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RENDA BURNS PROPOSED AMENDMENT NO. 2

ORIGINAL

TIME/DATE PREPARED: December 16, 2013

COMPANY: Arizona Public Service Company RECEIVED AGENDA ITEM NO. 26

DOCKET NO(S). E-01345A-13-0140 ~~OPEN MEETING DATE:~~ December 17-18, 2013

ARIZONA GENERATION COMMISSION
DOCKET CONTROL

On page 10, line 28, **INSERT** new Findings of Fact:

“However, we do not believe that approval of the final 30 MW of the AZ Sun Program (currently proposed to be located at the Redhawk facility) is warranted at this time. We believe that APS will be able to meet its obligations, under the 2009 Settlement Agreement, to achieve 1.7 million MWhs by December 31, 2015. According to information submitted by APS in its 2014 RES Application, (Exhibit 2B), there could be enough distributed generation to enable APS to meet its required target without the 30 MW at Redhawk. We think that it would be more prudent to wait until the second quarter of 2014 to determine whether or not the final 30 MW at the Redhawk facility are actually needed for compliance purposes. In addition, SEIA, in a filing on October 9, 2013, argued that “APS’s Plan should include 25 MW of wholesale PPA projects.” We believe that is a discussion worth having, and exploring sometime next year.”

APS and interested parties should submit information to this docket on or before April 15, 2014 regarding whether it is necessary to continue the final 30 MW phase of AZ Sun for compliance purposes, and whether third-party wholesale PPAs would be more effective than utility owned generation in completing the final phase of AZ Sun.

When Staff files its recommendations regarding APS’s 2015 REST Implementation Plan, it shall include a discussion of whether or not APS needs to install any portion of the final 30 MW phase of the AZ Sun Program in order to comply with the REST Rules and/or the 2009 Settlement Agreement. In developing its recommendations, Staff shall also consider the information filed by APS and by any interested parties regarding the cost effectiveness of utility owned generation as compared to third party wholesale PPAs for completing the final 30 MW phase of AZ Sun.”

On page 12, line 15, **DELETE** the entire ordering paragraph and **REPLACE** with the following three ordering paragraphs:

“IT IS FURTHER ORDERED that Arizona Public Service Company’s plan to move ahead with 10 MW at Luke Air Force Base and 10 MW at the City of Phoenix, as described herein, is approved. However, the plan for 30 MW at Redhawk is not approved, at this time.

IT IS FURTHER ORDERED that Arizona Public Service Company and any interested parties shall submit information to this docket regarding whether it is necessary to continue the final 30 MW phase of AZ Sun in order to comply with the 2009 Settlement Agreement, as well as discuss the cost effectiveness of utility owned generation and third party wholesale purchased power agreements in completing this final 30 MW phase of AZ Sun. This information shall be submitted by April 15, 2014.

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IT IS FURTHER ORDERED that when Staff files its recommendations regarding Arizona Public Service Company's 2015 REST Implementation Plan, it shall include a discussion of whether or not Arizona Public Service Company needs to install any portion of the final 30 MW phase of AZ Sun in order to comply with the REST Rules and/or the 2009 Settlement Agreement. These recommendations shall consider the information filed by Arizona Public Service Company and any interested parties regarding the cost effectiveness of utility owned generation and third party wholesale purchased power agreements in completing this final 30 MW phase of AZ Sun."

MAKE ALL CONFORMING CHANGES

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____