

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL  
Arizona Corporation Commission

DOCKETED

JUL 17 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
SULPHUR SPRINGS VALLEY ELECTRIC  
COOPERATIVE, INC. FOR APPROVAL OF THE  
2015 REST IMPLIMENTATION PLAN AND 2015  
RES TARIFF SURCHARGE

DOCKET NO. E-01575A-14-0271  
APPLICATION

Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") hereby submits the 2015 REST Implementation Plan for Arizona Corporation Commission approval.

**I. Background.**

SSVEC is an Arizona nonprofit corporation certified to provide electricity as a public service corporation in the State of Arizona.

SSVEC now files its 2015 REST plan (attached). The REST Rules (A.A.C. R14-2-1814) allow Cooperatives to file "an appropriate plan for acquiring Renewable Energy Credits from Eligible Renewable Resources for the next calendar year." In anticipation of potential questions regarding our proposed 2015 REST Plan, Attachment A is pre-filed testimony based on questions asked in prior years and of questions asked in other utility REST filings.

SSVEC proposed REST plan has three minor changes 1) to allocate funds to expand SSVEC owned utility grade Solar 2) to shorten the PBI long term budget liability and 3) discontinue incentives for leased systems. Question #1 of Attachment A provides a detailed explanation for our requested changes. The proposed RES Tariff has no changes.

1 **II. History**

2 The following table summarizes the history of the incentive program for SSVEC and the proposed  
3 2015 plan

4 Program item	2009	2010	2011/ 2012	2013	2014	Proposed 2015
<b>Residential</b>						
5 Residential Per Watt One Time Incentive (OTI)	\$ 4.00	\$ 3.00	\$2.00	\$0.50	<b>\$0.25</b>	<b>\$0.25*</b>
6 Maximum Residential Incentive					<b>\$2,500.00</b>	<b>\$2,500.00*</b>
7 Maximum OTI percentage based on the total cost	50%	50%	40%	35%	n/a	n/a
8 PBI 10 year Rate and Cap	\$0.2002 60%	\$0.2002 60%	\$0.182 50%	\$0.084 40%	n/a	n/a
9 PBI 15 year Rate and Cap	\$0.187 60%	\$0.187 60%	\$0.168 50%	\$0.082 40%	n/a	n/a
10 PBI 20 year Rate and Cap	\$0.18 60%	\$0.18 60%	\$0.162 50%	\$0.080 40%	n/a	n/a
<b>Commercial</b>						
11 Maximum System Size Allowed	N/A	N/A	50 kW	50kW	n/a	n/a
12 C&I per Watt One Time Incentive (OTI)	\$4.00	\$2.50	\$1.25	\$0.50	<b>\$0.25</b>	<b>\$0.25*</b>
13 Maximum C&I Incentive					<b>\$5,000.00</b>	<b>\$5,000.00*</b>
14 Maximum OTI based on the percentage of total costs	50%	50%	45%	35%	n/a	n/a
15 PBI 10 year Rate and Cap	\$0.2002 60%	\$0.2002 60%	\$0.182 50%	\$0.084 40%	n/a	n/a
16 PBI 15 year Rate and Cap	\$0.187 60%	\$0.187 60%	\$0.168 50%	\$0.082 40%	n/a	n/a
17 PBI 20 year Rate and Cap	\$0.18 60%	\$0.18 60%	\$0.162 50%	\$0.080 40%	n/a	n/a
<b>Solar Water Heating</b>						
18 Per kWh Rebate based on first year kWh output (per OG-300)	N/A	\$0.75	\$0.70	\$0.65	<b>\$0.50</b>	<b>\$0.50</b>
<b>Wind</b>						
19 One Time Incentive (per watt)					<b>\$0.10</b>	<b>\$0.10</b>
20 Residential Maximum Incentive					<b>\$1,250.00</b>	<b>\$1,250.00</b>
C&I Maximum Incentive					<b>\$2,500.00</b>	<b>\$2,500.00</b>
21 PBI 10 year Rate and Cap	\$0.2002 60%	\$0.2002 60%	\$0.182 50%	\$0.084 40%	n/a	n/a
22 PBI 15 year Rate and Cap	\$0.187 60%	\$0.187 60%	\$0.168 50%	\$0.082 40%	n/a	n/a
23 PBI 20 year Rate and Cap	\$0.18 60%	\$0.18 60%	\$0.162 50%	\$0.080 40%	n/a	n/a

24 \*would not apply for leased PV systems





**Sulphur Springs Valley  
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative 

# 2015 REST Plan

As required by

**A.A.C. R14-2-1814**

Submitted by:

David Bane

SunWatts Program Manager

520-515-3472

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## Executive Summary

SSVEC will use surcharge dollars, any proceeds from consumer participation in the Green Energy Purchase Program, the SunWatts Loan program, solar farm energy sales, and other potential sources (principally from approved grants and Federal clean renewable energy bonds) to fund its renewable program. These programs include both residential and commercial photovoltaic and wind project distributed generation incentives, and large-scale renewable installations, including possible participation in multi-utility joint projects. Surcharge funds will also be used to pay for the administration, and educational activities. SSVEC will not expend funds on commercial advertising and marketing of the Sun Watts program. SSVEC will also not expend any funds for research and development.

The primary parts to the SSVEC REST plan, which is called SunWatts, are:

- ✓ The Sun Watts Green Contribution Program
- ✓ The Sun Watts Residential Incentive Program
- ✓ The Sun Watts Commercial Incentive Program
- ✓ The 2009 School Program
- ✓ The Sun Watts Large-Scale Generating Program
- ✓ Solar Water Heating
- ✓ Other Renewable sources from the UCPP guidelines
- ✓ Additional Program incentives and grants
- ✓ NET Metering
- ✓ Calculating the 125% capacity
- ✓ Third Party Assignment of Incentives
- ✓ Long Range Utility Scale Expansion (*new this year*)
- ✓ Reducing Program Liability (*new this year*)

Each of these programs components, administration and budget guidelines, will be presented in detail in the following sections.

## **1.0 Sun Watts Green Contribution Program:**

In this program, members may elect to contribute additional dollars on their bills to be used to fund various renewable energy programs. This program has very small participation but there are no costs associated with continuing this option.

## **2.0 The Sun Watts Residential Incentive Program**

The SunWatts program pays customers an Up Front Incentive (UFI) for the installation of qualifying photovoltaic (PV), Wind systems, or solar water heating (SWH) system. The Customer is eligible to participate in NET Metering. To qualify for an Incentive, the system size must be no more than 125% of system load measured in kWh as determined in Section 12.

NOTE: PV or Wind systems with batteries or back-up generators that are grid-tied do not qualify for an incentive. For a waiver to this provision, prior approval must be obtained from the SSVEC Chief Member Services Officer.

