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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

AZ CORP COMMISSION
DOCKET CONTROL

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- 1 Bob Stump, Chairman
- 2 Gary Pierce, Commissioner
- 3 Brenda Burns, Commissioner
- 4 Bob Burns, Commissioner
- 5 Susan Bitter Smith, Commissioner

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

Docket No. RE-00000C-14-0112

ORIGINAL

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10 **REPLY COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION TO**
11 **STAFF'S PROPOSED RENEWABLE ENERGY STANDARD RULES**
12 **MODIFICATIONS**
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14 The Solar Energy Industries Association (SEIA)¹ appreciates the opportunity to submit
15 these reply comments in response to parties comments filed April 21, 2014. Upon reviewing the
16 comments submitted to the docket, SEIA believes that the parties' preferences fall into three
17 broad categories:

- 18 1. **Track and Monitor:** This option is supported by APS and TEP.
- 19 2. **Waiver:** This option refers to the original waiver approach suggested in the
20 Recommended Opinion and Order and does not include any change to the REST rules.
21 Some parties have identified more specific procedures for granting a waiver as suggested
22 by the Commission. This option is supported by RUCO, TASC, SEIA, WRA, Vote
23 Solar, and CRS.²
- 24 3. **Transaction:** This option refers to the transfer of RECs to utilities in exchange for
25 something of comparable value. Staff Concept II is an example. This option is supported
26 by RUCO, TASC, SEIA, WRA, Vote Solar, ASDA, GCSECA, and CRS.

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28 In making its decision on this matter, SEIA urges the Commission to consider the fact
29 that the Track and Monitor proposal is opposed by nearly every Party to this proceeding, except

¹ The comments contained in this filing represent the position of SEIA as an organization, but not necessarily the views of any particular member with respect to any issue.

² Staff also supported a waiver in the Track and Record proceeding (See Recommended Opinion and Order at 44 Docket Nos. E-01345A-10-0394, et. al.)

30 the utilities. In reaching a decision the Commission should strike the balance between parties and
31 the utilities. As many parties have testified, Track and Monitor will undoubtedly prevent
32 Renewable Energy Credits (RECs) from DE from being certified. This is based on the reality of
33 how RECs *will* be counted by certifying organizations, regardless of the Commission's view of
34 how RECs *should* be counted by these organizations. Without the ability to receive credit for
35 their installations, entities that seek RECs, including Walmart, DoD/FEA, and others, will be
36 discouraged from making solar investments in Arizona. Unable to meet their own renewable
37 goals here, these entities will simply take their investment dollars elsewhere, where the
38 regulatory environment is more supportive of DE.³ This will put Arizona out of step with states
39 across the country and is bad public policy for the state with the most abundant solar resources in
40 the nation.

41 Equally troubling is the fact that adopting Track and Monitor will lower the REST
42 requirement – a significant backward step for Arizona. Despite some recent interpretations, the
43 original REST was not designed to consider the total RE on a utility's system. Rather, it was
44 designed to place an obligation on Affected Utilities and consider only the RE these utilities have
45 actively procured, whether through self-build, PPAs, or DE incentive programs. By getting credit
46 for others' actions through Track and Monitor, the REST obligation on Affected Utilities would
47 effectively be lowered. For these reasons, we urge the Commission to reject Track and Monitor
48 and select one of the other approaches that has the broad support of the industry and other
49 stakeholders. Namely, compliance could be achieved through either 1) the waiver approach
50 supported in the ROO, with additional waiver criteria,⁴ or 2) a transactional approach that would
51 give DE customers have the option to provide utilities for RECs in exchange for something of
52 comparable value.

³ See Recommended Opinion and Order at 30-32 (Docket Nos. E-01345A-10-0394, et. al.)

⁴ SEIA's preferred criteria were specified in comments filed on April 21, 2014. We note that our criteria are similar to those proposed by RUCO and TASC, and we believe SEIA can work with these parties to find an agreeable solution.

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Respectfully submitted this 28th day of April, 2014,



Giancarlo Estrada
Estrada-Legal, PC
1 East Camelback Road, Suite 550
Phoenix, Arizona 85012
602 635-7414 (Phone)
602 635-7421 (Facsimile)
gestrada@estradalegalpc.com (E-mail)

69 **Original and 13 copies filed on this 28th day of April, 2014 with:**

70
71 Docket Control, Arizona Corporation Commission
72 1200 W. Washington Street
73 Phoenix, Arizona 85007
74

75 *I hereby certify that I have this day served the foregoing documents on all parties of record in*
76 *this proceeding by sending a copy by mail or email to:*

77
78 All Parties of Record

79
80 Janice Alward, Chief Counsel
81 Legal Division
82 Arizona Corporation Commission
83 1200 West Washington Street
84 Phoenix, AZ 85007
85

86 Steven Olea, Director
87 Utilities Division
88 Arizona Corporation Commission
89 1200 West Washington Street
90 Phoenix, AZ 85007
91

92 Lyn Farmer
93 Arizona Corporation Commission
94 1200 West Washington Street
95 Phoenix, AZ 85007
96
97

By: GE