Government and History from Clark University in Worcester,  
6 Massachusetts and my MA in International Economics from the School of Advanced  
7 International Studies at Johns Hopkins University.

8 **Q. PLEASE STATE THE PURPOSE OF YOUR TESTIMONY.**

9 A. My testimony addresses the question of how the utilities should be required to comply  
10 with Arizona's Distributed Renewable Energy Requirement once the cash incentive  
11 program has ended.  
12

13 In their 2013 Renewable Energy Standard Implementation Plans ("REST"), Arizona  
14 Public Service ("APS"), Tucson Electric Power ("TEP") and UNS Electric, Inc. ("UNS")  
15 addressed the issue of how to comply with the Distributed Renewable Energy  
16 Requirement once the cash incentive program ended. In its 2013 application, APS  
17 proposed a program called "Track and Record", which SEIA and a number of other  
18 interested parties opposed. The Arizona Corporation Commission ("ACC" or the  
19 "Commission") subsequently combined the Utilities' filings into a single proceeding.  
20 (See Docket Nos. E-01345A-10-0394, E-01345A-12-0290, E-01933A-12-0296, and E-  
21 04204A-12-0297). This single proceeding is known as the "Track and Record"  
22 proceeding. The "Track and Record" proceeding addresses the issue of how the Utilities  
23 should comply with the Distributed Renewable Energy Requirement once the cash  
24 incentive program ends.  
25

26 As a representative of a significant and broad portion of the solar industry in Arizona, on  
27 September 20, 2012, SEIA filed its petition to intervene in the Track and Record  
28

1 proceeding. The purpose of this testimony is to provide SEIA's position on the  
2 aforementioned filing made by the Utilities and recommend action to the Commission.  
3

## 4 **II. SUMMARY**

5 **Q. PLEASE SUMMARIZE YOUR CONCERNS REGARDING THE UTILITIES'**  
6 **PROPOSALS IN THE TRACK AND RECORD PROCEEDING.**

7 A. SEIA is concerned that the changes proposed by the Utilities will do significant damage  
8 to Arizona's renewable energy investments. Specifically, SEIA is concerned with the  
9 continued success of Arizona's distributed energy sector and protecting individuals'  
10 property rights interests in their RECs.

11 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS TO THE COMMISSION**  
12 **IN REGARDS TO THE TRACK AND RECORD PROCEEDING.**

13 A. SEIA recommends the following:

- 14 1. The Commission should take no action at this time regarding utility compliance with  
15 the Distributed Renewable Energy Requirement (the "carve out").
- 16 2. If the Commission does take action, the Commission should grant the Utilities a one  
17 year waiver from complying with the Distributed Renewable Energy Requirement.  
18 During this time the Commission can consider the best policy choices for continued  
19 distributed energy development in Arizona.
- 20 3. The Commission should not eliminate the Distributed Renewable Energy Requirement  
21 at this time.

## 22 **III. BACKGROUND**

23 **Q. PLEASE DESCRIBE ARIZONA'S RENEWABLE ENERGY STANARD.**

24 A. The Renewable Energy Standard and Tariff ("RES" or "REST") are regulations  
25 promulgated by the Arizona Corporation Commission ("ACC") designed to promote  
26 renewable energy investment in Arizona. In November 2006, the ACC updated  
27 Arizona's Renewable Energy Standard and Tariff rules to require that "Affected  
28

1 Utilities” must procure renewable energy to serve their retail load in increasing amounts  
2 each year. (Decision No. 69127) For example, APS must serve 4% of its retail load with  
3 renewable energy by the end of 2013. (Direct Testimony of Gregory L. Bernosky dated  
4 March 29, 2013 on behalf of APS hereinafter referred to as “APS Testimony” at p. 4) By  
5 2025, Affected Utilities must serve 15% of their retail load with renewable energy.  
6 (D.69127 and A.A.C. R14-2-1801 to A.A.C. R14-2-1818) Affected Utilities are defined  
7 as “a public service corporation serving retail electric load in Arizona, but excluding any  
8 Utility Distribution Company with more than half of its customers located outside of  
9 Arizona.” (A.A.C. R14-2-1801(A))

10  
11 For the purposes of this testimony, Affected Utilities are Arizona Public Service  
12 Corporation, Tucson Electric Power, and UNS Electric Inc. (the “Utilities”).

