

OPEN MEETING AGENDA ITEM



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December 16, 2014 DEC 17 AM 11 41

COMMISSIONERS

Bob Stump - Chairman
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Brenda Burns
Bob Burns
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Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007-2996

ORIGINAL

Arizona Corporation Commission
DOCKETED
DEC 17 2014

DOCKETED BY

RE: Tucson Electric Power 2015 REST Plan/Docket No.: E-01933A-14-0248

Dear Commissioners:

In a call between TASC and TEP on Friday December 5th Carmine Tilghman, Senior Director, Wholesale, Fuels, & Renewable Resources for Tucson Electric Power, explained (twice) that the TEP program first-and-foremost is intended to be a consumer choice product for everyone. He further explained that TEP engineering has not identified feeders that can provide system benefits. TEPs proposed program is therefore not intended to provide such benefits.

Contrary to TEP's assertions, the Company will *not* in fact be directing systems to areas of the local grid where DG benefits can be maximized and negative impacts can be minimized. TEP claims "[t]he Company can direct systems to areas of the local grid where DG benefits can be maximized and negative impacts can be minimized."¹ However, TEP's proposed tariff states service will be available "throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and configuration and are adjacent to the premises."² No other restrictions are mentioned in the tariff that suggest TEP intends to direct systems to areas of the local grid where DG benefits can be maximized and negative impacts can be minimized. Nevertheless, the Staff Report discusses the benefits of TEP targeting installations to "areas on its grid where DG will provide the most benefits to utility operations."³

TASC agrees that there are locational benefits to siting solar in certain areas. However, TEP has not identified the feeders on which DG would provide benefits because that is not actually TEP's intent in proposing this program. TEP's failure to demonstrate potential customer

¹ TEP Plan page 9.

² Tariff page 1.

³ *Id.*

and grid benefits demonstrates that their proposal is not at all geared towards achieving system benefits but merely focuses on their desire to compete with private solar developers.

Rather than work with the existing market to encourage customers to install systems in ways that are beneficial to the grid, TEP has decided to take the most costly route for its ratepayers and to own the systems itself without any regard to locational or ancillary benefits. TASC encourages Commissioners and staff to complete full due diligence prior to approving TEPs proposal.

Should the Commission find TEP ownership of rooftop solar prudent for the purposes of this pilot, any TEP owned installations should be limited to areas of the grid that TEP identifies as being of high value. By imposing this requirement, the Commission would ensure that any authorized pilot program would be directed at achieving the benefits upon which the pilot program was justified and sold to the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Rich', with a stylized flourish at the end.

Court S. Rich

cc: Service List