### **2.1 Photovoltaic systems Incentive:**

SSVEC will pay an incentive of \$0.25 per installed DC watt up to a maximum incentive \$2,500 per system per metered account or off grid residential PV systems. Customer will provide copies of their invoice for tracking system costs for posting on AZ Goes Solar website. Lease systems do not qualify for incentives.

### **2.2 Wind systems Incentive:**

The Incentive rate for Wind is \$0.10 per watt with a maximum Incentive of \$1,250 per metered account. To qualify for an incentive the wind system must have a final output voltage of at least 120VAC and be grid tied. Wind Turbines that produce only DC voltages (for battery charging) or lease systems do not qualify for incentives. Customer will provide copies of their invoice for tracking system costs for posting on AZ Goes Solar website.

### **3.0 Commercial Incentive Program**

The SunWatts Commercial & Industrial (non-residential) incentive program will pay an Up Front Incentive (UFI) for the installation of qualifying photovoltaic (PV), Wind systems, or solar water heating (SWH) system. The Customer is eligible to participate in NET Metering. To qualify for an Incentive, the system must be no more than 125% of system load measured in kWh as determined in Section 12.

#### **3.1 Commercial PV systems:**

SSVEC will pay an incentive of \$0.25 per DC watt, with a maximum payment of \$5,000 per non-residential Metered Account. Off grid systems for stock watering qualify for this incentive. Lease systems do not qualify for Incentives. Customer will provide copies of their invoice for tracking system costs for posting on AZ Goes Solar website.

#### **3.2 Commercial Wind Systems**

The Incentive rate for Wind is \$0.10 per watt with a maximum Incentive of \$2,500 per metered account. To qualify for an incentive the wind system must have a final output voltage of at least 120VAC and be grid tied. Turbines that produce only DC voltages (for battery charging) or leased systems do not qualify for incentives. Customer will provide copies of their invoice for tracking system costs for posting on AZ Goes Solar website.

### **4.0 System Sizing**

If the Residential or Commercial customer chooses to install a system that is larger than the customer's connected load as determined below in section 12 the excess energy either can be sold by the customer to the wholesale market (subject to an approved wheeling tariff) or, if SSVEC needs the power, it may be purchased by SSVEC under a negotiated Purchased Power Agreement. If the system qualifies as QF under PURPA rules, SSVEC will purchase the power at its avoided cost as required by PURPA. In either situation, the system will not qualify for Net Metering or an Incentive.

## **5.0 2008 Solar for Schools Project**

As part of the 2008 REST program the Commission approved a CREBs loan for the Solar for Schools project. The Maintenance and Debt Service budget is set to \$900,000 per year. Beginning with the 2014 REST Program SSVEC has to include some maintenance costs due to the bankruptcy and subsequent closure of the Inverter Manufacturer which nullified the extended warranty SSVEC had obtained in 2008.

## **6.0 SunWatts Large-Scale Generating Program (Solar Farm)**

In 2012 SSVEC installed two utility grade projects (1.5MW total capacity) using the ACC approved CREBs funds. The proposed budget includes the debt service for this project. SSVEC will reimburse the REST funds for all kWh produced at the Avoided Cost Rate as set in the Net Metering Tariff which is updated annually.

## **7.0 Independent Power Production Projects:**

If a developer wishes to install a renewable generation facility (i.e. a facility without any existing load being served by SSVEC) in SSVEC service area, they must contact SSVEC and coordinate the efforts so that any and all system improvements needed to “wheel” the power to a buyer or SSVEC is paid by the developer. For this program year SSVEC is not in the market for purchasing any renewable energy due to the backlog of incentives for residential and business customers.

## **8.0 Solar Water Heater Program.**

SSVEC will pay an incentive equal to \$0.50 per kWh of estimated energy saved during the system's first year of operation based on the OG-300 ratings of the Solar Rating and Certification Corporation. Only OG-300 certified solar systems are eligible for the Sun Watts Incentive. A list of OG-300 certified Solar Systems is available at the Solar Rating and Certification Corporation's website at [www.solar-rating.org](http://www.solar-rating.org). Residential and commercial water heater systems will be covered. Southwest Gas Customers who are eligible for a “*Smarter Greener Better Solar Water Heating*” Rebate (effective for any system installed after June 2012) and solar swimming pool heating systems are not eligible.

SSVEC highly recommends that systems be installed by licensed contractors but if the member chooses to do a “self-install”, the local building inspector must approve the installation to qualify for the SunWatts Incentive. Customer will provide copies of their invoice for tracking system costs for posting on AZ Goes Solar website.

## 9.0 UCPP Approved Technologies:

SSVEC will use the incentive, specifications, and criteria developed by the UCPP Working Group as the basis for Performance Based Incentives for alternative renewable energy projects. Solar Day Lighting will be paid at the end of the 12 month measurement and validation period that quantifies the first year savings.

Technology	OTI	PBI
Solar Day lighting	\$.12 per kWh for first year savings	
Geothermal Electric Thermal		\$.02 per kWh over 10 years \$.035 per kWh over 10 years
Biogas/Biomass Electric Thermal Cooling CHP-Electric CHP-Thermal		\$.034 per kWh over 10 years \$.010 per kWh over 10 years \$.025 per kWh over 10 years \$.025 per kWh over 10 years \$.013 per kWh over 10 years
Solar Space Cooling		\$.077 per kWh over 10 years

PBI is limited to 25% of the total cost of the project.

The Incentives are subject to revision based on the final approved version of the UCPP.

## 10.0 Additional Program Incentives and Grants:

- SSVEC will continue our partnership with the Habitat for Humanity Program to offer renewable energy options to low-income families in cooperative service territories. SSVEC will contribute up to \$15,000 dollars to the Habitat organization for the purchase of photovoltaic and other renewable energy equipment to be installed on Habitat homes and will also assist in finding local renewable energy equipment dealers who are willing to donate products and services. The type and amount of equipment will vary from project to project. Up to two of these projects will be undertaken each year at a cost not to exceed the amount budgeted in the annual REST

budget. If Habitat does not have a project these funds will be used to pay residential or commercial incentives.

- SSVEC will provide New Home Subdivision Model Home advertising allowance of \$250 per builder per year. Subject to available funds.
- SSVEC will continue to fund a grant program for teachers in our service territory for the development of renewable curricula for the classroom. The grant program is limited to ten, \$500.00 grants per year.

### **11.0 NET Metering:**

SSVEC has a NET Metering tariff and all customers with renewable sources and approved interconnections are eligible for NET Metering subject to the provisions of the currently approved Net Metering Tariff.

