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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS
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Arizona Corporation Commission

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AZ CORP COMMISSION
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OPENED FOR THE PURPOSE OF
COMMENCING A PROPOSED
RULEMAKING ON THE RENEWABLE
ENERGY STANDARD ("RES") RULES AS
DIRECTED IN ARIZONA CORPORATION
COMMISSION DECISION NO. 74365.

DOCKET NO. RE-00000C-14-0112

STAFF'S NOTICE OF FILING

At the Tucson Public Comment session on the proposed REST Rule changes on November 12, 2014, Staff was asked by the Administrative Law Judge ("ALJ") whether it had heard from the Center of Resource Solutions ("CRS") on the proposed revisions. Staff indicated that it had received an email from CRS regarding the changes and that Staff would docket that email for informational purposes. Staff has attached the email from CRS for the Commission's and ALJ's consideration.

RESPECTFULLY SUBMITTED this 13th day of November 2014.



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Original and thirteen (13) copies
of the foregoing filed this
13th day of November 2014 with:

Docket Control
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1 Copy of the foregoing **emailed** this
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Maureen Scott

From: Robin Quarrier <robin@resource-solutions.org>
Sent: Monday, November 10, 2014 11:21 AM
To: Maureen Scott; Bob Gray
Cc: Jennifer Martin
Subject: Nov 3 Staff Proposed Changes

Dear Bob and Maureen,

We have reviewed the Staff Comments filed on November 3rd. We don't have the resources to respond formally but wanted to respond to your request for our initial feedback on the proposal. As we read the proposal, the proposed language changes would weaken the REST, which we do not support. However, the REST language, amended by the proposed staff clarifications, particularly differentiating between kWh for which the utility owns the RECs and kWh produced in the service territory for which the utility does not own the RECs, the clarification that the kWh where the RECs are not owned by the utility are not eligible for compliance with the REST, and the removal of the word "compliance" in the titles of sections containing information about kWh where the RECs not owned by the utility, lead us to believe that the resulting policy would not lead to double counting. We cannot make a conclusive determination without seeing the final language and how it is implemented, but this is our current understanding. The language in section R14-2-1805(F) has little or no bearing on the status of the RECs under Green-e Energy.

Even if this language is adopted, a future statement or action by the Commission contradicting the clarified intent that the kWh associated with RECs not owned by the utility are not eligible for compliance, could render the RECs ineligible for Green-e Energy. For example, if the Commission were to count up all the kWh regardless of REC ownership and use that information to determine REST compliance, the associated RECs will likely be ineligible for Green-e Energy due to double counting.

Regards,

Robin

Robin Quarrier
Chief Counsel
Center for Resource Solutions
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