

E-01461A-15-0057



ARIZONA CORPORATION COM
UTILITY COMPLAINT FORM

Investigator:

Phone:

Fax: RES. YEE

Priority: Respond Within Five Days

ORIGINAL

AZ CORP COMMISSION
DOCKET CONTROL

Opinion No. 2015 - 121458

Arizona Corporation Commission
Date: 3/17/2015
DOCKETED 17

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

MAR 18 2015

Complaint By: First: M. Elizabeth

Last: Henley

DOCKETED BY [Signature]

Account Name: M. Elizabeth Henley

Home:

Street:

Work:

City: Tucson

CBR:

State: AZ Zip: 85739

is:

Utility Company: Trico Electric Cooperative, Inc.

Division: Electric

Contact Name:

Contact Phone:

Nature of Complaint:

OPPOSED DOCKET NO. E-01461A-15-0057

3/12/15 email from Ms. Elizabeth Henley:

Re: Opposition to the New Net Metering Rate Tariff for Solar Generation Proposed by TRICO Electric

Tucson, AZ 85739-2347
March 8, 2015

Dear Members of the Corporation Commission:

I am opposed to the new Net Metering Rate Tariff proposed by TRICO Electric for several reasons:

The process used to date has not been transparent or clear

The process is not fair to those with solar contracts signed but not yet completed

The proposal itself is not a good one and will not promote solar usage in the state of Arizona

I will address each of these items individually, but certainly they are overlapping.

My personal situation:

I am a 73-year-old retiree living full time at the above address, which is in SaddleBrooke. I receive my electric service from TRICO Electric Cooperative. I was trained as an engineer, but I don't pretend to have any expertise in solar energy. While I spent 8.5 years of my career working for a company making control systems for electric utilities, I truly have no expertise in the economics of electric utilities, although I-and probably

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most other people know that the cost of purchasing power does not cover all the costs of a utility. I consider myself an environmentalist, and I've been interested in solar for a long time, but I haven't done the research necessary to obtain a system. Recently, some friends that I trust told me about getting one, and I decided to "piggyback" on their research. I want to emphasize that while I strongly believe in the use of solar, the purchase of a solar system has to make economic sense for me.

For the record, my electric bill runs about \$60/month during the cooler months of the year when I am not using A/C, and up to 2.5 times that in the summer when I am using A/C and am here the whole month. Like many retirees, I travel a lot; so there are months that I am not here much. We ran a lot of calculations for my yearly use, and they all came out somewhere in the neighborhood of 6000 kwh/year. We sized my system to produce just a little more than that amount, mostly as an even multiple of what a solar panel is expected to produce. With the reimbursement of only \$.035/kwh (the approximate amount provided to me initially) for any amounts my system produces in excess of my needs, it didn't make any sense for me to buy more panels, especially considering that I have to pay taxes on that amount. However, I would have purchased one more panel had the economics been more favorable because I do not expect to travel so much in a few years. The only way solar makes sense for me economically is on a yearly basis. Furthermore, it needs to pay for itself in less than ten years.

I attended a general meeting by TRICO in SaddleBrooke on February 5 (more about this later in this letter) and signed a contract to obtain a solar installation from American Solar and Roofing on February 13. I was so impressed with the presentation made to me on that first call that I wrote a letter of commendation for the representative who met with me. My system was moving along quite nicely, and they expected it to be completed and ready for hookup with TRICO no later than March 31. A permit application was submitted to Pinal County, and one person from American Solar told me that it had been approved, but I'm not sure about that.

On March 3, I received a phone call from _____, Director of Key Accounts and Sustainable Energy Programs at TRICO, about 9:00 am. She was very cold and matter of fact on this call, and I was very upset with the contents of what she conveyed to me:

TRICO had submitted a proposal for change in their solar rate structure to the ACC, which she described briefly to me

American Solar had not complied completely with their requirements for grandfathering me into the old rate system

The only exception was if they had a Pinal County permit for me signed by February 27

This was the first I had heard of a proposed change to the rate structure, although the General Manager of TRICO did suggest in his talk that one would be necessary.

Of course, I instigated communications with American Solar immediately. They, too, were blindsided by this proposal and had only about 27 hours to comply with requirements that they say were not clear.

Since that time, my contract has been modified so that if I am not grandfathered into the existing rate structure, I can receive a full refund of my deposit if I do not like the new rate structure. I do not like the proposal and plan to take advantage of the ability to cancel without penalty if the commission chooses to approve it.

Furthermore, all work on my system has been stopped until the ACC has acted on this proposal.