### **12.0 Calculation of the 125% of Capacity**

One of the societal goals of using renewable energy is to have homes or business to become a “net zero” facility where the customer produces all their own kWh needs for the year. This is evident in the Net Metering rules where the 125% sizing limit is stated. To qualify for an Incentive, the system must also qualify for Net Metering under the currently approved Net Metering Tariff. In the event that no prior history is available, it is up to the Customer and the Contractor to determine the proper system size that meets the Net Meter Definition. SSVEC assumes no responsibility for the over or under sizing of systems.

### **13.0 Third Party Assignment of Incentives:**

The customer may choose to assign their incentives to a third party. Payment will then be scheduled based on the customer’s position on the reservation list. Only the original SSVEC Customer may assign the Incentive to a third party, the third party cannot subsequently assign the incentive to a “4<sup>th</sup>” party.

## **14.0 Customers unwilling to assign the RECs to SSVEC**

In the event that Consumers decide not to release/assign the RECs associated with their renewable project, SSVEC would treat these Customers as Net Meter Customer only. No SunWatts incentives will be paid if the RECs will not be transferred to SSVEC. The Customer must still submit all interconnection documents and is subject to the same standards as systems that receive an Incentive.

## **14.1 Leased Systems Interconnections**

The Customer / Contractor must submit all interconnection documents and is subject to the same interconnection standards as systems that receive an Incentive.

## **15.0 Administration of the REST Plan**

*Annual Reporting and Plan Development:* Decision No. 71458 allows SSVEC to file its annual report not later than March 1st for the prior calendar year. SSVEC will submit its plan for the following year as required by the REST rules.

*Advertising, Promotion, and Education:* SSVEC works closely with the other Arizona Cooperatives in developing and executing the REST/Sun Watts program. Since the implementation of our reservation system, SSVEC has limited its advertising/marketing expenses to posters and program pamphlets, participation in local events (annual meetings, county fairs, etc.), the SSVEC website, and our share of the AZ Goes Solar website. General advertising is left to the Solar Industry.

SSVEC also works in partnership with other electric providers in the state of Arizona for the Arizona Utilities for Renewable Energy Education ("AZURE") initiative. AZURE is jointly developing renewable energy education material for teachers and educators across Arizona. The group's website is [www.azureeducation.com](http://www.azureeducation.com).

In order to ensure that SSVEC members receive maximum value for the REST/Sun Watts programs, SSVEC will not use more than 15% of the total surcharge funds collected for administration, research, and development, and advertising expenses.

## 16.0 Long Range Utility Scale Expansion *(new this year)*

Based on input from our Members, there is a desire for additional utility sized PV systems that provide PV benefits to all Customers. To accomplish this new goal, SSVEC proposes to accumulate funds to expand the current San Simon site. When the account has a sufficient balance to economically expand the San Simon PV site, SSVEC will issue an RFP to expand the solar field.

## 16.1 Reducing Program PBI Liability *(new this year)*

PBI was used as a cash management tool when the incentives were high and large projects would have the effect of "shutting down" or "depleting" the available incentives for the year. With the incentives "capped" at \$2,500 or \$5,000 PBI is no longer needed or offered. The current PBI accounts do increase administrative costs and is a long term liability for current and future programs (as of 6/1/14 the PBI liability was over \$2.7 million). To reduce these costs, SSVEC proposed to budget funds to "buy down" existing PBI Customers each December using a First in First out (FIFO) basis as fund balance allows.

## 17.0 Estimated Results/Budget/Tariffs

The current REST tariff was approved in 2013 for the 2013 REST Plan. For the 2015 plan, SSVEC has proposed no changes in either the kWh surcharge or the Caps. The current tariff is included in Exhibit 1

SSVEC retains the flexibility to shift budget allocations at the end of the year to pay as many Incentives payments as possible as recommended by the ACC Staff in the 2012 REST plan as long as there is no decrease in the funds for incentives.

Proposed 2015 REST budget	
Estimated 2015 Collections	\$ 4,535,000
Alamo & San Simon kWh Sales	\$ 112,828
Estimated 2014 carry over	\$ 35,000
Total Budget	\$ 4,682,828
Administration	\$ 200,000
Habitat for Humanity projects	\$ 15,000
Advertising	\$ 1,000
Future Large Scale Project	\$ 900,000
PBI "Buy Down"	\$ 200,000
School Solar Project (CREBs 1 debt service)	\$ 900,000
SSVEC Solar Farm (CREBs 2 debt service)	\$ 425,000
SunWatts Incentives Residential	\$ 1,166,828
SunWatts Incentives Commercial	\$ 875,000
	\$ 4,682,828

## 17.1 Budget Projections

	Budget Year				
	2015	2016	2017	2018	2019
REST Revenue	\$ 4,535,000	\$ 4,580,350	\$ 4,626,154	\$ 4,672,415	\$ 4,765,863
Alamo & San Simon kWh Sales	\$ 112,828	\$ 112,828	\$ 112,816	\$ 112,805	\$ 112,794
Estimated carry over from prior year	\$ 35,000	\$ 179,168	\$ 129,937	\$ 132,564	\$ 121,206
<b>Total REST Budget</b>	<b>\$ 4,682,828</b>	<b>\$ 4,872,346</b>	<b>\$ 4,868,907</b>	<b>\$ 4,917,785</b>	<b>\$ 4,999,864</b>

### Projected Budget

Advertising	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Large Scale Expansion Fund	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
PBI "Buy Down"	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Program Costs (Admin, etc)	\$ 200,000	\$ 292,341	\$ 292,134	\$ 295,067	\$ 299,992
Habitat Project	\$ 15,000	\$ 15,750	\$ 16,538	\$ 17,364	\$ 18,233
CREB Bonds for Schools	\$ 900,000	\$ 910,000	\$ 920,000	\$ 930,000	\$ 940,000
Large Scale Renewables (CREBs)	\$ 425,000	\$ 419,000	\$ 413,000	\$ 407,000	\$ 401,000
SunWatts Residential Rebates	\$ 1,166,828	\$ 1,280,553	\$ 1,275,741	\$ 1,300,412	\$ 1,343,784
SunWatts Commercial Rebates	\$ 875,000	\$ 853,702	\$ 850,494	\$ 866,941	\$ 895,856
<b>Total Projected Budget</b>	<b>\$ 4,682,828</b>	<b>\$ 4,872,346</b>	<b>\$ 4,868,907</b>	<b>\$ 4,917,785</b>	<b>\$ 4,999,864</b>

