

E-01345A-13-0248



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ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

RECEIVED

Investigator: Jenny Gomez

Phone:

AZ CORP COMMISSION
Fax: DOCKET CONTROL

Priority: Respond Within Five Days

2014 FEB 28 AM 9 08

Opinion No. 2014 - 115244

Date: 2/27/2014

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

ORIGINAL

Complaint By: Ben Richardson

Account Name: Ben Richardson

Home: (000) 000-0000

Street: n/a

Work:

City: n/a

CBR:

State: AZ Zip: n/a

is: E-Mail

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: For assignment

Contact Phone:

Nature of Complaint:

*****DOCKET NO. E-01345A-13-0248***** OPPOSE

Arizona Corporation Commission
DOCKETED

FEB 28 2014

- Honorable Gary Pierce
- Honorable Brenda Burns
- Honorable Bob Stump
- Honorable Susan Bitter Smith
- Honorable Bob Burns

DOCKETED BY

Thank you all for your service. I want to make you aware of a real-world situation, solely that you may know. I do not ask for any assistance or intervention.

On March 16, 2012 my solar PV co-generation system was commissioned. This system comprises 99 panels of 240 Watts, three 7kW Sunny Boy inverters, and all racking and wiring to interconnect to a new 400 Amp panel. The Bill of Material submitted by my contractor to APS totaled 190 thousand dollars with parts, labor and permit fees. The system was based on a prior owner average electric bill of 518 dollars per month, a number I was given by APS while researching the purchase of my residence at 16411 N 54th Avenue in Glendale. The sizing was to produce adequate power to eliminate this bill. Subsequent to this research several improvements were made -- including replacing the main water heater with a hybrid, repairs to two HVAC units, installation of a timer on the secondary water heater (one bathroom only), installation of an induction stovetop with convection oven, installation of a high efficiency refrigerator, high efficiency dishwasher, high efficiency freezer, and addition of 2 inches of closed cell foam roofing (4800 square feet). Also, all interior lights are now CFL or LED with exception of the florescent fixtures in the kitchen and laundry.

During the first 9 months of operation, the system produced surplus power of 6,877 kWh. For this I received a credit on my bill of 450.46 on December 19, 2012. This was about 6.5 cents per kWh and appeared to be the winter off-peak rate value. Twice during the calendar year of 2012 I was not able to cover my off-peak usage while maintaining a large surplus of peak kWh. I paid about 200 dollars for off-peak power that year, and have

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since changed from the time of use Time Adv 7pm-Noon EPR-6 to the Standard Rate with EPR-6. Therefore the surplus power, and the deficits already paid, amounted to about 250 dollars net in credits.

During 12 months operation in 2013 the system produced surplus power of 10,356 kWh. For this I received a credit on my bill of 288.83 on December 19, 2013. I have inquired of APS as to why the surplus was of so little value. Their answer was that wholesale power and particularly fuel costs are significantly lower now. For this reason I was reimbursed at 2.7 cents per kWh. I know that the net metering rules allow that the utility can pay the lowest wholesale cost avoided. However, I wonder if APS could show that they actually acquired 10,356 or more kWh at 2.7 cents per kWh. I also wonder if consumers are benefiting from the significant fuel cost savings at APS? I have not heard of any rate reductions or fuel cost credits on bills.

Here is the situation I face.

- 1) My cost recovery interval should be much less if my surplus was worth anything more than 2.7 cents per kWh.
- 2) I face paying for heating my house in January and February since the surplus is taken away (converted to a bill credit) in the middle of December. Short days and cold temperatures and rain can easily cause me to exceed production in those months when I have no bank of surplus kWh.
- 3) I have a disincentive to replace any power consuming devices because there is zero ROI when measured against 2.7 cents per kWh. Why would I ever replace my AC or pool pump or change flood lights to LEDs. Everything I do to save power benefits only APS by giving them more power at the lowest wholesale cost.
- 4) 10,356 kWh is enough to power an average Arizona 3 bedroom house for a year. I have children who struggle with those bills. It makes no sense that my surplus is worth so little.

This was not a money making venture. But it was based on ROI and lots of calculations. As you can see the creation of surplus power is greatly discouraged. Why? If the customer premises co-generation is to succeed it would be best for each installation to exceed their own peak demand, as does mine. Otherwise APS and SRP and TEP will continue to need fast spooling fossil fuel plants to meet the need when solar panels are insufficient for peak loads at each co-generation site.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Noted and filed for the record in Docket Control.

End of Comments

Date Completed: 2/27/2014

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