



Advancing a Sustainable Economy

ORIGINAL

October 22, 2013
Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix, AZ 85007-2996

Arizona Corporation Commission
DOCKETED

OCT 23 2013

Attention:
Chairman Bob Stump
Commissioner Brenda Burns
Commissioner Gary Pierce
Commissioner Susan Bitter Smith
Commissioner Bob Burns

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RE: Docket # E-01345A-13-0248

The Green Chamber of Greater Phoenix is committed to advancing sustainable and diverse economic development in Arizona. Our membership includes small privately-owned to large publically-owned companies, as well as individual contractors, entrepreneurs and experienced policy analysts, all of whom provide the Green Chamber with a wealth of knowledge from every perspective regarding energy and sustainable development.

Further to our letter dated July 15, 2013, we write to express our support for the conclusions drawn by Commission Staff in the Utilities Division, in its Memorandum filed on September 30, 2013. We support the recommendation that the Commission not approve either of the Net Metering ("NM") cost-shift solutions proffered by APS in its Application filed on July 12, 2013 ("Application") and that any changes to the current NM paradigm be evaluated during APS's next rate case.

Rejection of APS's Proposed Solutions

The Green Chamber of Greater Phoenix believes the two solutions proposed by APS fail to recognize the short and long term value to ratepayers of renewable distributed generation ("DG") systems, including averted transmission / distribution upgrades, reduced line losses, increased grid security and environmental / air quality benefits. We therefore support Staff's recommendation to reject the two options offered by APS as part of its Application.

We also support Staff's recommendation that a series of objective Commission workshops be held in order to investigate further and quantify the presently non-monetized benefits of DG. The

Green Chamber membership includes many solar companies, as well as utility providers; and we welcome the opportunity to contribute to such workshops.

Evaluation of NM Issue in Next Rate Case

We believe that one of the most significant opportunities to advance sustainable development in Arizona is to better align the economics of our electric power utilities with the value they create. Specifically, our utility's current volumetric incentive structure, which is embedded in the current rate design, does not incentivize the full benefits of energy efficiency and renewable energy utilization. Therefore, we agree with Staff's assertion that "any cost-shift issue created by NM is fundamentally a matter of rate design" and welcome the Commission's address of this issue in APS's next rate case.

We appreciate your due diligence and your desire to make informed decisions on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Grossman", with a long horizontal flourish extending to the right.

Michael Grossman
Chairman of the Board
The Green Chamber of Greater Phoenix