

COMMISSIONERS
BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



SUSAN BITTER SMITH
Commissioner

Direct Line: (602) 542-3625
Fax: (602) 542-3669
E-mail: Bittersmith-web@azcc.gov

ARIZONA CORPORATION COMMISSION

ORIGINAL

E-01345A-13-0248

July 26, 2013

John & Carole Soine
16031 West Indigo Lane
Surprise, Z 85374

Dear John & Carole,

I received the letter that you sent to me and would like to thank you for sharing your concerns about Net metering with me. The Commission has now received a proposal from APS regarding Net metering. Technical conferences have been held about this issue. The Commission will be holding public meetings on this proposal later this year. Scheduling of these meetings will be announced later this summer.

Your letter will be made a part of the public record. You can track the case's activity by visiting the Commission's eDocket website, <http://edocket.azcc.gov/edocket/>, and entering the docket number E-01345A-13-0248.

Please feel free to contact my office for more information at (602) 542-3625.

Sincerely,

Susan Bitter Smith
Commissioner

RECEIVED
2013 JUL 26 P 12:31
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JUL 26 2013

DOCKETED BY	nr
-------------	----

John and Carole Soine
16031 West Indigo Lane
Surprise, Arizona 85374

Susan Bitter Smith, Commissioner
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007-2996

21 July 2013

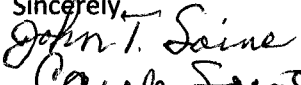

Dear Commissioner Pierce,

It has come to my attention that APS has proposed a 76% decrease in the net metering rebate and/or a substantial fee for those of us who have installed roof top solar.

I strongly recommend that either of these proposals be denied for the following reasons:

1. I(We) have spent thousands of dollars on long term leases to install solar. We did this based on advertising and rebates offered by APS.
2. APS has started charging solar users \$3.78 a month to recoup the rebates given. According to the person I talked to at APS this charge will continue forever.
3. The energy we generate through solar is energy APS does not have to buy on the open market. What difference does it make if I provide the energy or some other company?
4. APS continues to advertise solar knowing it would be economically unfeasible to do so if the new charges are approved.
5. Solar panel production and its installation provides thousands of jobs and millions of dollars for Arizona.
6. Roof top solar makes a small but significant decrease in carbon emissions from fossil fuel energy production .
7. It is just NOT FAIR to those of us who made the decision to install solar under the conditions that existed at the time we did it.

In conclusion we respectfully request that you deny APS's request to change net metering. Thank you for your consideration of this request.

Sincerely,


John and Carole Soine

COMMISSIONERS
BOB STUMP – Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Commissioner
Direct Line: (602) 542-3625
Fax: (602) 542-3669
E-mail: Bittersmith-web@azcc.gov

July 26, 2013

M. Elizabeth Hunter
1125 W. Willetta St.
Phoenix, AZ 85007

Dear Elizabeth,

I received the letter that you sent to me and would like to thank you for sharing your concerns about Net metering with me. The Commission has now received a proposal from APS regarding Net metering. Technical conferences have been held about this issue. The Commission will be holding public meetings on this proposal later this year. Scheduling of these meetings will be announced later this summer.

Your letter will be made a part of the public record. You can track the case's activity by visiting the Commission's eDocket website, <http://edocket.azcc.gov/edocket/>, and entering the docket number E-01345A-13-0248.

Please feel free to contact my office for more information at (602) 542-3625.

Sincerely,



Susan Bitter Smith
Commissioner

M. Elizabeth Hunter
1125 W. Willetta St.
Phoenix, Arizona 85007

July 22, 2013

Ms. Susan Bitter-Smith
Commissioner
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007-2996

Dear Ms. Bitter-Smith,

I am writing to express my concerns regarding Arizona Public Service's proposals to the commission regarding their management of residential solar power. I have within the last year installed solar panels on my roof through a leasing option. My primary reason for doing so was to do my part to protect our environment. While of course the cost saving was also a big motivator and I am glad to have APS express their desire to "grandfather in" current solar customers maintaining their current level of net metering, I also want to see the continued progression of use of solar power within Arizona and fear that these proposals by APS will hamper other residents from attaining solar.