### Projected Expenses

Advertising	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Large Scale Expansion Fund	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
PBI "Buy Down"	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Principal and Interest from loans	\$ (70,000)	\$ (68,600)	\$ (65,856)	\$ (61,905)	\$ (56,952)
Program Costs (Admin, Ads, etc)	\$ 190,000	\$ 286,494	\$ 289,213	\$ 292,116	\$ 296,992
Habitat Project	\$ 15,000	\$ 15,750	\$ 16,538	\$ 17,364	\$ 18,233
CREB Bonds for Schools	\$ 900,000	\$ 910,000	\$ 920,000	\$ 930,000	\$ 940,000
Large Scale Renewables (CREBs)	\$ 425,000	\$ 419,000	\$ 413,000	\$ 407,000	\$ 401,000
SunWatts Residential Rebates	\$ 1,155,159.72	\$ 1,267,747.56	\$ 1,262,983.80	\$ 1,287,407.72	\$ 1,330,345.68
SunWatts Commercial Rebates	\$ 787,500.00	\$ 811,016.96	\$ 799,464.49	\$ 823,594.16	\$ 851,062.90
<b>Total Expense Projections</b>	<b>\$ 4,503,660</b>	<b>\$ 4,742,408</b>	<b>\$ 4,736,343</b>	<b>\$ 4,796,578</b>	<b>\$ 4,881,681</b>

<b>End of Year Balance</b>	<b>\$ 179,168</b>	<b>\$ 129,937</b>	<b>\$ 132,564</b>	<b>\$ 121,206</b>	<b>\$ 118,183</b>
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## 17.2 Estimated Impact of Tariff on Customers

Rate Class	Monthly Average per Bill	Percentage Reaching Cap	Estimated Collection by Rate Class per Month
Rate R	\$ 3.11	74.4%	\$ 121,205
Rate GS*	\$ 10.86	1.8%	\$ 80,144
Rates I	\$ 36.50	61.8%	\$ 19,802
Rates P	\$ 139.15	45.0%	\$ 53,397
Rate C	\$ 300.00	100.0%	\$ 900

\* This rate class includes private wells that will never reach the cap and lower both the average collected and percentage reaching the cap.

### 17.3 Sample Customer Impacts

Sample Customers	Average kWh	Monthly Bill Impact	
		2014	2015
Average Residential Customer	800	\$3.49	\$3.49
Barber Shop	3,541	\$34.99	\$34.99
Department Store	161,760	\$200.00	\$200.00
Mall (less tenants)	61,872	\$200.00	\$200.00
Retail Video Store	12,843	\$85.00	\$85.00
Large Hotel	30,700	\$200.00	\$200.00
Large Building Supply and Hardware	157,707	\$200.00	\$200.00
Motel	30,227	\$200.00	\$200.00
Large Office Building	78,120	\$200.00	\$200.00
Hospital	360,075	\$200.00	\$200.00
Supermarket	117,860	\$200.00	\$200.00
Convenience Store	18,403	\$181.82	\$181.82
School	67,967	\$200.00	\$200.00
Irrigation Customer	51,745	\$50.00	\$50.00

### 18.0 Distributed Generation REST Goals

Renewable Energy Goals							
Year	Retail Sales (MWh) from the 2013 PRS	Renewable Goal (%)	Renewable Energy Needed (MWh)	Est. Renewable Capacity needed (MW)	Renewable MWh	Percentage of Goal	Systems Installed (by year)
2005 - 2007	796,093	.5%	3,980	1.8	307	8%	55
2008	819,072	.5%	4,095	1.9	683	17%	87
2009	834,119	1.00%	8,341	3.8	4,684	56%	239
2010	822,776	1.25%	10,285	4.7	9,813	95%	166
2011	840,861	1.50%	12,613	5.8	11,269	89%	184
2012	853,741	1.75%	14,940	6.8	18,734	125%	359
2013	873,738	2.00%	17,475	8.0	24,495	140%	505
2014	871,295	2.25%	19,604	9.0			
2015	888,343	2.50%	22,209	10.1			
2016	906,948	3.00%	27,208	12.4			
2017	927,379	3.50%	32,458	14.8			
2018	949,010	4.00%	37,960	17.3			
2019	971,765	4.50%	43,729	20.0			
2020	995,563	5.00%	49,778	22.7			
2021	1,020,944	5.50%	56,152	25.6			
2022	1,047,324	6.00%	62,839	28.7			
2023	1,074,710	6.50%	69,856	31.9			
2024	1,104,037	7.00%	77,283	35.3			
2025	1,134,443	7.50%	85,083	38.9			
2026	1,165,896	7.50%	87,442	39.9			
2027	1,198,419	7.50%	89,881	41.0			
2028	1,232,031	7.50%	92,402	42.2			
2029	1,266,822	7.50%	95,012	43.4			
2030	1,302,762	7.50%	97,707	44.6			
2031	1,339,891	7.50%	100,492	45.9			
2032	1,378,247	7.50%	103,369	47.2			
2033	1,417,871	7.50%	106,340	48.6			
2034	1,458,804	7.50%	109,410	50.0			
2035	1,501,098	7.50%	112,582	51.4			

The REST Rules in Section R14-2-1814 allow the Cooperatives to submit a plan as a substitute from the percentage of kWh sold requirements as set for the Investor Owned Utilities ("IOUs") as set forth in R14-2-1804 and R14-3-1805. SSVEC is voluntarily setting distributed generation goals in the form of a percentage of sales to conform to the reporting requirements of the IOUs. Upon approval, this plan supersedes all prior REST plans.

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 SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.
 

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Sulphur Springs Valley Electric Cooperative  
 350 N Haskell Ave  
 Willcox, Arizona 85643

SCHEDULE REST  
 Renewable Energy Surcharge Tariff

Effective: For electrical usage beginning on or about December 1, 2012 and billed beginning with the January 2013 cycle billings.

Applicability

The Renewable Energy Surcharge Tariff is applicable to all consumers located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single- or three-phase service. Surcharges under this schedule will be in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's office, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein.

Rate

\$0.00988 per kWh delivered by the Cooperative

Subject to the following maximum per month:

Residential Consumers (Rates R, RT)	\$ 3.49
General Service (Rates GS, GT, non-residential rates not listed below)	\$ 85.00
Irrigation Customers (Rates CD, CW, CD-Large, IL, IS)	\$ 50.00
Commercial & Industrial (Rates P, IP, PRV, PT)	\$200.00
Industrial (Demand over 3MWs)	\$300.00

For Rate RPS only the daily REST CAP shall be \$0.115 per day

Schedule of fee's for SunWatts inspections:

1 <sup>st</sup> inspection	no charge
2 <sup>nd</sup> inspection (if needed*)	\$ 75.00
3 <sup>rd</sup> and subsequent inspections (if needed*)	\$150.00 ea.

\* additional inspections charges are billed to the installation contractor as required when violations of the inter-connection requirements, the National Electric Code, or safety issues are found during the current inspection that cannot be corrected during the first or subsequent inspection. Inspection fees to be returned to the REST funds.