13 **Q. PLEASE EXPLAIN THE PURPOSE OF THE RES.**

14 A. The RES is designed to drive renewable energy investment and bring down the cost of  
15 renewable energy so that it is affordable and accessible. The ACC has made renewable  
16 energy a priority because it is an economic boon, job creator, and an environmentally  
17 friendly solution to Arizona’s growing energy needs.

18 **Q. HAS THE RES BEEN SUCCESSFUL?**

19 A. Yes. Under the RES, Arizona has installed 1097 MW of solar energy and currently more  
20 than 284 solar companies employ 9800 people statewide.<sup>1</sup> Further, Arizona installed 710  
21 MW of solar electric capacity in 2012 alone.<sup>2</sup> This investment has made Arizona one of  
22 the leading solar states in the country.<sup>3</sup>

23 **Q. PLEASE EXPLAIN RECS AND THE PURPOSE OF RECS.**

24 A. Under the RES rules, a Renewable Energy Credit (“REC”) is created for every kWh of  
25 renewable energy generated from a Renewable Energy Resource. (A.A.C. R14-2-  
26 1803(A)) The Utilities satisfy their RES requirements by procuring and reporting RECs

27 <sup>1</sup> See <http://www.seia.org/state-solar-policy/arizona>, accessed on April 22, 2013

28 <sup>2</sup> *Id.*

<sup>3</sup> *Id.*

1 which demonstrates the Utilities' retail load has been served with the proper amount of  
2 renewable energy. (A.A.C. R14-2-1804) Once the REC is reported, it is considered  
3 "retired" and cannot be reused. (A.A.C. R14-2-1804(D))  
4

5 In addition to serving as tracking mechanisms for utility compliance under the RES,  
6 RECs are commodities with real value and property attributes that can be sold into  
7 compliance and voluntary markets.

8 **Q. PLEASE EXPLAIN THE DISTRIBUTED ENERGY CARVE-OUT.**

9 A. Since Arizona began investing in renewable energy in 1996, solar investment has been a  
10 priority. The first renewable energy program in Arizona was established in 1999. It was  
11 the Solar Energy Portfolio standard, which set a goal that regulated utilities would serve  
12 customers with 0.2% solar energy by 1999 and 1% by 2003.<sup>4</sup> Since that time, Arizona  
13 has made significant investments in solar energy. To promote this investment, the ACC  
14 implemented the Distributed Renewable Energy Requirement, also known as the DE  
15 "carve-out", within the RES. (A.A.C. R14-2-1805) Under the DE carve-out, a specified  
16 amount of renewable energy come must from distributed energy. (*Id.*) Specifically, the  
17 DE carve-out requires that for all years after 2011, 30% of the renewable energy provided  
18 by Affected Utilities come from distributed energy systems. (*Id.*) Half of the distributed  
19 energy must come from residential applications and the other half must come from non-  
20 residential, non-utility applications. (A.A.C. R14-2-1805(B))

21 **Q. WHAT IS DISTRIBUTED ENERGY?**

22 A. Distributed energy ("DE") is electric generation located on customer premises providing  
23 generation to the customer load on site or wholesale energy to the local Utility  
24 Distribution Company for use by multiple customers in contiguous distribution substation  
25 service areas. (A.A.C. R14-2-1801(A)) The generation size and transmission needs must  
26 be small enough that they do not require a Certificate of Compatibility. (*Id.*) A typical  
27

28 <sup>4</sup>DSIRE, [http://www.dsireusa.org/incentives/incentive.cfm?Incentive\\_Code=AZ03R&re=0&ee=0](http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=AZ03R&re=0&ee=0) accessed on April 22, 2013

1 example of DE is rooftop solar, in which a residential customer powers a home with  
2 energy generated by the rooftop system and/or sends energy back onto the grid.

3  
4 Energy that qualifies under the DE carve out must be recognized as a Distributed  
5 Renewable Energy Resource as defined under A.A.C. R14-2-1802(B). Many of the  
6 technologies recognized under the rule are solar technologies.

