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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

Arizona Corporation Commission

DOCKETED

OCT 25 2013

DOCKETED BY 

IN THE MATTER OF THE APPLICATION)
OF MOHAVE ELECTRIC COOPERATIVE,)
INC. FOR APPROVAL OF ITS 2014)
RENEWABLE ENERGY STANDARD)
PLAN AND TARIFF.)

DOCKET NO. E-01750A-13-0223

DECISION NO. 74161

ORDER

Open Meeting
October 16 and 17, 2013
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

Background

1. Mohave Electric Cooperative, Inc. ("MEC") is engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission").
2. On June 28, 2013, MEC filed its application for approval of its 2014 Renewable Energy Standard and Tariff ("REST") Plan ("Plan").
3. MEC seeks no change from its approved 2013 REST Plan in this application except for an increase of funding for Community-Based projects.
4. MEC also seeks no changes in its REST surcharge, shown below on Table 3.

MEC's Plan

5. The MEC REST Plan includes eight components. The following components are all unchanged except for Community-Based Projects:

- 1 • Voluntary Renewable Energy Program
- 2 • Member Self-Directed Renewable Energy Program
- 3 • SunWatts Residential and Commercial Incentive Program
- 4 • Clean Renewable Energy Bonds (CREBS-PV for Schools)
- 5 • SunWatts Large-Scale Program (In conjunction with AEPCO)
- 6 • Analysis of Geothermal Resources Within and Outside of MEC's Service
- 7 Territory
- 8 • Distributed Generation Solar Installation Within MEC's Service Territory
- 9 • Community-Based Projects (modified)

10 Community-Based Projects

11 6. MEC proposes to expand certain Community-Based Projects:

- 12 • Habitat for Humanity/Community Services Program
- 13 • PV for Fire Stations Program
- 14 • Bullhead City Senior Center
- 15 • Boys and Girls Club of the Colorado River
- 16 • Colorado River Union High School District

17 7. The Community-Based Projects assist nonprofit organizations in securing
 18 renewable resources. The modification to the Community-based photovoltaic ("PV") programs
 19 includes a budget increase of \$150,000 for a total budget of \$250,000 to be used at community
 20 facilities as described in MEC's application. The increase to this budget is made possible by an
 21 equal reduction to the budget for Residential and Commercial incentives. MEC's Community-
 22 Based PV programs are focused on facilities serving government, schools, fire stations, and non-
 23 profit organizations. The program benefits a large number of MEC's members by reducing
 24 operating costs for government, schools, and community services.

25 SunWatts Residential and Commercial Incentive Program

26 8. MEC has proposed no changes to its incentive levels. Current incentives are shown
 27 on Table 1.

28

Table 1
Mohave Electric Cooperative
2014 R.E.S.T. Incentives

System	Incentive	Cap or Limits
Residential and Small Commercial PV or Wind <50 kW. Greater than 50 kW on case-by-case incentive.	\$0.35 / Watt	40% of System Cost up to \$25,000
Solar Water Heating if replacing traditional Electric. Rebate based on first year of operation only.	\$0.75/kWh saved	Customer contributes at least 15% of System Cost
Daylighting Rebate based on first year of operation only.	\$0.20/kWh saved	
Biomass/Biogas -- Electric	\$0.06/kWh over 10 years	
Biomass/Biogas -- CHP Electric	\$0.035/kWh over 10 years	
Biomass/Biogas -- CHP Thermal	\$0.018/kWh over 10 years	
Biomass/Biogas -- Thermal	\$0.015/kWh over 10 years	
Biomass/Biogas -- Cooling	\$0.032/kWh over 10 years	
Solar Cooling	\$0.129/kWh over 10 years	

Progress

9. MEC has 267 residential and small commercial PV arrays installed within its service territory. MEC also has 26 school and government PV installations, sized from 8 kW to 50 kW. MEC has 25 small wind generators installed within its service territory, all rated at 2 kW. There are five solar water-heating systems within its service area. These renewable resources deliver approximately 6,384 MWh annually while reducing MEC's load requirements by approximately 2.9 MW.

Request for Flexibility to Shift funds between Programs.

