



BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

BOB STUMP
CHAIRMAN
GARY PIERCE
COMMISSIONER
BRENDA BURNS
COMMISSIONER
BOB BURNS
COMMISSIONER
SUSAN BITTER SMITH
COMMISSIONER

Arizona Corporation Commission

DOCKETED

AUG 21 2014

2014 AUG 21 P 3 06

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR APPROVAL OF ITS 2014 RENEWABLE
ENERGY STANDARD IMPLEMENTATION
PLAN FOR RESET OF RENEWABLE
ENERGY ADJUSTOR.

Docket No. E-01345A-13-0140

RUCO'S RESPONSE TO TASC AND ARESEIA MOTIONS TO DISMISS

The Residential Utility Consumer Office ("RUCO") submits the following response to the Alliance for Solar Choice ("TASC") and The Arizona Solar Energy Industry Association ("AriSEIA") Motions to Dismiss Arizona Public Service Company's ("APS") Application for 30 MW of utility-owned solar generation. RUCO disagrees with TASC and AriSEIA that APS' proposal should be dismissed with prejudice. Rather, RUCO recommends the Commission either dismiss the Applications without prejudice, or allow APS to supplement its Applications to support its requests for relief and then initiate a formal hearing process. In either case, RUCO believes that if APS wishes to pursue their Applications, it would be appropriate for APS to offer a far more detailed plan with a more comprehensive explanation of the costs and benefits around different deployment options for the remaining 20 MW of solar generation.

From RUCO's standpoint, the concern is not whether APS is sidestepping the 2014 REST Plan Order. In fact, it looks like APS is attempting to comply with it - albeit on a more hurried timeframe. RUCO is more concerned with obtaining an updated assessment around

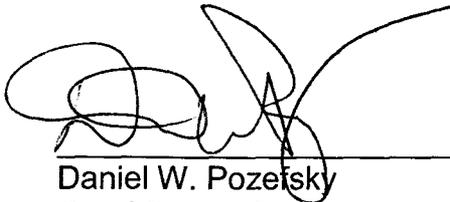
1 APS' need for generation and the cost and benefit of different compliance options if the need
2 exists. APS is recommending the construction of a 20 MW utility owned solar project at
3 Redhawk Power Station to maintain compliance with the Company's 2009 Settlement
4 obligation. As an alternative, APS proposes a 20 MW utility-owned DG rooftop program that
5 sites solar on residential customers' roofs in exchange for a \$30 monthly bill credit. The
6 Commission denied APS' previous request on Redhawk (only it was 30 MW facility APS
7 sought) in January 2014 based on APS' own admission that there could have been enough
8 distributed generation to enable APS to meet its target without the 30 MW at Redhawk.
9 Decision No. 74237 at 11.

10 That concern has not gone away and APS has provided little in its Applications to
11 address the topic which makes both of its current Applications problematic. Furthermore, both
12 Applications raise a myriad of issues that are far too involved and require far more analysis
13 than could possibly be resolved with a Decision rendered by September 2014 as APS
14 proposes. Moreover, there is no Staff Report out on the Applications. September is less than
15 two weeks away and the September Open Meeting is scheduled for September 9-10, 2014. A
16 decision at that time would be uninformed, unsupported and not in the public interest. APS'
17 Applications, at a minimum, should be considered in a step-like manner as follows:

- 18 1) Does the Company need another 20MW of solar generation? If the answer is no,
19 the analysis is done. If the answer is yes;
- 20 2) What are the costs and benefits compared to a third-party providing that 20 MW
21 either through a PPA or a net-metered system.
- 22 3) Should there be any additional considerations regarding a regulated utility providing
23 residential solar generation?
- 24 4) A thorough analysis of the plan to procure the needed generation.

1 RUCO recommends that if the Commission does not opt to dismiss the Applications, the
2 Commission should require APS to supplement its Applications to support the relief it requests
3 and establish a hearing process which includes the filing of testimony and a hearing. The
4 Commission cannot acquire all of the information needed to make such an important decision
5 and at the same time provide proper due process for all the interested stakeholders without a
6 full procedural process.

7 RESPECTFULLY SUBMITTED this 21st day of August, 2014.

8
9
10
11
12

13 Daniel W. Pozefsky
14 Chief Counsel

13 AN ORIGINAL AND THIRTEEN COPIES
14 of the foregoing filed this 21st day
15 of August, 2014 with:

15 Docket Control
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

18 COPIES of the foregoing hand delivered/
19 mailed this 21st day of August, 2014 to:

19 Lyn Farmer, Chief Administrative
20 Law Judge
21 Hearing Division
22 Arizona Corporation Commission
23 1200 West Washington
24 Phoenix, Arizona 85007

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 Steve Olea, Director
Utilities Division
2 Arizona Corporation Commission
1200 West Washington
3 Phoenix, Arizona 85007

4 Thomas Loquvam
Pinnacle West Capital Corporation
5 400 N. 5th St., MS 8695
Phoenix, Arizona 85004

6 Garry D. Hays
7 Law Offices of Garry D. Hays, P.C.
1702 E. Highland Ave., Suite 204
8 Phoenix, Arizona 85016

9 Court S. Rich
Rose Law Group PC
10 6613 N. Scottsdale Rd, Suite 200
Scottsdale, Arizona 85250

11 Mark Holohan
12 Arizona Solar Energy Industries
Association
13 2221 West Lone Cactus Drive, Suite 2
Phoenix, Arizona 85027

14 C. Webb Crockett
15 Fennemore Craig, P.C.
2394 E. Camelback Rd, Suite 600
16 Phoenix, Arizona 85016

17
18 By Cheryl Fraulob
Cheryl Fraulob

19
20
21
22
23
24