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Because Policy Matters

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AZ CORP COMMISSION
DOCKET CONTROL

October 23, 2013

Chairman Bob Stump
Arizona Corporation Commission
1200 West Washington St.
Phoenix, AZ 85007

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Re: 2014 APS Rest Implementation and Net Metering: Docket No. E-01345A-13-0140

Dear Chairman Stump and Members of the Commission:

The Arizona Free Enterprise Club (Club) appreciates and welcomes the Corporation Commission's (Commission) efforts to reevaluate the current Net Metering program being offered by APS. Our organization's position on the program has been clear from the beginning: providing credits to solar customers that is not based on the market costs of the power is an unfair subsidy that is being paid for by non-solar ratepayers. It is not unreasonable to suggest that credits offered to solar customers should be based on what the energy is worth and what the market dictates.

While the Club is pleased to see the Commission look into this issue, we respectfully disagree with staff's recommendation that the Commission should postpone action until the next rate case. Delaying reform would only be appropriate if it is believed that the underlying problems associated with the program are expected to disappear. In fact the opposite is true, and the cost shift associated with Net Metering will only grow larger over the next several years.

Additionally, the longer the Commission waits to address this hidden subsidy, the tougher it will be to fix in the future. The solar industry that is opposing reform (calling reform Corporate Welfare, when in fact the current program is the definition of Corporate Welfare) will only be emboldened if the Commission waits to roll back these subsidies. The bottom line is the current Net Metering program in place today is bad policy and it won't be any better in 2016. Delaying action should not be an option.

The Club recognizes that the Commission has made great strides over the last 12 months in rolling back the costly mandates and subsidies that are picking winners and losers through our utility bills. We respectfully request that you move forward with this vital reform and look to end the hidden subsidies embedded in the Net Metering program.

Sincerely,

Scot Mussi
Executive Director
Arizona Free Enterprise Club

Arizona Corporation Commission
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