I would like to pose the question "What is the ultimate mission of APS"? Is it as the name implies a "public service"? While I understand any company with the mission of supplying energy to its vast network of customers must insure an adequate financial base, should it also have a profit motive as its mission when I fear it contributes to the reduction of solar power in our state.

Recognizing that solar power is a natural for our sun drenched state and that the industry employs 10,000 workers as well, shouldn't our public utilities in fact, be doing everything possible to assist residents in going solar. The more solar power produced, the less need for more power plants. The cleaner and safer our production of power.

I know the commission will be giving a great deal of thought to the APS proposals and I would hope that you all will consider the future needs of our increasingly fragile environment as important to your deliberations as the bottom financial line of APS. Our state residents are looking to you to protect and promote this vital source of renewable energy ensuring that you allow it to be accessible, affordable and fair in its acquisition from our public utility.

Sincerely,



Elizabeth Hunter

COMMISSIONERS
BOB STUMP – Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Commissioner
Direct Line: (602) 542-3625
Fax: (602) 542-3669
E-mail: Bittersmith-web@azcc.gov

July 23, 2013

Chris & Carolyn Iten
16355 W. Marconi Ave.
Surprise, AZ 85388

Dear Chris & Carolyn,

I received the letter that you sent to me and would like to thank you for sharing your concerns about Net metering with me. The Commission has now received a proposal from APS regarding Net metering. Technical conferences have been held about this issue. The Commission will be holding public meetings on this proposal later this year. Scheduling of these meetings will be announced later this summer.

Your letter will be made a part of the public record. You can track the case's activity by visiting the Commission's eDocket website, <http://edocket.azcc.gov/edocket/>, and entering the docket number E-01345A-13-0248.

Please feel free to contact my office for more information at (602) 542-3625.

Sincerely,



Susan Bitter Smith
Commissioner

Arizona Corporation Commission
Commissions Wing
1200 West Washington
Phoenix, AZ 85007

18 July 2013

To: Mr. Gary Pierce
Ms. Brenda Burns
Mr. Bob Stump
Ms. Susan Bitter Smith
Mr. Bob Burns

From: Chris & Carolyn Iten
16355 W Marconi Ave
Surprise, AZ 85388
110fwy@alo.com

RE: APS proposal to change net metering of residential solar

Dear Sir's & Madam's,

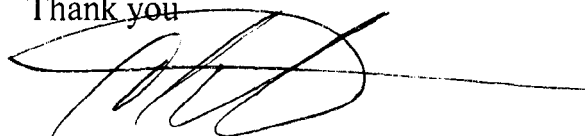
When this was brought to my attention I thought it was a joke but quickly realized that APS is as a power provider is like many 'for profit – shareholder companies' their only concern is for their bottom line and not for the environment or the individual consumer.

Their assertion does not even make sense to penalize me as an individual solar producer for using less of their product and more of my own. They do not have an investment in my infrastructure nor do I expect them to help me cover my expenses in the future. The notion that they are subsidizing me by paying me the same as I pay them is absurd.

This is, I'm sure not just an Arizona thing. As we move forward more utilities will need to change with the times. APS's argument makes about as much sense as Smith Corona complaining because I no longer use a type writer because I have a computer. Or the phone company whining because I no longer need a land line with the advent of the cell phone.

I have no intention of letting APS steal my electricity and if the issue is pushed I think they will find a whole sector that goes off grid! And disconnects them 100%

Thank you

A handwritten signature in black ink, appearing to be 'Chris Iten', with a long horizontal line extending to the right.

Chris Iten

From the Phoenix Business Journal

<http://www.bizjournals.com/phoenix/news/2013/07/11/aps-to-bring-two-net-metering-plans-to.html>

Jul 11, 2013, 4:49pm MST

APS to bring two net metering plans to ACC



Patrick O'Grady

Managing Editor- *Phoenix Business Journal*

[Email](#) | [Twitter](#) | [Google+](#)

Arizona Public Service Co. has developed two plans for the way it compensates solar owners for generating excess electricity, each of which could result in significantly less savings for customers using the technology.

