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From: Mark Lyzwa <marklyzwa@yahoo.com>
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Cc: Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web
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Arizona Corporation Commission
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The Benefits and Costs of Solar Distributed Generation for Arizona Public Service

Tom
Beach
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er Energy

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May 29,
2013

Benefits	20-year levelized cents per kWh
Energy	6.4 to 7.5
Generation capacity	6.7 to 7.6
Ancillary services & Capacity reserves	1.5
Transmission	2.1 to 2.3
Distribution	0.2
Environmental	0.1
Avoided Renewables	4.5
Total Benefits	21.5 to 23.7

Costs	20-year levelized cents per kWh
Lost retail rate revenues	13.7
DG incentives	0 to 1.6
Integration costs	0.2
Total Costs	13.9 to 15.5

- Benefit / cost ratio is 1.54.
- Benefits exceed the costs in both the residential and business markets individually.
- 2015 net benefits for APS ratepayers
 - 431,000 MWh of incremental solar (SAIC, April 11)
 - \$79 per MWh net benefit
 - \$34 million per year in net benefits