10. MEC anticipates that the incentive program is adequately funded for both 2013 and 2014. No waiting list or backlog of incentive requests currently exists. All programs will be available until the budget funds for the program are exhausted; however, MEC also seeks

1 Commission authorization to continue to be able to shift approved REST Plan funds between
2 programs, in order to increase budgets for programs in the 2014 Plan where appropriate. MEC
3 proposes that the conditions of shifting funds already included in MEC's 2013 Plan would be
4 continued for 2014. These conditions include:

- 5 • No more than 15 percent of a program's approved budget may be affected
6 by the shift.
- 7 • MEC would notify Staff of any plan to shift funds no less than 60 days prior
8 to implementing the shift.
- 9 • If Staff notifies MEC in writing that it opposed the shift of funds, no shift
10 would occur unless Mohave first secures a Commission order authorizing
11 the shift.
- 12 • Within 60 days following any funds shift, MEC would submit to Staff a
13 revised budget recognizing the shift of funds.

14 **Budget**

15 11. MEC has proposed the budget shown below on Table 2. The proposal for 2014 of
16 approximately \$1.6 million would allow Mohave to expand its communication of renewable
17 options with its members, offer rebates to a larger number of members, increase spending limits on
18 schools and other programs, and perform other activities as discussed herein.

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Table 2
Mohave Electric Cooperative
2014 R.E.S.T. Plan Budget

<u>Program Budgets</u>	
Residential and Commercial Incentives	\$408,087
5 MW Distributed Generation-Solar	\$548,884
PV For Schools Loan Repayment	\$103,189
GO SOLAR Website	\$1,744
Solar Water Heating	\$18,000
Geothermal Resources-Willcox Greenhouse	\$29,544
Administration & Advertising	\$244,000
Community Programs: Habit for Humanity	\$25,000
Community Programs: Fire Department	\$50,000
Community Programs: Bullhead City Senior Center	\$50,000
Community Programs: Boys & Girls Club new gym	\$50,000
Community Programs: High School	\$75,000
Total Program Expenditures	\$1,603,448

Funding and Surcharge

12. Staff has reviewed MEC's Renewable Energy Standard Tariff surcharge rates proposed to fund its annual budget for 2014 which are unchanged from current rates. These rates are shown on Table 3. Expected revenue from customer classes is shown on Table 4.

Table 3
Mohave Electric Cooperative
Proposed RES Tariff Charges

<u>Customer Class</u>	<u>Current/Proposed</u>	
	<u>Energy Charge</u>	<u>Monthly Cap</u>
Residential	\$0.0095006	\$3.10
Governmental and Agricultural	\$0.0009420	\$15.00
Governmental and Agricultural ≥ 3 MW	\$0.0009420	\$49.00
Irrigation	\$0.0053714	\$49.00
Small Commercial	\$0.0053714	\$49.00
Large Power	\$0.0053714	\$49.00
Non-Residential ≥ 3 MW	\$0.0053714	\$147.00
Highway	\$0.0095006	\$3.10

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ORDER

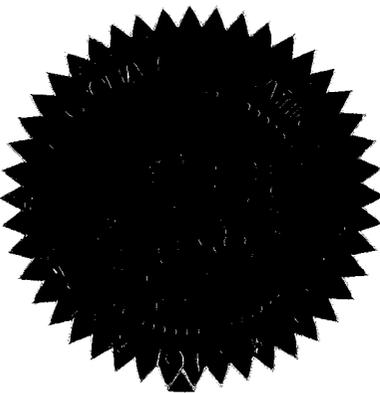
IT IS THEREFORE ORDERED that Mohave Electric Cooperative, Inc.'s proposed 2014 Renewable Energy Standard Tariff implementation plan be approved as discussed herein.

IT IS FURTHER ORDERED that Mohave Electric Cooperative, Inc.'s Renewable Energy Standard Tariff rates and caps remain at present levels as proposed and as shown on Table 3 herein.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

		
CHAIRMAN	COMMISSIONER	
		
COMMISSIONER	COMMISSIONER	COMMISSIONER



IN WITNESS WHEREOF, I, Jodi Jerich Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 25th day of October, 2013.


Jodi Jerich
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:JJP:sms\CHH

1 SERVICE LIST FOR: Mohave Electric Cooperative, Inc.
2 DOCKET NO. E-01750A-13-0223

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