

ORIGINAL

Teresa Tenbrink



0000163068

E-01575A-15-0127

From: David Shirley <daveilona@cox.net>
Sent: Monday, April 27, 2015 10:29 PM
To: BitterSmith-Web
Cc: Stump-Web; RBurns-Web; Forese-Web; Little-Web
Subject: Inputs on SSVEC Docket No. E-01575A-15-0127

Chairman Bitter-Smith and fellow Commissioners,

I am very disappointed with SSVEC's lack of dialogue on their proposed changes to the current net metering rules. From my view, I believe SSVEC is trying to expedite ACC approval of their proposal before solar users can find out what is in it.

If SSVEC's request is approved, it may be the death of the residential solar business in Cochise County. Furthermore, if the solar contractor that installed my system goes out of business, I could have a serious problem finding a qualified contractor to service any maintenance or warranty issues which may arise. This is a serious problem for all solar users.

I have spent thousands of dollars on my solar system and hope to benefit from it far pass the grandfather date.

I support allowing SSVEC to lower what they currently pay to solar users from 12.6 cents per KWh to 8.98 cents per KWh for excess power generated. This would protect my investment and allow SSVEC to collect what they need.

In addition, lift the grandfather clause immediately to unfreeze the solar market in Cochise County so that solar stallations can continue under the current net metering rules.

Thank you in advance for your consideration to this matter.

David B. Shirley
3091 Gemstone Ct
Sierra Vista, AZ 85650

Arizona Corporation Commission

DOCKETED

APR 29 2015

DOCKETED BY	RC
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AZ CORP COMMISSION
DOCKET CONTROL

2015 APR 29 P 3:24

RECEIVED

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

In reference to Docket numbers:

E-01461A-15-0057

E-01933A-15-0100

E-01575A-15-0127

My name is Chad Waits. Since 2008 I have owned Net Zero Solar in Tucson, AZ. We are a design and build firm specializing in rooftop and ground mounted solar electric systems. Net Zero Solar has roughly 600 customers in Pima, Pinal, Santa Cruz, Cochise, and Graham counties. Our grid-connected systems are interconnected with the following utilities: Tucson Electric Power (TEP), Sulphur Springs Valley Electric Cooperative (SSVEC), Unisource, and TRICO. I'm writing this email on behalf of our current customers and employees.

The recent proposals in the above referenced docket numbers have created several problems that have made it almost impossible for Net Zero Solar operate our business.

1. All 3 proposals insist that there is a cost shift from solar ratepayers to non-solar ratepayers. This may be true, however, we know very well that cost shifts occur in all the rate structures of Arizona utilities, both investor owned utilities, and cooperatives. Customers that use large amounts of energy subsidize customers that use small amounts of energy. Urban customers subsidize rural customers. Snowbirds pay less in fixed costs. And so on...
2. All three proposals have "grandfather dates", with SSVEC and TRICO only giving about 48 hours notice to get potential solar customers in under the deadline. This has effectively stopped all sales of solar electric systems for my business in the SSVEC and TRICO service areas. With TEP's June 1st, 2015 "grandfather date" rapidly approaching, it will be only a few weeks before we will have no place to sell our products and services.
3. If none of these proposals are heard and decisions made until late in the year, it will put Net Zero Solar out of business and you can add ten people to Arizona's unemployment ranks.

Cost shifts are appropriately addressed in rate cases, as ACC staff has recommended for both TEP and TRICO. This alleged cost shift should be treated no differently. I respectfully ask that the Commissioners immediately order all parties to withdraw, at the very minimum, the "grandfather date" in the proposals and let the free market continue until each case is heard, and more importantly, a carefully considered

decision is made. It seems extremely unfair to the ratepayers and to the solar businesses to now have to wait in limbo while these proceedings play out in lengthy and costly commission hearings.

Thank you.

A handwritten signature in black ink, appearing to read 'Chad Waits', written in a cursive style.

Chad Waits
Owner - Net Zero Solar
101 W. 5th St., Tucson, AZ 85705
520-207-4053
chadwaits@netzerosolar.net

Teresa Tenbrink

From: Chad Waits <chadwaits@netzerosolar.net>
Sent: Friday, April 17, 2015 3:13 PM
To: BitterSmith-Web; RBurns-Web; Stump-Web; Forese-Web; Little-Web
Subject: Letter In reference to Docket numbers: E-01461A-15-0057, E-01933A-15-0100, and E-01575A-15-0127
Attachments: BRN30055C38BE29_001683.pdf
Importance: High
Follow Up Flag: Follow up
Flag Status: Completed

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

In reference to Docket numbers:

E-01461A-15-0057
E-01933A-15-0100
E-01575A-15-0127

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Thank you.

