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**REVISED BOB BURNS PROPOSED AMENDMENT NO. 1**

TIME/DATE PREPARED: December 16, 2014

RECEIVED

COMPANY: Tucson Electric Power Company

AGENDA ITEM NO. 9

DOCKET NO. E-01933A-14-0248

2014 DEC 16 P 4: 56

OPEN MEETING DATE: December 18-19, 2014

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**Page 10, line 23, ADD the following to the end of Finding of Fact No. 39:**

**ORIGINAL**

“We agree that the program should be limited to \$10 million. However, in our review of the available data, we believe that the \$10 million should include operation and maintenance costs not to exceed 3.5 cents/watt per year.”

**Page 11, line 7, ADD the following Finding of Facts:**

“42. Since this is a unique pilot program, TEP should form a voluntary, unpaid advisory committee that should advise the Company on a defined set of research goals. This advisory committee would be convened by TEP and include representatives involved in technological and operational aspects of rooftop solar and supporting infrastructure. This group of stakeholders should include, but not be limited to: Commission Staff (who should serve as the committee chair), the Electric Power Research Institute (“EPRI”), the Residential Utility Consumer Office (“RUCO”), other Arizona electrical utility system operators or engineers, a rooftop solar industry representative, an inverter manufacturer representative, and university power systems engineering departments. The group should review the direction of the project and provide feedback on program design. Reports on the program results as well as any research findings should be made public.

43. Additionally, in the Company’s annual report, the Company should provide information and documentation regarding the anticipated program benefits. This report should include, but not be limited to: (1) information regarding specific feeder capacity limits impacted by program installations; (2) avoided system reinforcements or capital improvements due to program installations; (3) operational impacts of the proposed distribution management system with respect to voltage and frequency control; and (4) any potential opportunities to study energy storage and PV coordination management at the feeder level.

44. The Commission seeks to ensure that the cost of the TEP program is similar to that of third-party programs; therefore, TEP commits to cost parity with current net metering rates, and if rate design is addressed in the future in a way that materially impacts existing net metering participants, TEP should evaluate options for existing solar customers, as well as TEP DG customers, to minimize any cost parity issues between the two groups and unintended impacts.”

**Page 18, Line 6, after the word “program” INSERT:**

“in particular, the Residential Solar – Company Owned Systems tariff reflected in Exhibit 9 of Tucson Electric Power Company’s application,”

Arizona Corporation Commission  
**DOCKETED**

DEC 16 2014

DOCKETED BY

**Page 18, line 7, INSERT the following after “approved” in the ordering paragraph:**

“and such \$10 million should include operation and maintenance costs not to exceed 3.5 cents/watt per year. The Commission’s approval of this pilot program should not be viewed as pre-approval for rate making purposes in a future rate case. No determination of prudence is being made at this time. Such a determination will be made during the rate case in which TEP requests cost recovery of this project.”

**Page 18, line 8, INSERT the following ordering paragraph:**

“IT IS FURTHER ORDERED that TEP should form an advisory committee that should advise the Company on a defined set of research goals. This advisory committee would be convened by TEP and include representatives involved in technological and operational aspects of rooftop solar and supporting infrastructure. This group of stakeholders should include, but not be limited to: Commission Staff (who should serve as the committee chair), the Electric Power Research Institute (“EPRI”), the Residential Utility Consumer Office (“RUCO”), other Arizona electrical utility system operators or engineers, a rooftop solar industry representative, an inverter manufacturer representative, and university power systems engineering departments. The group should review the direction of the project and provide feedback on program design. Reports on the program results as well as any research findings should be made public.”

**Page 18, line 8, ADD the following ordering paragraph:**

“IT IS FURTHER ORDERED that Tucson Electric Power Company should ensure that the cost of the utility-owned residential distributed generation program is similar to that of third-party programs. Accordingly, TEP should commit to cost parity with current net metering rates, and if rate design is addressed in the future in a way that materially impacts existing net energy metering participants, TEP should evaluate options for existing solar customers, as well as TEP DG customers, to minimize any cost parity issues between the two groups and unintended impacts.”

**\*\* Make all conforming changes**

<b>THIS AMENDMENT:</b>		
_____ Passed _____	Passed as amended by _____	
_____ Failed	_____ Not Offered	_____ Withdrawn