The Process of Submitting this Proposal:

At the general meeting sponsored by TRICO in my community on February 5, Vin Nido, the General Manager and CEO of TRICO spoke. Part of that discussion concerned the tri-fold increase in solar in 2014 and the expectation of continued increases. In that discussion, he spoke briefly about the retail reimbursement of solar produced and how that does not cover other fixed costs, which are currently being borne by TRICO members who do not have solar installations. He muttered that those who

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currently had systems would be grandfathered into the old system since they bought their systems with those economics in place. (For the record, I bought my system based upon those economics as well, as did everyone else under contract.)

I've been "around the block" a few times in my lifetime, and I am accustomed to proposed rate changes by utilities, etc to be publicized well ahead of time and all customers being sent notices of such proposals, along with ways to provide comments. It is inconceivable to me that this proposal was not nearing completion at the general meeting I attended on Feb 5. However, the General

Manager did not mention that. I have looked back to the previous edition of "The Livewire," TRICO's four-page communications that come to customers in their monthly bills, and there was also no mention of a proposal. Today, I did find the proposal on TRICO's website, but I didn't look at their website prior to this time; I had no known reason to do so. I have no way of knowing how long the proposal has been on it.

Upon inquiry to American Solar, I have learned that they received information about this proposal at 2:15 pm on Feb 26, and they have a long series of emails trying to clarify what was needed to grandfather their current customers into the existing rate structure. They have told me they plan to submit their communications with TRICO to you, so I will not say more.

From my perspective, the process of submitting this proposal "stinks to high heaven;" and has every indication of an attempt to sneak it through, grandfathering in as few people as possible. This might have been legal, but I consider it totally unethical. As a result of this process not being open, transparent, and provided in time for solar companies to comply, I propose that you order TRICO to grandfather all customers of all solar companies who have contracts signed as of March 31, 2015, into their existing rate structure. (If you can do this before the proposal makes its way into your regular meeting agenda, there are many people who would be most appreciative.) I think such action would send a very clear message that their methodology is not desirable or acceptable.

Having lived in CA for 44 years, essentially my entire adult life prior to retirement and never having encountered such a mess, I further propose that the ACC impose regulations on utilities regarding proposed changes in rates that provide for more openness, transparency, and plenty of time for those affected to comment and comply.

Merits of the Proposal:

As I stated above, I am neither an expert on solar nor on the economics of a utility. However, in the process of signing my contract, I learned the following:

The peak periods of solar production: are in the spring: April through May. Not only are the days longer, but the systems are more efficient when it is a bit cooler. Obviously, the peak periods of usage are when A/C is required, and these periods do not coincide with peak production.

The above considerations do not take into account:

Weather patterns which affect both production of solar power and the usage of it

Usage dictated by periods of absence that occurs for a variety of reasons, including business and pleasure but not limited to these.

Periods of heavy usage caused by visitors or healthcare equipment, etc.

As I found out when I looked at several years of bills and ran my calculations several different ways, usage tends to even out by the year, but certainly not by the month.

I'd like to think that we can all agree that the use of solar energy, particularly in Arizona, is a really good thing for our environment, which affects us all. I have said nothing about the pollution

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problems of the Navajo generation plant, the EPA requirements to reduce these, and the rate increases that TRICO customers will undoubtedly have to pay as a result of these. However, I am aware of these issues, and I'm very sure that the more solar power that is produced in the state, regardless of the source, the less problems we will encounter for the usage of fossil fuels, including the building of new plants and the retrofitting of existing ones.

For the first time in my life, I pay a monthly fixed fee on my utility bills, and it is my understanding that this amount helps to even out the costs of workforces that are sized for full-time residents, for many of our residents are snowbirds. This is a cost that I bear for which I have no responsibility. I'm sure that there are many other costs that are not equally borne by all consumers. I am suggesting that the use of solar systems is legitimately one of these costs.

I encourage you to reject this proposal and to make it clear that any further proposals must be based upon a year's usage. I sadly fear that a monthly reconciliation of usage versus production would kill further expansion of solar in the TRICO service area for all but the very rich or altruistic among us. Any proposal needs to be fair but also to provide strong encouragement for the use of solar. I have not attempted to figure the economics of the proposal, but it is immediately obvious that the payback period would be a lot longer.

I would further encourage you to attempt to make the use of solar more appealing to others by increasing the reimbursement for solar power above the proposed \$.0366/kwh. There are prices for fossil fuel that are not included in this price, and I hope you want to discourage its use.

Thank you for considering my comments and proposals.

Very truly yours,

M. Elizabeth Henley
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

3/17/15 DOCKETED CLOSED

Reference Complaint filed in UCF, please see No. 121475.
End of Comments

Date Completed: 3/18/2015

Opinion No. 2015 - 121458
