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ARIZONA CORP COMMISSION
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April 1, 2015

Vincent Nitido
CEO/General Manager
Trico Electric Cooperative
PO Box 930
Marana, AZ 85653

Arizona Corporation Commission

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E-01461A-15-0057

Re: Trico Net Metering Elimination: Docket No. 15-0057

Dear Mr. Nitido,

We have had an opportunity to review your letter to Chairman Bitter-Smith dated March 26, 2015 that was written in response to my letter of March 23rd regarding the above referenced docket. While it was not our intent to trigger a letter writing exchange here we found one particular claim in your letter to be misleading and, therefore, requiring a response.

Trico absolutely is asking to eliminate net metering in its service territory. Net metering is the provision of a one for one credit for exported power on a customer's bill at the same rate the customer buys power from the utility. This is the law in 43 states and is called net metering. What Trico proposes is to do away with net metering and replace it with a credit for power returned to the grid at an avoided cost rate. This is not net metering. . As a result, Trico is not "modifying" net metering, it is doing away with it and replacing it with a minimum price purchase program.

Federal law requires the payment of an avoided cost rate for power exported to the grid under PURPA. The fact that Trico is proposing to pay the absolute minimum amount required by law for exported clean renewable energy does not mean that Trico is "continuing to provide a net metering subsidy" as you claim in the letter.

Crediting power to solar customers at far below its actual value and at a rate that does not exceed the utility's avoided power rate is quite simply no subsidy at all. This is no more a subsidy than it is a subsidy if a customer turns their lights off at night. The subsidy in this situation is on the side of solar customers who would be subsidizing all others by being forced to provide valuable clean power at peak times at well below its worth.

Finally, and on a different note, we are disappointed to see that your letter does not include an assurance that Trico is not going to ask that customers signing up before the Commission actually acts on this proposal be subject to changes, if any, that the Commission may make. We remain hopeful that if Trico is unwilling, the Commission will direct Trico to assure customers signing up before this matter is resolved that they will be permitted to interconnect under the rules in place today as was the case with the APS net metering docket. This is essential to make sure that the mere act of filing of an application, no matter how outlandish, cannot be a weapon used to shut down or disable the solar industry during the pendency of an action.

We look forward to engaging more fully in this docket as it progresses in an effort to support the jobs of our members and the freedom of individuals to utilize solar electricity to provide a portion of their electric needs.

Best regards,



Mark Holohan
President
Arizona Solar Energy Industries Association

cc: docket and Commissioners