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BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION

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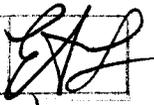
BOB STUMP-Chairman
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Arizona Corporation Commission

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APR 28 2014

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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

NOTICE OF FILING

The Law Offices of Garry D. Hays PC
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Phoenix, Arizona 85016

Arizona Solar Deployment Alliance (“ASDA”), by and through counsel undersigned,

submits responsive comments to the parties in the above captioned docket. The parties responses to Staff’s seven concepts are somewhat varied. However, there appears to be consensus on eliminating several, including Staff Concepts III, IV, V, VI and VII. Of the remaining concepts, not one has unanimous support from all parties. Staff Concept I, (“Track & Monitor”) is favored by APS and TEP/UNS Electric. RUCO is also in favor of Staff Concept I, if adapted to a “capacity” model. Staff Concept II (“Process Where Utility Would Purchase Least Cost RECs or kWh”) is favored by a majority of parties.

In general, opposition to Staff Concept I centers on the concern that private-party RECs could lose value if utilities claim the kWh generation (or capacity of the systems associated with

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the generation) for REST compliance purposes (see CRS letter dated April 21, 2014). ASDA believes the Commission should uphold REC values and avoid any policy maneuvers that could lead to the devaluation of a REC owned by a private-party.

ASDA believes that Staff Concept II is similar to and could be adapted to the RECAP model proposed in our earlier filing. As WRA points out in its comments, the amount of funding required to attain DE compliance for APS in 2013 under Staff Concept II could have been less than ½% of APS’s 2013 REST budget with REC pricing in the \$1/MWh range. Under ASDA’s RECAP, this could have been even less given the opportunity for customers to voluntarily assign their RECs to the utility. ASDA understands the Commission’s desire to identify a method of attesting REST compliance without the association of RECs, however, it appears that REC transfers are the only way to recognize compliance with the REST without compromising REC value. As such, ASDA reiterates its support for the RECAP model and looks forward to seeing the comments of the other parties on the concept we have proposed. It is important to note that ASDA’s proposal does not require a rule change, thereby protecting the integrity of the REST rules. ASDA will meet with Staff and the other parties to garner support for the proposal. It should be noted that the proposal is a solution that may not be perfect in its in current form but ASDA is open to suggestions for changes.

RESPECTFULLY SUBMITTED this 28th day of April, 2014


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8 copies filed on April 28, 2014 with:

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