



0000156861

BEFORE THE ARIZONA CORPORATION

RECEIVED

COMMISSIONERS

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

2014 OCT 22 A 10: 36

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

OCT 22 2014

DOCKETED BY

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 ADJUSTER.

DOCKET NO. E-01345A-13-0140

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

**PROCEDURAL ORDER**  
(Grants Motions to Consolidate)

BY THE COMMISSION:

Docket No. E-01345A-13-0140

On July 12, 2013, Arizona Public Service Company (“APS”) filed with the Arizona Corporation Commission (“Commission”), its 2014 Renewable Energy Standard Implementation Plan (“REST Plan”) in Docket No. E-01345A-13-0140.<sup>1</sup> Intervention in that docket has been granted to Arizona Solar Deployment Alliance (“ASDA”), Solar Energy Industries Association (“SEIA”), Freeport-McMoRan Copper & Gold Inc. (“Freeport”), Arizonans for Electric Choice and Competition (“AECC”), Arizona Solar Energy Industries Association (“AriSEIA”), The Alliance for Solar Choice (“TASC”), and the Residential Utility Consumer Office (“RUCO”).

On April 15, 2014, APS filed its Application and Response to Commission Inquiry in Decision No. 74237. The April 15, 2014, application requests authorization for APS to proceed with the construction of a 20 MW utility-owned solar project to be located at APS’s Redhawk Power Station as part of APS’s AZ Sun program (“Redhawk Solar Project Application”).

On July 28, 2014, APS filed its Supplemental Application (Utility-Owned DG). The July 28, 2014, application requests, as an alternative to its proposed Redhawk Solar

<sup>1</sup> Decision No. 73922 extended the July 1, 2013 deadline.

1 Project, authority to implement its proposed AZ Sun DG Program as the final 20 MW of APS's AZ  
2 Sun Program ("AZ Sun DG Program Application"). Under the proposed AZ Sun DG Program, APS  
3 would install 20 MW of residential distributed generation ("DG") on the rooftops of approximately  
4 3,000 APS customers. APS states that the DG systems would be installed on APS's side of the  
5 meter, and that APS would "rent" the 3,000 customer rooftops for a period of 20 years, by providing  
6 those customers with a \$30 monthly bill credit. APS requested that its proposed AZ Sun DG  
7 Program be authorized on an expedited basis, with a Commission order by September 2014, if  
8 possible.

9 On August 14, 2014, correspondence to APS from Commissioner Susan Bitter Smith relating  
10 to the proposed AZ Sun DG Program was filed in the docket.

11 On August 15, 2014, TASC filed a Motion to Dismiss APS's Redhawk Solar  
12 Project Application and its AZ Sun DG Program Application ("Applications"). TASC requested that  
13 the Applications be dismissed with prejudice, and that the Commission instead address the need for  
14 new capacity in APS's 2015 REST Plan proceeding.

15 On August 15, 2014, AriSEIA filed a Motion to Dismiss APS's AZ Sun DG Program  
16 Application.

17 On August 20, 2014, SEIA filed a Response to APS's AZ Sun DG Program Application,  
18 urging that the Commission either conduct workshops on the AZ Sun DG Program Application or  
19 consider it in APS's 2015 REST Plan.

20 On August 20, 2014, the Commission's Utilities Division ("Staff") filed a Request for  
21 Procedural Conference.

22 On August 21, 2014, RUCO filed its Response to the TASC and AriSEIA Motions to  
23 Dismiss, recommending either dismissal of the Applications without prejudice or the establishment of  
24 a hearing process which includes the filing of testimony and a hearing.

25 On August 22, 2014, Tucson Electric Power Company ("TEP") filed a Motion to Intervene.

26 On August 25, 2014, a Procedural Order was issued setting a procedural conference for oral  
27 argument and discussion of procedural matters.

28 ...

1 On September 3, 2014, APS filed its Response to the ARISEIA and TASC Motions to  
2 Dismiss.

3 On September 5, 2014, a procedural conference was convened as scheduled. APS, ASDA,  
4 SEIA, TASC, Freeport and AECC, AriSEIA, TEP, RUCO, and Staff appeared through counsel.  
5 There was no objection to TEP's intervention request, and TEP was granted intervention.

6 Prior to the parties' oral arguments, procedural matters were discussed. Staff stated that it  
7 was analyzing the AZ Sun DG Program Application and the data responses received, and  
8 contemplated filing a Staff Report toward the end of October. APS stated that without a Commission  
9 determination on the AZ Sun DG Program Application in September 2014, APS would not  
10 commence its procurement process and incur costs, and therefore would not get the systems installed  
11 in time for all of the energy produced to apply to APS's 2015 renewable requirements pursuant to the  
12 REST Rules and the 2009 Settlement Agreement approved by Decision No. 71448 (December 30,  
13 2009).

14 At the procedural conference, parties presented their oral arguments in support of their  
15 positions on the TASC and AriSEIA Motions to Dismiss. No procedural basis was found for  
16 granting the TASC and AriSEIA Motions to Dismiss, and they were therefore denied. Any  
17 substantive claims of the parties will be dealt with when the Commission makes its determination, if  
18 any, on the Redhawk Solar Project Application and/or the AZ Sun DG Program Application.

19 On October 7, 2014, APS filed its program description for the AZ Sun DG Program  
20 Application.

21 On October 15, 2014, APS filed its final draft Voluntary Solar Contribution Program Plan of  
22 Administration.

23 From September 10, 2014 through October 21, 2014, various consumer comments and letters  
24 regarding the AZ Sun DG Program Application were filed.