Chad Waits
President/Owner – Net Zero Solar
101 W. 5th St., Tucson, AZ 85705
Office: 520-207-4053
Cell: 520-270-4873
NABCEP Certified PV Installation Professional
NABCEP Certified Solar Heating Installer



Teresa Tenbrink

From: JAMES F JOHNSON <jsjohnson05@msn.com>
Sent: Sunday, April 26, 2015 5:43 PM
To: BitterSmith-Web
Subject: SSVEC Net Metering proposal
Attachments: Scan0025.pdf

James Johnson

To: BitterSmith-web@azcc.gov
twkennedy@cox.net
Subject: Proposed Solar Program Changes

Importance: High

Dear Chairman Bitter-Smith:

This email is regarding the proposed change to the Solar program by SSVEC.

Three years ago we had solar installed in our home. We did so because we had been told by several different parties including the U.S. government that it would be good for the environment, reduce the amount of electrical power that had to be produced and it would be economically beneficial to us in the long run. We have been pleased with our solar system which has consistently produced more energy than we consumed. Now SSVEC proposes to reduce the rate at which we are compensated for producing electrical energy by 75%! This would, in effect, eliminate any benefit we were expecting (and obtaining) under the rules in effect when our system was installed. Under the new proposed rate our expected pay-back period would be extended from a reasonable time (within my life expectancy) to a period of time beyond the life expectancy of my children! We would never have installed solar if the rate now proposed by SSVEC had been in effect when we installed.

I believe we have been the victim of a "bait and switch" ploy – get them into the program under reasonable terms that will produce a predictable benefit, then change the rules for the total benefit of SSVEC.

In addition to this obvious result there will be predictable "collateral damage":

- . Fewer (probably 90% fewer, or more) potential customers will install solar when they determine the economics don't make sense and the belief that if SSVEC can change the rules this time, they can do it again,
- . Solar installers will go out of business,
- . Jobs will be lost because installers go out of business,
- . It will be difficult for current solar owners to maintain their systems because the installers are gone.

There are probably other "unintended results" which do not now come to mind – there always are.

James F. Johnson

Teresa Tenbrink

From: Nancy Ament <dnament@earthlink.net>
Sent: Sunday, April 26, 2015 5:08 PM
To: BitterSmith-Web; RBurns-Web; Stump-Web; Forese-Web; Little-Web
Cc: 'Tom Kennedy'
Subject: DOCKET NO. E-O1575A-15-0127

I understand you will take up the above docket in the near future. Please consider the following in your deliberations:

1. The manner in which SSVEC announced their intention to change the reimbursement rules for solar customers was and is offensive to those of us who installed roof top solar. Their notice says we (2% of their members) are being unfair to non- solar members and are costing them money. The notice also is a blatant effort to quash small solar installer businesses by setting an April 14, 2015 cut- off date for applications under the current rules. In addition, the local newspaper (The Herald) was fed a similar line to further the class warfare theme.
2. We were made aware some time ago that SSVEC wanted to change the rules regarding the rate paid for residential generated solar power and we expected some adjustment would be necessary. We also believed SSVEC would give us prior notice of any proposed changes and time to raise questions. This did not happen. A fellow member of the cooperative, Mr. Dave Grieshop, submitted a letter to you dated April 21, 2015 proposing an alternative which I believe most of us could accept. I hope you will consider his proposal carefully since it would provide for more equitable cost sharing and relief for the solar installer companies.
3. Another idea worth considering would be to open a rate case hearing wherein SSVEC's actions could be construed as single issue ratemaking and therefore unacceptable.
4. In short, we feel that SSVEC themselves acted unfairly and tried to set solar users and non-users at odds. It is also evident that they want to severely limit or stop further residential solar expansion. Therefore, I urge you to reject the SSVEC submission and direct that solar installers can continue under current net metering rules pending further action.