7 **Q. WHAT IS THE PURPOSE OF THE DE CARVE-OUT?**

8 A. The DE carve-out was created to encourage investment in DE sources such as rooftop  
9 solar to take advantage of the benefits of DE. These benefits include reducing demand  
10 during peak times, increasing efficiency, increasing grid reliability, and stimulating  
11 Arizona's local economy by encouraging investment in a new local energy economy.<sup>5</sup>  
12 (A.A.C. R14-2-1805(A))

13 **Q. HOW DO UTILITIES COMPLY WITH THE DE CARVE-OUT?**

14 A. Utilities comply with the DE carve-out by acquiring RECs and retiring those RECs for  
15 compliance purposes. One half of the annual DE requirement must come from residential  
16 applications and the other half from non-residential, non-utility applications. (A.A.C.  
17 R14-2-1805(C))

18 **Q. WHAT IS THE DE INCENTIVE PROGRAM?**

19 A. To satisfy their DE requirement, the Utilities created an incentive program whereby they  
20 exchange a cash incentive for the RECs created by the customer's DE system. (Direct  
21 Testimony of Carmine Tilghman on behalf of Tuscon Electric Power Company and UNS  
22 Electric, Inc. dated March 29, 2013 hereinafter referred to as "TEP Testimony" at p. 3)  
23 The incentive is used to help stimulate investment in DE systems, and the REC is used to  
24 satisfy the Utilities' DE compliance requirement. (TEP Testimony at p. 3) The incentive  
25 program is structured so that over time, as installations increase, the incentives decrease.

26  
27  
28 <sup>5</sup> See ACC Commissioner William A. Mundell's Letter to the Editor of the Arizona Daily Star, April 29, 2005; See  
ACC Commissioner Mark Spitzer's Letter to the Editor of the Arizona Republic, June 14, 2005

1 (Id.) For example, APS' residential incentive started at a high of \$4/watt in 2006 and is  
2 now at \$0.10/watt today. (APS Testimony at p. 5)

3 **Q. HAS THE DE CARVE-OUT BEEN SUCCESSFUL?**

4 Yes, the DE carve-out has been very effective in stimulating DE investment. Since 2010,  
5 Arizona has increased its solar photo-voltaic capacity from 67 MW to over 200 MW,  
6 ranking it third in national photo-voltaic installations.<sup>6</sup>

7 **Q. ARE THE UTILITIES CURRENTLY IN COMPLIANCE WITH THE DE**  
8 **CARVE-OUT?**

9 A. Currently APS has met its residential DE requirement through 2015 and non-residential  
10 DE requirement through 2019. (APS Testimony at p. 5) Further, TEP and UNS appear to  
11 have enough non-residential RECs to satisfy their non-residential DE requirements for  
12 some time, and their incentive programs are coming to an end.<sup>7</sup> (TEP Testimony at p. 6)

13 **Q. WHAT PROCEEDINGS GAVE RISE TO THIS TESTIMONY?**

14 A. In their 2013 REST plans, the Utilities addressed the issue of how to comply with their  
15 DE compliance requirement without a cash incentive. (Docket Nos. E-01345A-12-0290,  
16 E-01933A-12-0296, and E-04204A-12-0297) APS proposed a solution called "Track and  
17 Record," which received several objections from interested parties including SEIA. As a  
18 result, the Commission combined several dockets into this proceeding to address the  
19 question of how the Utilities should comply with the DE compliance requirement moving  
20 forward. SEIA is an intervening party in this proceeding.

21  
22 **IV. UTILITIES CHALLENGE DE AND REST RULES**

23 **Q. ARE THE UTILITIES CHALLENGING THE DE AND REST RULES?**

24 A. Yes.  
25  
26

27 <sup>6</sup> See SEIA/GTM Research U.S. Solar Market Insight Report; U.S. Energy Information Administration  
<http://www.eia.gov/state/?sid=AZ> accessed on April 22, 2013

28 <sup>7</sup> See TEP and UNS 2013 REST Plan and filings (Docket Nos. E-0204A-12-0297; E-01933A-12-0296)

