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Dear Commissioner Bob Stump,

We are solar owners/supporters, voters and an APS utility customers and we are writing to urge you to protect net-metering and do not approve any utility company proposals in this area.

Net-metering is the billing arrangement that ensures solar customers receive fair credit for the valuable clean power they deliver to the grid for others to use during daytime hours. It is one of the most important policy tools the Commission has for empowering homes, businesses, schools and public agencies to go solar.

Utilities in the state are trying to make the case that Arizona should change its successful net-metering program and I am highly concerned that this could result in not properly compensating net-metered customers for their valuable energy investment and contribution to the local/global energy grid. APS currently resells electrical power that our system produces and that we don't use to other customers at retail rates. However, it is interesting to note that APS only provides compensation to solar owners at year end for that excess electricity at a wholesale rate. That's a very fair rate of return to APS right there! That is the agreement that we signed in our contract with APS. While we don't necessarily like it and would prefer to receive retail rates for the excess energy we provide to the grid, that's the way our mutually agreed contract is written. However, if you start allowing changes to the net-metering program, we fear that we won't even get that much and worse, excess electrical energy that we don't use would not be used by anyone.

Home and business owners expend their own capital to install systems that provide a myriad of benefits to the energy grid and other ratepayers. Net-metering also allows utility customers to make their own individual choice about where they get their electricity, what type of electricity they want and how much they're willing to pay for it.

One other related point, in May 2012, the ACC approved an additional tariff on APS customers which began showing up on APS' bills in March 2013. The rationale provided for this additional tariff in the January bill was that APS is selling less electricity because more and more people are installing renewable systems such as solar or wind and that CFLs require less energy. Such proposals degrade incentives that are intended to encourage energy consumers' participation to reduce our overall energy footprint. Reducing our energy footprint should be a goal that we all strive for and APS needs to find other ways to improve/maintain its revenue stream by reducing overhead costs and management infrastructure instead of artificially propping up its revenue by using commission-sanctioned tariffs or adjustments to the here-to-for successful net-metering program.

We strongly disagree with the ACC's previous approval of the May 2012 energy tariff but moreover, we urge you to protect net-metering and disapprove any utility company proposals in this area that will surely have even further adverse impacts on solar owners. Alternatively, should you choose to approve some version of the net-metering proposals by the utility companies, we urge you to "grandfather" all existing solar owners having existing contracts with utility companies.

Sincerely,

Lawrence Lloyd
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Arizona Corporation Commission

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