APS' plans for net metering, the process by which solar owners are paid for producing power, would add new fees in one option and do away with the entire net metering process in another. Both options rely on more up-front incentives to solar buyers to buffer the payments it would be lowering. The move also wouldn't impact anyone already owning a solar system, but would effect new solar installations, likely after October.

"Either approach would ensure that rooftop solar customers get a fair price for the power they generate and a fair price for their use of the grid," said [John Hatfield](#), vice president of communications for APS.

Solar companies were unmoved by the proposals, which they say would essentially end the rooftop installation and generation market in Arizona.

"APS masquerading as a ratepayer advocate is like Bernie Madoff masquerading as the tooth fairy," said [Bryan Miller](#), vice president of public policy and power markets for Sunrun, the California company that provides financing for Arizona solar installations.

The filings will throw some of the potential changes to the ACC, which will have to decide what, if any incentives, would be required as APS has already met its mandated residential rooftop installations quota until 2016.

The plans would not affect commercial solar customers because APS officials said they are covering their share of using the power grid.

Dual options

Net metering has become a hot topic among utilities as regulators grapple with issues related to how much utilities are paying for solar from rooftop systems and the exact costs and benefits of those systems to the electric grid.

Just this week, regulators in Idaho and Louisiana backed solar owners over utilities that sought to change how net metering rates were covered.

APS undertook the net metering examination after ACC staff late last year said in filings for the utility's renewable energy plan that rooftop solar was the most efficient use of ratepayer money. The utility, which is required to get 15 percent of its power from renewable resources by 2025, disagreed and spent the next six months in conferences with stakeholders to find solutions.

APS has offered two options. The first would keep net metering in place but push solar users to a new rate plan that would include more fixed costs based on their peak power use.

The way APS' rate structure works currently is that all its costs — from operations and maintenance to power plants and transmission — is captured through use charges on the residential side. The utility's challenge, officials said, is that as solar customers use less power, they aren't paying enough to compensate and more costs are being borne by other ratepayers.

"What happens is you still have to take service from APS," said Jeff Guldner, senior vice president of customers and regulation for APS. "How do you value the fair costs for fair use?"

With 18,000 customers currently on solar, APS estimates it is shifting \$1,000 a year in costs from solar customers to non-solar customers, or about \$18 million annually. That would amount to a couple dollars per month based on APS' 1.1 million customers.

Some of those costs are captured through a method already granted to APS through its last rate case, known as the lost fixed cost recovery tariff.

One way of straighten that out would be to require solar customers to pay a fixed cost said Chuck Miessner, pricing manager for APS.

"You're collecting the same amount of money from the house, you're just shifting it to fixed costs," he said.

The other avenue APS has offered is to ditch net metering altogether and rely on a bill credit, where a customer would use the utility's power, and the solar power would go directly onto the grid. The customer would then receive a credit for how much power it supplied.

The difference in this model is that the utility would buy power from solar systems at wholesale rates, about 4 cents per kilowatt-hour, but sell power to its customers at retail rates that, depending on the time of year, could easily double that charge.

Lower payments and incentives

Solar customers will see lower bill credits and payments under both incentives. APS officials said the utility was paying between 15 and 16 cents per kilowatt-hour at current net meter rates. Under the proposal keeping net metering, they estimate they will pay out between 6 and 10 cents per kilowatt hour. Under the bill credit plan, it will be about 4 cents per kilowatt-hour.

Two additional ideas are key to both proposals. The first is that additional incentives would be needed upfront to keep a solar market going, Guldner said.

"In order to make it work for a solar customer, we're going to have a higher up-front incentive," he said.

APS will not offer a recommended incentive. Greg Bernosky, APS renewable energy program manager, said they will leave that up to commissioners to decide in the utility's annual plan for how it is meeting the renewable energy standard.