**RESOLUTION**

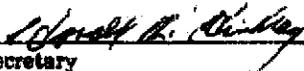
**2014-04**

The following resolution was adopted at a regular meeting of the Sulphur Springs Valley Electric Cooperative, Inc., Board of Directors held June 18, 2014, in Benson, Arizona:

**WHEREAS**, Sulphur Springs Valley Electric Cooperative (SSVEC), an electric cooperative company in Arizona, is required to submit annual updates to the REST program and tariff, in the course of normal operations.

**BE IT RESOLVED** that the Board of Directors of SSVEC has reviewed the 2015 REST program presented by the SSVEC Management and Staff and fully supports the 2015 REST plan to be submitted to the ACC for approval.

I, Harold L. Hinkley, do hereby certify that I am the Secretary of Sulphur Springs Valley Electric Cooperative, Inc., and the foregoing is a true and correct copy of a resolution adopted by the SSVEC Board of Directors at a regular meeting held on June 18, 2014.

  
Secretary

SEAL

## Attachment A

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The following is SSVEC's responses (or pre-filed testimony) regarding the proposed 2015 RES Tariff and Plan with questions we anticipate might be asked by the ACC Staff based on prior submissions and our review of other utilities approved plans.

For questions or comments the point of contact is:

David Bane  
SunWatts Program Manager  
311 E. Wilcox  
Sierra Vista, AZ 85635  
[dbane@ssvec.com](mailto:dbane@ssvec.com)  
520-515-3472

With copies to;

Jack Blair  
Chief Member Services Officer  
311 E. Wilcox  
Sierra Vista, AZ 85635  
[jblair@ssvec.com](mailto:jblair@ssvec.com)

Respectfully,



David Bane



Question 1) What are the requested changes from the 2014 plan?

Response: The first change is based on the anticipation that our available funds will begin to accumulate now that the "backlog" of reservations has been eliminated. We are requesting permission to allow these excess funds to accumulate as specific budget items and to be used in two ways. First to accumulate funds to pay for future large scale SSVEC owned PV projects without having to incur financing costs. The attached survey (attachment B) shows significant interest from our member/owners for the expanding our current SSVEC owned "solar farm" as all members receive the benefit not just those that own homes and can afford to invest in a PV systems.

The second change is to use these funds to begin to "pay off" our PBI commitments early on a first in first out basis (FIFO) with a goal to eliminate (or shorten the term) the liability and administrative costs caused by the use of PBI. PBI "buy outs" would be processed in December of each year.

Specifically, SSVEC would like to create two new budget "accounts" to accumulate funds to meet the goals stated above.

Future Large Scale Project:	\$900,000
PBI "Buy Down"	\$200,000

*Note: PBI was used as a cash management tool to prevent large systems from "taking" all annual incentive funds and limiting participation. Under the current and proposed incentive levels PBI is no longer needed as a cash management tool.*

The third change is in response to the prevailing PV leasing programs and the rapid expansion of the leasing programs into SSVEC's service area.

- Leases already have a built-in financial advantage in that they get all the tax benefits/rebates that a homeowner purchased system does but additionally the leasing model also allows "depreciation" hence purchased systems are at a disadvantage. Not offering leased systems a rebate would come closer to "leveling the playing field".
- A purchased system costs a member approximately \$19,000 but to lease the same size system over a 20 year period would cost the member approximately \$40,000. Therefore a rebate from SVEC is not needed for the solar leasing company to make a large profit.
- There have been some recent concerns and issues with Realtors and members who have leased systems in the buying and selling of their homes/businesses. To offer an incentive for leased systems might convey to our members SSVEC tacit support of leasing systems and if there are indeed issues later on, we don't want our members to believe we were duplicitous in homes/businesses have a difficulty in selling.
- Offering leasing rebates to a program that locks our members in to a 20 year lease with prohibitive penalties for early termination for a technology that has seen rapid change in the last several years and even more innovation to come in the future may not be in the best interest of our members and we do not want to be seen supporting that may not be in the best interest of our members 20 years from the date the lease is signed.

Therefore, SSVEC requests to exclude leased PV systems from the incentive program.

Question 2) Did SSVEC consider any changes to the method of the collection of REST funds or in the amount of the kWh surcharge or caps?

Response: We are proposing no changes in our collection method for the REST surcharge in the 2015 program. From the very beginning of the SSVEC Renewable Energy Program, based on Member input, our method has been to collect the surcharge based on the "delivered" kWh from SSVEC not the "net kWh" (see sample bill below). We felt that it was only fair those consumers who installed a "net zero" sized system would continue to contribute to the very same program that helped them install their systems. Spot checks show that these residential consumers with "net zero" systems continue to pay the same average REST surcharge as those without a PV system.

134741	10706107				
Cost of Basic Service					0.25
DSM Surcharge					0.29
Taxes					1.59
TOTAL:					1.93
Net MWh Res Customer Generated	0407	0075	1	125	10.15
Wholesale Power and Fuel Cost Adjustor					1.00
Balance Transfer Between Accounts					1.99
PREVIOUS BALANCE	1.99	PAYMENTS RECEIVED	0.00	BALANCE FORWARD	1.99
					BALANCE DUE: 1.99

Further support that our method is working can be seen in our REST collections report for 2013 that shows are collections are above projections.

Income	Actual YTD Collected	Budget
Loan Fund from Surcharge	\$ 70,000	\$ 70,000
Administration	\$ 201,000	\$ 201,000
Habitat for Humanity projects	\$ 15,000	\$ 15,000
Advertising	\$ 1,000	\$ 1,000
School Solar Project (CREBs 1 debt service)	\$ 780,000	\$ 780,000
SSVEC Solar Farm (CREBs 2 debt service)	\$ 373,000	\$ 373,000
Misc	\$ 1,000	\$ 1,000
SunWatts Incentives Residential	\$ 1,717,033	\$ 1,086,586
SunWatts Incentives Commercial	\$ 1,027,968	\$ 650,000
PBI Residential	\$ 172,028	\$ 125,000
PBI Commercial	\$ 211,259	\$ 159,000
Total	\$ 4,569,289	\$ 3,461,586

Question 3) Why does SSVEC want to keep the incentives for PV higher than the other utilities specifically at \$0.25 per watt?

Response: Most of our installations are in the Sierra Vista area as compared to the metropolitan areas of the State served by the Investor Owned Utilities. The balance of our service area is even more remote than Sierra Vista. It costs the installers more to install systems because of the extended travel time, and higher transportation costs for equipment. With the smaller market area they cannot always buy materials in the same quantity as the installers in Tucson or Phoenix to leverage discounted purchases. In talking to our members and the local installers they feel the proposed \$0.25 per watt is a reasonable incentive for our market.

