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BEFORE THE ARIZONA CORPORATION COMMISSION

2014 APR 22 P 12:40

COMMISSIONERS

- BOB STUMP-Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

Arizona Corporation Commission

DOCKETED

APR 22 2014

ORIGINAL

DOCKETED BY [Signature]

PROPOSED RULEMAKING TO MODIFY THE RENEWABLE ENERGY STANDARD RULES IN ACCORDANCE WITH ACC DECISION NO. 74365

DOCKET NO. RE-00000C-14-0112

NOTICE OF FILING

The Law Offices of Garry D. Hays PC 1702 East Highland Avenue, Suite 204 Phoenix, Arizona 85016

Pursuant to the schedule set out by Arizona Corporation Commission Staff in the above captioned docket, Arizona Solar Deployment Alliance ("ASDA") hereby files comments to the proposed changes to the Renewable Energy Standard Tariff ("REST") Rules filed by Staff. ASDA does not think a rule change is needed at this time but has come up with a proposed process change that would seemingly address the concerns of the parties.

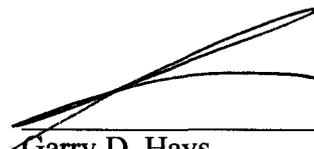
The process change, called the Renewable Energy Credit Acquisition Program ("RECAP"), which is attached to this filing, has the following characteristics: On the interconnection agreement, the DE customer can opt to keep their renewable energy credits ("RECs"), give the utility the option to purchase the RECs or donate the RECs to the utility. The RECAP allows utilities to effectively plan for compliance with the REST Rules during periods where customer investment into DE systems occurs independent of other Commission-approved programs. Additionally, the RECAP allows customers the option of selling their RECs to the utilities or retaining the RECs for themselves. This option would maintain REC integrity while

1 still allowing the utility to take advantage of renewable energy in its service area. ASDA looks
2 forward to hearing comments from the other parties regarding this option.

3 Additionally, ASDA requests that it be added to the service list for the above captioned
4 docket and all communication be directed to:

5 Garry D. Hays
6 Law Offices of Garry D. Hays, P.C.
7 1702 E Highland Ave. Suite 204
8 Phoenix, AZ 85016
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11 RESPECTFULLY SUBMITTED this 22th day of April, 2014

12 
13 _____
14 Garry D. Hays
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19 Original and thirteen (13)
20 copies filed on April 22, 2014 with:

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RE: Renewable Energy Credit Acquisition Program (RECAP)

The Arizona Solar Deployment Alliance ("ASDA") is pleased to provide a proposal for addressing the issue raised in Arizona Corporation Commission (the "Commission") Docket Number RE-00000C-14-0112. ASDA's proposal, the Renewable Energy Credit Acquisition Program ("RECAP"), is centered on the fundamental concept that compliance with the REST requires utilities to acquire and retire Renewable Energy Credits ("RECs") from qualified resources.

The RECAP structure allows customers installing DE systems independent of REC purchase programs to choose one of the following options during their interconnection process:

- Customer voluntarily assigns RECs to utility at no-charge for a period of 20 years.
- Customer gives utility the option to purchase RECs by Jan-31 of the following year at cost of \$0.00XX/REC.
 - Commission sets REC purchase price during Implementation Plan process.
 - Utility chooses term at time of purchase - could be as short as 1 year or as long as 20 years.
- Customer elects not to assign or sell RECs to utility.

From the perspective of REST compliance cost, the RECAP would contribute an amount of RECs at no cost through voluntary donations. If donated RECs allowed the utility to attain REST compliance, then REC purchase options would be cancelled. If the utility is non-compliant with its REST requirement after accounting for donated RECs, it would exercise its REC purchase options up to the point of attaining compliance. Purchases would be made on a "first-come, first-served" basis from options submitted to APS prior to Dec-31 of the compliance year.

Under the RECAP, the utility would report REC donations and purchases to the Commission with its annual compliance report. Additionally, the utility would include any REC option payments issued in its subsequent year REST budget.

ASDA recommends the Commission incorporate the RECAP within the existing REST Implementation Plan process for 2015 for those utilities that demonstrated compliance in 2013, through retirement of RECs, and those that are projecting compliance in 2014 through RECs acquired from existing DE customers.

ASDA believes the RECAP ensures a viable, low-cost to no-cost REST compliance solution for utilities experiencing DE system deployment independent of other Commission programs.