However, APS already has enough residential rooftop solar to meet its mandates under the state requirements through 2016. That would, in theory, allow the ACC to approve no incentives for the next three years.

Guldner said APS believes the incentive amount is a policy decision best left to regulators.

"You don't want to try to pick the number, because you'll be too high or too low," he said. "What regulators will have to do is decide what is in the budget."

That would include ways to increase the incentive if demand slackens, and lower it if it is too robust, Guldner said.

The second key is that neither program would affect current solar owners. The ACC has been inundated with comments against changing the net metering program, particularly from those who bought or leased solar systems.

APS officials said they decided to grandfather in the current solar systems because many have 20-year leases and making such a change could mean those solar customers would be paying more for solar and APS power combined than they would with just APS power.

Spreading costs

The solar industry already was pushing back against the proposal, saying it makes the Arizona solar business model untenable.

The problem is 85 to 90 percent of Arizona solar installations are made up from leases. Those leases, backed by companies such as Sunrun and SolarCity, offer customers lower rates, in return for often no-money-down leases that have customers paying fixed costs per month for their system.

The Solar Energy Industry Association issued a statement Thursday afternoon saying while it disagrees with APS' recommendations, it will continue to work with the utility and the ACC through the process.

"While we have voiced some serious concerns throughout this process related to the transparency of APS' decision-making process and its method for determining the value of net energy metering for all its ratepayers, we remain committed to working with both APS and the ACC to arrive at a conclusion that preserves full retail credit net metering while achieving ratepayer fairness," said Carrie Cullen Hitt, senior vice president of state affairs for the Washington-based SEIA.

SEIA released a study earlier this year that showed a much higher value for rooftop solar than APS gave it.

Miller is less diplomatic about APS' approach.

"What they want to do is punish people for buying less power," he said.

Miller is among those in the industry who question how APS arrived at the \$1,000 figure it has touted that solar customers avoid annually and that is passed on to other customers. Part of that money — between 40 and 50 percent — is collected through the fee on ratepayers' bills designed to help the utility recover costs from solar and energy efficiency.

"It's just completely made-up math," he said.

Patrick O'Grady is managing editor of the Phoenix Business Journal.

From the Phoenix Business Journal

<http://www.bizjournals.com/phoenix/news/2013/05/10/seia-pegs-solar-benefit-to-aps.html>

May 10, 2013, 11:18am MST

SEIA pegs solar benefit to APS customers at \$34 million



Patrick O'Grady

Managing Editor- *Phoenix Business Journal*

[Email](#) | [Twitter](#) | [Google+](#)

The **Solar Energy Industries Association** says customers of **Arizona Public Service Co.** customers will get a \$34 million annual benefit from the rooftop systems over the life of those systems.

SEIA, the national solar group, is weighing in on a dispute between the solar industry and APS about what is the true cost of rooftop solar systems to APS and ratepayers, particularly those that don't have solar.

"This study clearly shows that solar offers concrete net benefits to all APS ratepayers, regardless of whether or not they have installed solar," said [Carrie Cullen Hitt](#), senior vice president of state affairs at SEIA. "It's essential that we keep smart policies like net metering in place so that Arizona can continue to benefit from its abundant solar resources."

APS has been holding conferences through the spring on net metering, the process by which it pays solar customers who generate excess electricity and sell it back to the utility.

APS officials contend that as more customers get solar, it creates an increasingly higher cost burden for those who don't have solar, who will have to carry more of the load for infrastructure such as new plants and transmission lines that will still have to serve all customers.

The study was authored by Tom Beach of Crossborder Energy, a firm that did a similar study of [California's net metering efforts](#).

The study used APS' data from its 2012 resource plan as well as what was presented by the utility during its technical conference and found that starting in 2015 customers would get

the financial benefit every year for 20 years, considered the relative lifespan of a solar system.

The benefits are above what APS and its customers would experience in the costs of solar, the study's authors said.

The study was presented Thursday during the last day of the APS technical conference. APS is expected to have its study finished later this month.

Patrick O'Grady is managing editor of the Phoenix Business Journal.