The incentives also provide an incentive for our Customers to come and talk to SSVEC about renewables and lets SSVEC provide answers to their questions in an un-biased format.

Questions and Comments for the 2015 REST Plan for SSVEC

Question 4) Did SSVEC consider the lowering the REST Surcharge in light of the lower incentives paid to Customers?

Response: We have projected the eliminated the "reservation backlog" in 2014 and the estimated wait time for the incentive is now to be a 30-60 day period. This length of delay in payments is the result of the once per month processing of the incentives and how that coordinates with the once per week PV inspections.

The caps in the current RES Tariff have been there since 2010 and the kWh surcharge has been the same since 2011. The SSVEC Board of Directors and feedback from focus groups members feel the current RES Tariff is fair and balanced.

Additional feedback from our Members indicates the desire for more SSVEC owned large scale systems. Keeping the Surcharge at the current level will allow SSVEC to accumulate funds for future large scale projects without having to incur finance charges and long term debt. See Attachment B for executive summary of recent Customer Survey.

Question 5) What is the Customer's response to the SSVEC reservation system?

Response: Our projections indicate that the reservation system will not be needed for scheduling incentive payments in 2015 but will now simply be the method for tracking program progress and collecting data for the Arizona Goes Solar website.

Historically the program was very well received as it provided "certainty" to the incentive process for both the customers and contractors. It will also be available if there is a sudden change in the Market that overwhelms our program.

Questions and Comments for the 2015 REST Plan for SSVEC

Question 6) Did you calculate what the REST surcharge would have to be so that SSVEC could meet the 15% of supply that is required of the investor owned utilities?

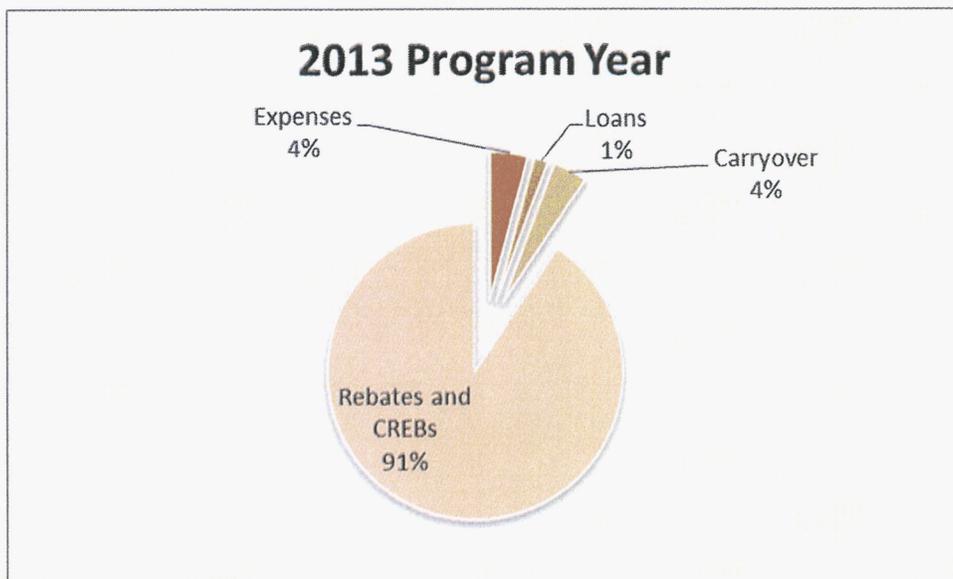
Response: For three REST program submissions we have performed that study and each time it has shown that the required REST tariff would be so large as to have an extreme negative impact on our members. Each time the Commissioners have agreed that our requested REST surcharge was fair and reasonable. Because we are not changing the REST surcharge, spending time to update this study would be a waste of both the time and efforts of the ACC Staff and SSVEC as the results would be virtually the same as prior studies. The following is the summary table from the 2011 submission.

	Submitted	Alternate #1	Alternate #2	Alternate #3	Alternate #4	alternative #5
Rest Surcharge	\$ 0.009880	\$ 0.009880	\$ 0.009880	\$ 0.021086	\$ 0.009880	\$ 0.039324
Res Cap	\$ 3.49	\$3.69	\$ 3.89	\$ 3.49	\$ 5.66	\$ 25.00
GS	\$ 85.00	\$89.87	\$ 94.74	\$ 85.00	\$ 137.85	\$ 250.00
Irrigation	\$ 50.00	\$52.87	\$ 55.73	\$ 50.00	\$ 81.09	\$ 200.00
Rate P & IP	\$ 200.00	\$211.46	\$ 222.92	\$ 200.00	\$ 324.36	\$ 400.00
3MW + Cap	\$ 300.00	\$317.19	\$ 334.38	\$ 350.00	\$ 486.53	\$ 1,500.00
Rest Collection	\$ 3,301,791	\$ 3,412,916	\$ 3,519,553	\$ 4,300,000	\$ 4,300,000	\$ 15,000,000
% of Change	10%	13%	17%	43%	43%	398%
2010 Budget	\$ 3,009,635					
Percentage reaching cap						
Rate R	74.4%	72.3%	70.1%	91.0%	51.5%	45.7%
Rate G	1.8%	1.6%	1.4%	7.3%	0.4%	3.5%
Rates I	61.8%	60.8%	59.8%	72.8%	53.3%	61.8%
Rates P	45.0%	42.3%	39.8%	71.7%	25.1%	70.3%
rate C	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Charge						
Rate R	\$ 3.11	\$3.25	\$3.40	\$ 3.33	\$ 4.47	\$ 19.00
Rate G	\$ 10.86	\$10.94	\$11.01	\$ 19.41	\$ 11.35	\$ 40.95
Rates I	\$ 36.50	\$38.25	\$39.98	\$ 39.91	\$ 54.29	\$ 145.88
Rates P	\$ 139.15	\$144.15	\$148.86	\$ 163.94	\$ 181.24	\$ 324.90
rate C	\$ 300.00	\$317.19	\$334.38	\$ 350.00	\$ 486.53	\$ 1,500.00
Collected by Rate Class						
Rate R	\$ 1,454,465.26	\$1,523,191.01	\$1,589,922.99	\$ 1,559,756.68	\$ 2,092,838.97	\$ 8,891,872.73
Rate G	\$ 961,729.27	\$969,079.11	\$975,438.80	\$ 1,718,690.52	\$ 1,005,472.74	\$ 3,626,655.19
Rates I	\$ 237,628.49	\$249,200.19	\$260,598.05	\$ 258,442.42	\$ 355,244.22	\$ 949,834.27
Rates P	\$ 640,767.94	\$663,832.72	\$685,568.02	\$ 754,710.38	\$ 834,767.26	\$ 1,495,637.81
rate C	\$ 7,200.00	\$7,612.61	\$8,025.21	\$ 8,400.00	\$ 11,676.81	\$ 36,000.00
Total	\$ 3,301,790.96	\$3,412,915.63	\$3,519,553.07	\$ 4,300,000.00	\$ 4,300,000.00	\$ 15,000,000.00
Surcharge from .007937 to .00988	Residential cap increased to 3.69 and remaining caps increased by same percentage	Residential cap increased to 3.89 and remaining caps increased by same percentage	Caps remain the same but surcharge increased to reach a 4.3 million total	Surcharge remain the same but Caps raised to reach the 4.3 Million	Level needed to get to the IOU % of Renewables	