Thank you for your consideration
Richard Ament, Sierra Vista

Teresa Tenbrink

From: R BASS <omni757@msn.com>
Sent: Sunday, April 26, 2015 4:05 PM
To: BitterSmith-Web; RBurns-Web; Stump-Web; Forese-Web; Little-Web
Subject: Docket No. E-0157A-15-0127

To All:

I am an SSVEC customer who purchased solar power six years ago. I purchased the solar power because it was eco-friendly and cost-effective with the offered incentives. Now I learn that SSVEC is casting me as a "subsidized" customer who's not paying their "fair share." Their portrayal of me and other solar power customers ultimately facilitates justification to renege on the original incentives for me to purchase solar power.

I have several comments about their recent actions. First, I resent SSVEC making an appeal based upon "class warfare." Reality tells us the SSVEC's customer base is economically stratified. That's part of life in a free, capitalist nation. However, SSVEC somehow feels justified in using a populist appeal to generate more revenue — revenue that I believe they will use to accelerate their plans to build/operate a solar farm. It seems to me that all customers should pay the same costs for the same service, but that hasn't happened because of cost-shifting — another reality.

Second, what does "fair share" mean when cost-shifting occurs as a routine part of their business? For example, is it "fair" that I live in the city yet help pay for the infrastructure costs for distant SSVEC customers? Is it fair that I make an investment decision based upon one set of SSVEC criteria and then allow SSVEC to change the criteria at their discretion later? My initial outlay of capital was over \$30,000 — was that "fair" in the eyes of SSVEC while other customers were already benefitting from cost-shifts at the time? My point is this: SSVEC's assertion of what is "fair share" masks factual truths in this matter. Without consideration of all the facts, how can anyone claim to be adjusting policy "fairly"?

Third, what are the facts? Wouldn't a normal process in this matter allow interested parties to voice their concerns over SSVEC policy plans? My understanding is that SSVEC filed an official request to the Arizona Corporation Commission asking for an exemption from some of the current rules effective April 15th, 2015. Preceding their request was a hurried solicitation for input from customers around April 10, 2015. Is that really an adequate amount of time to receive and evaluate customer concerns? Maybe that's why they employed the politics of "solar power have's" vs. "solar power have not's" — to generate numbers for approval and support. After all, who cares about the 2% of solar power owners? Numerically, "they" have a small voice. Again, facts do matter and play a vital role in doing what's right for everyone. No entity should be in the business of picking winners and losers. Personally, I think it's despicable to pit people against one another on the basis of personal economics.

Finally, I ask that each of you on the commission consider SSVEC's petition only after discovery and analysis of the facts. With the limited information I have, it appears to me that SSVEC's proposal targets solar power owners for special treatment as a "rate class." Is that appropriate based on the facts? Is it allowable under current Arizona law? I have no expertise in this field, but rely on you to protect my interests in this matter. Please deny SSVEC's current petition (Docket No. E-0157A-15-0127) until their request can be fully vetted and evaluated.

With appreciation,
Roy Bass
2712 Provenza Dr.
Sierra Vista, AZ 85650
(C) 520.227.0288

Teresa Tenbrink

From: Nyles Courtney <ncourt@cox.net>
Sent: Sunday, April 26, 2015 12:46 PM
To: BitterSmith-Web
Subject: FW: Docket number E-01575A-15-0127

From: Nyles Courtney [<mailto:ncourt@cox.net>]
Sent: Sunday, April 26, 2015 12:17 PM
To: 'Bitter-Smith-web@azcc.gov'
Cc: 'RBurns-web@azcc.gov'; 'Stump-web@azcc.gov'; 'Forese-web@azcc.gov'; 'Little-web@azcc.gov'
Subject: Docket number E-01575A-15-0127

Dear Chairperson Bitter-Smith and Commissioners;

I respectfully request that Docket number E-01575A-15-0127 be summarily rejected for the following reasons:

1. SSVEC policies three years ago strongly encouraged their customers to invest in roof top solar systems. This enabled SSVEC to meet a government mandate to have a certain percentage of their customers utilizing solar power. These systems were purchased with a "good faith" understanding that SSVEC's net metering and associated charges would remain fixed for the foreseeable future. SSVEC's docket submission clearly indicates their desire to break their word to the solar customers who invested significant personal capital in roof top solar systems.
2. The docket submission coupled with the timing of customer notification by SSVEC, seems tailored to avoid any customer input.
3. It certainly appears that we (solar customers), are discriminately being singled out as a separate rate class after previously being encouraged by SSVEC to purchase solar. This is unfair and maybe not aligned with our Arizona constitution. If SSVEC currently has difficulty managing their business model, they should not look to 2% of their customers for resolution. They should look to 100% of the customers, all of whom have a broad disparity of power usage and therefore a variation in covering grid costs.
4. Due to the uncertainty created by SSVEC's desire to change course in their net metering procedures, the immediate future of the local solar market is being negatively affected. Many small business installers will have difficulty surviving, and existing customers would then have trouble procuring support for existing systems. Not good for our economy.
5. By rejecting this docket item, SSVEC could then transparently pursue their "solar problem" as a rate case, if they opt to, thus allowing "ALL" sides to be "FAIRLY" heard by the public and the commission.