1 **Q. WHAT HAS PROMPTED THE UTILITIES TO CHALLENGE THE DE AND**  
2 **REST RULES?**

3 A. As stated above, DE installations have increased significantly and the incentives are  
4 approaching zero for residential systems, and there currently are not any incentives for  
5 the majority of non-residential systems. The Utilities assert that without the incentive,  
6 there will not be a mechanism to comply with the DE carve-out. (APS Testimony at p. 6)  
7 Further, the Utilities assert that there is no longer a need for the DE carve-out because  
8 they are in compliance and the cost of DE has reduced to the point where the incentive no  
9 longer is a major driver impacting customer behavior. (TEP Testimony at p. 6)

10 **Q. WHAT DO THE UTILITIES PROPOSE REGARDING THE DE CARVE-OUT?**

11 A. The Utilities made a number of recommendations which involve changing or eliminating  
12 the DE carve-out.

13 **Q. PLEASE EXPLAIN THE PROPOSAL PUT FORTH BY APS.**

14 A. APS recommends that the DE carve-out be eliminated entirely. (APS Testimony at p. 7)  
15 Until the carve-out is eliminated, APS proposes an approach titled "Track and Record."  
16 (*Id.* at p. 6) In its testimony from Greg Bernosky dated March 29, 2013, APS provided a  
17 new version of "Track and Record" that differs significantly with what it originally  
18 proposed in its 2013 REST Implementation Plan filing that gave rise to this hearing. (*Id.*)  
19 This testimony deals only with the version set out in Mr. Bernosky's testimony. (*Id.*)  
20 Under "Track and Record", APS would report newly installed DE systems in its territory  
21 for informational purposes only. (*Id.*) Customers would keep the RECs associated with  
22 their systems. (*Id.*) Further, APS' DE compliance requirement would be temporarily  
23 suspended through a waiver. (*Id.*) The waiver would be lifted once the DE carve-out is  
24 eliminated through a rulemaking. (*Id.* at pp. 6-7)

25 **Q. DOES SEIA SUPPORT THE PROPOSAL PUT FORTH BY APS?**

26 A. No.

27 **Q. WHY?**

28

1 A. APS recommends that the DE carve-out be eliminated entirely. SEIA does not support  
2 eliminating the DE carve-out.

3 **Q. WHY DOES SEIA OBJECT TO ELIMINATING THE DE CARVE-OUT?**

4 A. Eliminating the DE carve-out at this time would be premature because we do not know  
5 how other potential policy changes may affect distributed energy in the near future. For  
6 example, APS has indicated it will likely be asking the Commission to significantly alter  
7 the State's net-metering policy before the end of the year.<sup>8</sup> Should net-metering be  
8 altered or if a usage fee or other similar fee is installed, the value of solar to a residential  
9 or commercial customer would be impacted such that the DE market could be halted  
10 completely. The DE carve-out cannot be eliminated on the premise that the market is  
11 now self-sustaining while such a substantial change to the financial arrangement  
12 underpinning the value of solar is being considered.

13 **Q. PLEASE EXPLAIN THE PROPOSALS PUT FORTH BY TEP AND UNS.**

14 A. To begin, TEP and UNS propose that the DE carve-out be removed from the REST rules  
15 for the reasons stated above. (TEP Testimony at pp. 5-6) However, TEP and UNS have  
16 proposed the following short term solutions before the DE carve-out is eliminated.

17 i. Waiver and Removal of the DE Carve-Out

18 The first solution put forth by TEP and UNS is a waiver of the DE requirement, followed  
19 by a removal of the DE carve-out in a later rulemaking. (TEP Testimony at p. 7) Under  
20 this proposal, the Utilities would be allowed to meet the REST rules percentage  
21 requirement with RECs from all resources while the REST rules are amended without  
22 penalty under the DE carve-out. (*Id.*)

23 ii. Require Customers to Exchange RECs for Net Metering

24 The second proposal put forth by TEP and UNS is a proposal in which the ACC would  
25 require a customer to transfer its DG system RECs to its utility in exchange for allowing  
26 the customer to engage in net-metering. (TEP Testimony at p. 8) Once approved by the  
27 Commission, the Utilities would implement this policy by filing updated tariffs. (*Id.*)

28 <sup>8</sup> See <http://solarfuturearizona.com/> accessed on April 22, 2013



1 carve-out requirement. SEIA does not recommend that the DE carve-out requirement be  
2 eliminated.

