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COMMISSIONERS

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ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR APPROVAL OF ITS 2015 RENEWABLE
ENERGY STANDARD IMPLEMENTATION
FOR RESET OF RENEWABLE ENERGY
ADJUSTER.

DOCKET NO. E-01345A-14-0250

STAFF'S MOTION TO CONSOLIDATE
WITH DOCKET NO. E-1345A-13-0140

On January 7, 2014, the Commission entered Decision No. 74237 which approved in part Arizona Public Service Company's ("APS") 2014 Renewable Energy Standard Implementation ("REST") Plan. As to the final 30 MW of the AZ Sun Program proposed to be located at the Redhawk facility, the Commission stated:

"...[W]e do not believe that approval of the final 30 MW of the AZ Sun Program (currently proposed to be located at the Redhawk facility) is warranted at this time. We believe that APS will be able to meet its obligations, under the 2009 Settlement Agreement, to achieve 1.7 million MWhs by December 31, 2015. According to information submitted by APS in its 2014 RES Application, (Exhibit 2B), there could be enough distributed generation to enable APS to meet its required target without the 30 MW at Redhawk. We think it would be more prudent to wait until the second quarter of 2014 to determine whether or not the final 30 MW at the Redhawk facility are actually needed for compliance purposes.¹

In that same Decision, the Commission also ordered APS and any interested parties to submit by April 15, 2014, "information regarding whether it is necessary to continue the final 30 MW phase of AZ Sun in order to comply with the 2009 Settlement Agreement, as well as discuss the cost effectiveness of utility owned generation and third party wholesale purchased power agreements in completing this final 30 MW phase of AZ Sun."²

¹ Decision No. 74237 at 11, Finding of Fact ("FOF") 37.

² Decision No. 74237 at 15.

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1 On April 15, 2014, APS filed an Application and Response to Commission Inquiry in
2 Decision No. 74237, in which it requested authorization to proceed with construction of a 20 MW
3 utility-owned solar project as part of its AZ Sun program to be located at the Redhawk Power Station
4 (“Redhawk Solar Project”).

5 On July 28, 2014, APS filed a Supplemental Application (Utility-Owned DG) which requests
6 as an alternative to its proposed Redhawk Solar Project, authority to install 20 MW of residential
7 distributed generation (“DG”) on the rooftops of approximately 3,000 APS customers, as the final 20
8 MW of APS’s AZ Sun Program (“AZ Sun DG Program”).

9 On August 15, 2014, the Alliance for Solar Choice (“TASC”) and the Arizona Solar Energy
10 Industries Association (“AriSEIA”) filed motions to dismiss APS’s proposed AZ Sun DG Program
11 application and/or its Redhawk Solar Project.³ Both parties argued that the need for new capacity had
12 not been established and should not be addressed in APS’s 2014 REST Plan. They also argued that
13 the AZ Sun DG Program application was procedurally deficient, lacked evidentiary support,
14 presented significant public policy and legal questions that could not be addressed by the September
15 2014 Open Meeting which APS stated was necessary in order to comply with its end of 2015
16 renewable energy target.⁴

17 At the request of Staff a procedural conference was held on September 5, 2014 and oral
18 argument was heard on the TASC and AriSEA motions to dismiss. The Administrative Law Judge
19 (“ALJ”) denied the TASC and AriSEA motions to dismiss APS’s applications.

20 At the procedural conference, it was Staff’s position that rather than dismiss the applications,
21 the Commission should consolidate the applications with APS’s application for approval of its 2015
22 RES Implementation Plan. Staff believed consolidation was appropriate because in Decision
23 No. 74237 the Commission ordered that consideration of the final phase of the AZ Sun Program
24 should take place in the APS 2015 Implementation Plan.

25 ...

26

³ TASC also asked for dismissal of APS’s Redhawk Solar Project application.

27 ⁴ APS Supplemental Application at p. 3.

28

1 When Staff files its recommendations regarding APS's 2015 REST
2 Implementation Plan, it shall include a discussion of whether or not
3 APS needs to install any portion of the final 30 MW phase of the AZ
4 Sun Program in order to comply with the REST Rules and/or the 2009
5 Settlement Agreement. In developing its recommendations, Staff shall
6 also consider the information filed by APS and by any interested
7 parties regarding the cost effectiveness of utility owned generation as
8 compared to third party wholesale PPAs for completing the final 30
9 MW phase of AZ Sun.⁵

10 With consolidation of the applications, the Commission will have a more complete picture in
11 which to evaluate the need for the project. If this means that the Company will not meet its deadline
12 for compliance under the Rules or the 2009 Settlement Agreement, the Company can file for an
13 extension or a waiver of the applicable deadline.

14 In summary, Staff respectfully requests that the APS's Redhawk Solar Project application and
15 its AZ Sun DG Program application be consolidated with APS's 2015 RES Implementation Plan,
16 Docket No. E-01345A-13-0140.

17 RESPECTFULLY SUBMITTED this 6th day of October 2014.

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19 Maureen A. Scott, Senior Staff Counsel
20 Legal Division
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007
24 (602) 542-3402

25 Original and thirteen (13) copies of
26 the foregoing filed this 6th day of
27 October, 2014 with:

28 Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

⁵ Decision No. 74237 at 15.

1 Copy of the foregoing emailed/mailed
2 this 6th day of October, 2014 to:

3 Melissa M. Krueger
4 Pinnacle West Capital Corporation
5 400 North 5th Street, MS 8695
6 Phoenix, Arizona 85004
7 Melissa.krueger@pinnaclewest.com
8 Attorney for Arizona Public Service Company

9 Garry D. Hays
10 Law Offices of Garry D. Hays, PC
11 1702 East Highland Avenue, Suite 204
12 Phoenix, Arizona 85016
13 ghays@lawgdh.com
14 Attorney for Arizona Solar Deployment Alliance

15 Daniel W. Pozefsky
16 Chief Counsel
17 Residential Utility Consumer Office
18 1110 West Washington Street, Suite 220
19 Phoenix, Arizona 85007
20 dpozefsky@azruco.gov

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24
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