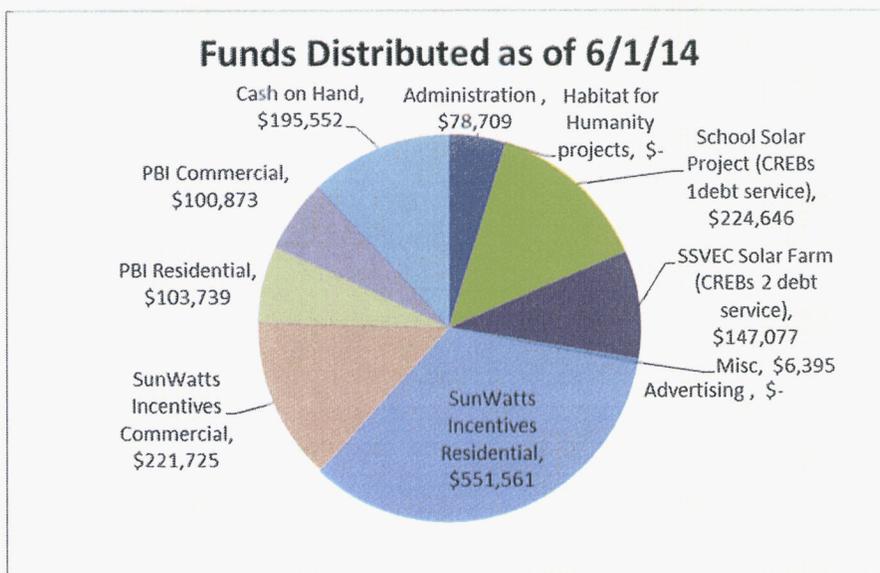
Question 7) Where did SSVEC spend the REST budget in 2013?

Response: This graph provides a visual of where the REST funds were distributed. As you can see 95% of funds collected went back to Customers in either an incentive, debt service for the PV for schools project, or carried forward to 2014.

Our total cost for program management was only 4% of funds collected, which is well below the 15% allowed by the RES guidelines. As you can see, because of our reservation list we didn't spend money on direct advertising (we did have to pay our share of the AZ Goes Solar website as advertising) we work hard to keep Admin costs down so that most of the money we receive can go directly to solar rebates and CREBS repayment.



As of 6/1/14 expenses are as follows:



Question 8) You are asking to budget \$900,000.00 for future "SSVEC utility grade" solar expansion. When would you expend the funds and how do you plan on "holding" the funds from year to year?

Response:

A reasonable "price point" to put the solar project out to bid is when the funds collected is close to \$3 million (just over 3 years of collections). Right now this seems to be a good price point to reach economics of scale to get the most solar for the dollar. The funds collected under the REST tariff are held in a separate "account" so the funds are not commingled with normal operating funds. We post our REST budget balances each month on our website and submit formal reports to the ACC Staff twice per year. If this budget item is approved any funds left at the end of the year will be allocated to the same budget item for the following year. The remaining "carry over" funds will then be allocated proportionally over the normal budget categories.

When the balance in the "expansion account" approaches the \$3 million, we will then prepare an RFP to see who can provide the most kW capacity expansion at the San Simon Solar Farm for the \$3 million. Copies of the bids and notice of the winning bid will be filed in the Docket of the current REST program (since each program year has its own docket number) when the RFP is signed by SSVEC.

We did research the options of setting up a "savings account" for these funds but the internal and external administrative costs would exceed the interest earned. Given that we have managed to keep the REST funds separate from the normal operating funds since the inception of the Renewable Portfolio Standards, we feel we can adequately assure the Commission that the funds will be monitored and will be available when it is time to put the project out for bid.

Question 9: Why do you want to eliminate Leased PV systems from your program? Doesn't this discriminate Solar Leasing Companies?

Response: First let us state for the record, SSVEC is not "anti solar lease" but we are "pro SSVEC member". There are multiple types of leasing models that we have seen in the past couple of years. Some leases truly present very good options and may provide long term value to the SSVEC member. But, there are also leases that provide a cost savings in the early years of the lease but have "escalation" factors that increase the monthly lease fee by 2.5 to 3.5 percent each year. Leasing salesmen use the "national average" of electric rates rising 3% per year to convince the Members that this is what they can expect in the way of rate increases. SSVEC does not fall into the "national average" when it comes to annual increases as our historic rate increase is just over 1% per year and we have had only 3 rate changes since 1993. To review, our 1993 kWh rate was \$0.0985 for the first 750 kWh and \$0.09384 for anything over 750. Sixteen years later we had our next rate case and the kWh charge became \$0.1217 for all kWh. In 2014 we used the streamlined rate option which increased the kWh charge to \$0.126038 per kWh. The change from the 2009 to 2014 rate was .7% per year.

We are also hearing from local realtors that are finding that homes with leased PV systems are harder to sell. The potential buyer must meet the credit requirements of the leasing company to assume the lease. If they can't meet the requirements, the seller must then "pay off" the lease or cancel the sale contract.

But putting aside the discussion on the benefits or harm of leases, the leasing model does not need an incentive to make it work for the leasing company. This is demonstrated in the Phoenix and Tucson area where leases are doing very well and there are no utility incentives for solar. We are looking to eliminate the "free riders" so the incentive funds we do collect go to the Members who do need the incentive to put in renewables.

To answer the discrimination question I think the Solar Leasing companies are discriminatory with their credit requirements. SSVEC is required to serve any and all Customers and the leasing companies can deny the lease for bad credit or even the type of home you live in (I was turned down for a system because they told me they don't allow leased systems on manufactured homes).

Questions and Comments for the 2015 REST Plan for SSVEC

Question 10) Are there any comments you would like to share with the Commissioners and Staff?

Response: SSVEC feels that the lowering of the Incentive levels below the \$0.25 per watt would have an impact on our ability to meet the long term goals listed in the REST plan.