3 **Q. PLEASE EXPLAIN THE WAIVER RECOMMENDED BY SEIA.**

4 A. The Commission would grant the Utilities a one year waiver from their DE compliance  
5 requirements immediately. During the term of the waiver, the RECs associated with  
6 installed DE systems would remain the property of the system's owner. During the  
7 waiver period, the Utilities would track the energy produced by DE installations through  
8 the continued deployment of DE production meters and regularly report the amount of  
9 energy produced to the Commission. This would give parties additional information to  
10 determine the appropriate way to move forward on a long term basis. However, so as to  
11 maintain the integrity of the RECs associated with the DE systems, the Utilities would  
12 not use this information to satisfy any REST requirements. At the end of the one year  
13 period, the Commission would implement DE policy based on the data collected through  
14 the year that best suits the needs of the DE market and Arizona ratepayers.

15 **Q. WOULD THE DE CARVE-OUT OR RES BE CHANGED BY THIS WAIVER?**

16 A. No, the DE carve-out and REST rules would remain intact, but the Utilities would be  
17 waived from compliance for one year.

18 **Q. WHY DOES SEIA RECOMMEND THAT THE COMMISSION GRANT A ONE**  
19 **YEAR WAIVER?**

20 A. SEIA recommends this course for the following reasons.

21 i. More Fact Finding is Needed

22 The questions the Commission is grappling with in this proceeding are very new  
23 questions. Even the Utilities admit that they are just now considering the next steps that  
24 should be taken in the next phase of distributed energy development. (APS Testimony at  
25 p. 1; TEP Testimony at p. 5) SEIA's proposal would give all parties involved, including  
26 the Commission, sufficient time to consider the impacts of different policy options that  
27 have yet to be fully vetted and discussed.

28

1           ii. The Discussion Regarding Net Metering is Ongoing

2           Second, there is currently a discussion that is occurring about the benefits and costs of net  
3           metering. At this time, both APS and RUCO have begun workshops to evaluate these  
4           costs and benefits.<sup>9</sup> It is premature to make overarching policy decisions while this  
5           discussion is ongoing, as we do not know the results or impacts of such a discussion,  
6           which is a potentially significant threat to Arizona's renewable energy industry.

7           iii. The Commission Should Protect Arizona's Significant DE Investment

8           As stated earlier in this testimony, Arizona has made a significant investment in DE. To  
9           move quickly on new policy could be very detrimental to the burgeoning DE sector, and  
10          Arizona's renewable energy goals.

11          iv. The Commission's Decision Regarding DE Will Likely Have Widespread  
12          Ramifications for the REC Market

13          Finally, the decision regarding DE will likely have significant and far reaching  
14          implications for the REC market. For example, had the Commission moved forward with  
15          APS' original "Track and Record" proposal, Arizona's DG RECs would have been  
16          rendered worthless. This would have resulted in serious negative implications for  
17          Arizona's renewable energy market and a major loss for Arizona ratepayers.

18  
19          In conclusion, Arizona has made significant strides implementing DE throughout the  
20          state. The Utilities are generally in compliance for the next few years and renewable  
21          energy is growing at a steady pace statewide. A midstream change will disrupt the  
22          momentum that Arizona has achieved in its renewable energy markets. Instead, the  
23          Commission should take this opportunity to vet all viable policy options before moving  
24          forward.

25          **Q.    WOULD RETAINING THE DE CARVE-OUT IMPOSE ADDITIONAL COSTS**  
26          **ON ARIZONA RATEPAYERS?**

27  
28          <sup>9</sup> See <http://solarfuturearizona.com/> accessed on April 22, 2013; See RUCO's *Notice of Stakeholder Workshop* filed April 17, 2013

1 A. No. With a one year waiver in place, this safeguard comes at no additional cost or  
2 burden to ratepayers.

3  
4 **VI. CONCLUSION**

5 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

6 A. 1. The Commission should take no action at this time regarding utility compliance with  
7 the Distributed Renewable Energy Requirement (the “carve out”).

8 2. If the Commission does take action, the Commission should grant the Utilities a one  
9 year waiver from complying with the Distributed Renewable Energy Requirement.  
10 During this time the Commission can consider the best policy choices for continued  
11 distributed energy development in Arizona.

12 3. The Commission should not eliminate the Distributed Renewable Energy Requirement  
13 at this time.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.  
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