25 Docket No. E-01345A-0250

26 On July 1, 2014, APS filed its 2015 REST Plan with the Commission in Docket No. E-  
27 01345A-14-0250.

28

1 Intervention has been granted to ASDA and RUCO, and on September 30, 2014, TASC filed  
2 an Application to Intervene.

3 Motions to Consolidate

4 On October 6, 2014, Staff filed a Motion to Consolidate Docket No. E-01345A-13-0140 with  
5 Docket No. E-01345A-14-0250 in each of those dockets. Staff stated that consolidation is  
6 appropriate because Decision No. 74237 ordered that consideration of the final phase of the AZ Sun  
7 Program should take place in the APS 2015 Implementation Plan.

8 On October 7, 2014, RUCO filed a Response to Staff's Motion to Consolidate, stating that it  
9 has no objection to consolidation.

10 No other responses have been filed to Staff's Motion to Consolidate.

11 Decision No. 74237 ordered APS and any interested parties to submit, by April 15, 2014,  
12 information regarding whether it is necessary to continue the final 30 MW phase of APS's AZ Sun  
13 program in order to comply with the 2009 Settlement Agreement, and discussion of the cost  
14 effectiveness of utility owned generation and third party wholesale purchased power agreements in  
15 completing the final 30 MW phase of AZ Sun. Decision No. 74237 ordered Staff to discuss, in  
16 Staff's recommendations regarding APS's 2015 REST Plan, whether or not APS needs to install any  
17 portion of the final 30 MW phase of AZ Sun in order to comply with the REST Rules and/or the 2009  
18 Settlement Agreement. Decision No. 74237 ordered Staff to consider in its recommendations the  
19 information filed by APS and any interested parties regarding the cost effectiveness of utility owned  
20 generation and third party wholesale purchased power agreements in completing the final 30 MW  
21 phase of AZ Sun.

22 On April 15, 2014, in compliance with the requirements of Decision No. 74237, APS filed the  
23 Redhawk Solar Project Application requesting authorization for APS to proceed with the construction  
24 of a 20 MW utility-owned solar project to be located at APS's Redhawk Power Station as part of  
25 APS's AZ Sun program.

26 On July 28, 2014, APS filed the AZ Sun DG Program Application as an alternative to  
27 Redhawk Solar Project Application.

1 Pursuant to Decision No. 72437, Staff's recommendations on APS's Redhawk Solar Project  
2 Application and on APS's alternative AZ Sun DG Program Application should be filed with Staff's  
3 analysis on APS's 2015 REST Plan. Because APS's Redhawk Solar Project Application and APS's  
4 alternative AZ Sun DG Program Application were filed in Docket No. E-01345A-13-0140, and  
5 APS's 2015 REST Plan was filed in Docket No. E-01345A-14-0250, it is appropriate to consolidate  
6 the two dockets, as Staff requests.

7 TASC Intervention Request

8 No response was filed to TASC's request for intervention in Docket No. E-01345A-14-0250.  
9 TASC has already been granted intervention in Docket No. E-01345A-13-0140, and is therefore now  
10 a party to the consolidated dockets.

11 IT IS THEREFORE ORDERED that Docket Nos. E-01345A-13-0140 and E-01345A-14-  
12 0250 are **hereby consolidated**.

13 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
14 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

15 DATED this 22<sup>nd</sup> day of October, 2014.

16  
17   
18 TEENA JIBILIAN  
19 ADMINISTRATIVE LAW JUDGE

20 Copies of the foregoing mailed/delivered  
21 this 22<sup>nd</sup> day of October, 2014 to:

21 Thomas A. Loquvam  
22 Melissa M. Kreuger  
23 PINNACLE WEST CAPITAL CORPORATION  
24 400 N. 5<sup>th</sup> Street, MS 8695  
25 Phoenix, AZ 85004  
26 Attorneys for Arizona Public Service Company

27 Garry D. Hays  
28 LAW OFFICES OF GARRY D. HAYS, PC  
1702 E. Highland Avenue, Suite 204  
Phoenix, AZ 85016  
Attorney for Arizona Solar Deployment Alliance

1 Court S. Rich  
2 ROSE LAW GROUP, PC  
3 6613 North Scottsdale Road, Suite 200  
4 Scottsdale, AZ 85250  
5 Attorneys for Solar Energy Industries  
6 Association and The Alliance for Solar Choice

7 C. Webb Crockett  
8 Patrick J. Black  
9 FENNEMORE CRAIG, P.C.  
10 2394 East Camelback Road, Suite 600  
11 Phoenix, AZ 85012  
12 Attorneys for Freeport-McMoRan and AECC

13 Mark Holohan, Chairman  
14 ARIZONA SOLAR ENERGY INDUSTRIES ASSOCIATION  
15 2221 W. Lone Cactus Drive, Suite 2  
16 Phoenix, AZ 85027

17 Daniel W. Pozefsky  
18 Chief Counsel  
19 RUCO  
20 1110 W. Washington Street  
21 Phoenix, AZ 85007

22 Janice Alward, Chief Counsel  
23 Legal Division  
24 ARIZONA CORPORATION COMMISSION  
25 1200 W. Washington Street  
26 Phoenix, AZ 85007

27 Steven M. Olea, Director  
28 Utilities Division  
29 ARIZONA CORPORATION COMMISSION  
30 1200 W. Washington Street  
31 Phoenix, AZ 85007

32 By:   
33 Tammy Velarde  
34 Assistant to Teena Jibilian