Using a fixed incentive cap instead of a Percentage of Cost cap has seen installation prices move in a downward progression instead of reaching a "plateau" that maxed out the Customer incentive.

SSVEC would appreciate the expediting of this review of our plan based on the simplicity of our REST plan and the minor changes between the current and proposed plans.

## Attachment B

Severson & Associates

### **Member Opinion Survey on Solar Power Issues Sulphur Springs Valley Electric Executive Summary**

#### **In a Nutshell**

Continued solid and improving performance in the core electric business has given SSVEC a solid foundation and consumer confidence in its ability to manage the challenges ahead. Good performance on rates and quality of service appears to have restrained resentment about paying more for renewables and conservation measures.

A solid pro-solar, pro-renewable, environmentally concerned block has been developed that will demand further progress on those fronts as the years go by. Meanwhile the rest of the membership is benign about those things, as long as it doesn't cost too much.

#### **Basic Performance Is Strong**

Compared to earlier polls, SSVEC has seen impressive improvement in the percentage of members who say that overall they are satisfied with SSVEC. Today 48% give you a 10 on a 10-point scale. Another 33% give you a rating of pretty good (8 or 9).

There has also been nice improvement in the percentage that sees themselves as cooperative members rather than customers. Today 54% of them think of themselves as members or member-customers, while 40% see themselves as just a customer.

Your scores on "keeping blinks to a minimum" have improved dramatically since 2010 (the last time we asked that question). 87% rate you excellent or pretty good, compared to 78% earlier.

Your scores on "working to keep rates low" are likewise strong. 57% rate you excellent or pretty good, 18% average, and 16% only fair or poor.

You have seen good improvement on "providing options to save energy and money." It's now 63% excellent or pretty good, with merely 12% saying "only fair" or "very poor."

## Attachment B

Severson & Associates

An overwhelming number (64%) believe that climate change is the result of man-made and natural causes. Merely 6% think it's a hoax. 29% think it's a natural cycle.

### **Solar Energy Users**

Member impressions of your efforts to encourage solar power are overwhelmingly positive.

Those who have solar have substantially lower monthly bills, as would be expected given your generous net metering policy. 70% of the solar customers reported a monthly bill of \$45 or less, compared to 8% of the other members.

Two-thirds of your solar users were motivated by financial considerations. About a third of the solar users were strongly motivated by environmental concerns.

Solar users are more likely to think of themselves as members of SSVEC and are more likely to describe their political leanings as conservative.

### **Solar Subsidies**

Overall, SSVEC members seem to be mildly in favor of paying retail rates for wholesale solar power.

A plurality of 48% favors SSVEC paying the retail rate as a way to encourage more solar, even after hearing that it involves a subsidy from fellow ratepayers. On the other side, 37% favored paying wholesale rates for solar power.

Initially, solar users opposed some sort of modest charge to help pay for the use of the poles and wire by a 2:1 margin, money that SSVEC currently cannot recover when it pays retail rates for wholesale power.

After reviewing those responses, SSVEC ordered a second round of calls to its solar members to ask a follow-up question. In that second survey, another rationale was tested, the proposition that SSVEC should impose a modest fee in an effort to avoid a regulatory mandate that could cost residential solar users \$70-\$120 more per month. In that case:

- 41% would pay \$10, 38% are opposed to it.
- 49% would pay \$5, while 25% are opposed and 25% are undecided about the \$5 fee.

## Attachment B

Severson & Associates

If you assume that a \$2.50 fee would gain support at the same rate as we saw when moving from \$10 down to \$5, the result would be that 55% support a \$2.50 fee while 20% opposed it.

When viewed in light of overall poll findings (high overall satisfaction ratings and a strong ratio of positive to negative ratings on "working to keep rates low"), including general levels of support among solar customers for renewable energy policies, it is apparent that SSVEC can impose a \$2.50 fee and expect very little pushback, if any. It can impose a \$5 fee and might encounter a modest bit of griping that would most likely fade quickly (unless you hit everyone with a large rate increase at about the same time). SSVEC could also impose a \$10 fee, but it would be advisable to do so only after some public education on the issue.

### **Rooftops or large scale?**

Initially 50% choose small, individual solar units while 32% prefer large, commercial solar collection facilities.

When you add that larger units are less expensive to build and operate, it changes completely: 70% favor large scale, 18% favor small projects, and the rest don't know. This is true among solar members as well, though not by as large a margin.

Public education on the cost advantages of large scale solar installations will tip the scale strongly in favor of the large scale projects, but care must be taken not to threaten existing solar users.

We note here also that people are woefully unaware of how much of their monthly bill goes to the cost of generating electricity. Merely 20% of the members were able to surmise that energy generation amounts to more than half of their monthly bill, and 4 in 10 wouldn't even hazard a guess.

### **State Regulation / Environmental Costs**

Several findings in this poll lead us to conclude that the days of there being an automatic and overwhelming majority opposed to any sort of added expense for renewable or conservation efforts are now a thing of the past.

## Attachment B

Severson & Associates

The REST (Renewable Energy Standards and Tariff) received more support than may have been expected. 28% clustered on the high end of the support spectrum (8, 9, or 10 rating) while 25% clustered at the opposite end (1, 2, or 3).

American energy independence is a powerful motivation for that. One in five are willing to pay 25% more on their bills to meet that goal, if it is phased in over 10 years. Among people who are more motivated by environmental considerations, support was slightly higher.

By a 2 to 1 margin, people have a positive opinion about Arizona's renewable and conservation effort.

Likewise, there was surprisingly strong support for the half penny surcharge to fund energy efficiency efforts. 48% said it's a good idea, merely 16% said it's a bad idea, and the remainder didn't particularly care. When the doubters hear that the program pays back its costs in energy savings, support rises even further.

### **Energy Efficiency**

Two thirds of the members are not aware that you offer energy efficiency loans. About a fourth of members are interested, once they hear about it.

### **Media / Website/ Smart Hub**

As seen in the earlier survey on communication options, local television is far and away the preferred source of local news, with Internet and printed newspaper tied for a distant second place.

We found that 16% of the members claim to use the Smart Hub, while 22% are aware of it but do not use it. Most, 62% are unaware that you offer it.

### **Methodology**

Between March 19 and March 26, 2014, 620 interviews were conducted of randomly-selected residential members. Results for the overall sample of residential members, 500 interviews, have a margin of error +/- 4.35%. An additional 120 interviews were conducted of members who are using SSVEC's solar program (there are 694 residential solar accounts at SSVEC). The margin of error in that group is +/- 8.75%.

## Attachment B

Severson & Associates

The follow-up calling to solar members about a monthly fee to avert a higher regulatory imposition was done the week of May 6. 150 solar members were interviewed, with a margin of error +/- 7.09%.

Thank you!

Severson & Associates  
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