Respectfully yours;

Nyles Courtney
ncourt@cox.net
2654 Meadowbrook Circle
Sierra Vista, AZ 85650

Teresa Tenbrink

From: libravo@q.com
Sent: Saturday, April 25, 2015 4:28 PM
To: BitterSmith-Web
Subject: SSVEC Plans for Solar

April 25, 2015

Dear Chairman Bitter-Smith and Commissioners,

We are upset about SSVEC's plan set forth in Docket No. E-01575A-15-0127. At our home, this will result in as much as \$50/month increase in my monthly electric bill. We are particularly upset that there was never any discussion of cost increases when we purchased the system. We did answer a survey which ask questions about us paying more fees, which we responded with that we did not agree to increased costs. At the time, we all went forward with solar in good faith that we were doing something good for the environment. We put \$12000 last year out of our pocket into our solar system. We received a small check from SSVEC compared to other homeowners in the years past.

SSVEC claims that they are pro-solar, but it seems that perhaps they are not for residential solar. They seem to want to charge us more when we are in fact providing electricity to the residential customers who have not invested in solar. Also there is some question of whether SSVEC's plan is even legal.

" It would appear in SSVEC's recent net metering proposal that solar customers, as a rate class, are being singled out unfairly. This could be construed as single issue ratemaking, and unconstitutional in Arizona. If this issue is to be fairly resolved, the merits of the utilities assumptions of a cost shift must be heard in a rate case where it can be weighed alongside all other cost shifts inherent in the utility (SSVEC) business model. Only then can evidence and testimony from both sides be presented and discussed in the context of ratemaking, and not a unilateral attack on one rate class."

"The "grandfather date" presented by SSVEC has put a freeze on the solar (free) market and has already hurt AZ solar installers. I would ask that this "grandfather date" be lifted from the proposal and that solar installations can continue under the current net metering rules, as there has been no decision one way or the other on the issue. Lengthy court proceeding only stand to exacerbate the problem moving forward. It is imperative, as a person who owns a solar electric system, that the solar contractor that installed my system stay in business to service any maintenance or warranty issues that may come up. This proposal is making that seem very unlikely."

I request that Docket No. E-01575A-15-0127 be summarily rejected and any discussion of grandfather deadlines be eliminated so that the solar industry can continue supporting our existing systems.

Very truly yours,

David A Cook and Lois I. Bravo
libravo@q.com



Sent from Windows Mail



Teresa Tenbrink

From: Richard Davis <sobaco@sanfili.com>
Sent: Saturday, April 25, 2015 1:03 PM
To: BitterSmith-Web
Subject: Solar proposals

“ It would appear in SSVEC’s recent net metering proposal that solar customers, as a rate class, are being singled out unfairly. This could be construed as single issue ratemaking, and unconstitutional in Arizona. If this issue is to be fairly resolved, the merits of the utilities assumptions of a cost shift must be heard in a rate case where it can be weighed alongside all other cost shifts inherent in the utility (SSVEC) business model. Only then can evidence and testimony from both sides be presented and discussed in the context of ratemaking, and not a unilateral attack on one rate class.”

“The “grandfather date” presented by SSVEC has put a freeze on the solar (free) market and has already hurt AZ solar installers. I would ask that this “grandfather date” be lifted from the proposal and that solar installations can continue under the current net metering rules, as there has been no decision one way or the other on the issue. Lengthy court proceeding only stand to exacerbate the problem moving forward. It is imperative, as a person who owns a solar electric system, that the solar contractor that installed my system stay in business to service any maintenance or warranty issues that may come up. This proposal is making that seem very unlikely.”

Teresa Tenbrink

From: EDEFJI@aol.com
Sent: Saturday, April 25, 2015 10:47 AM
To: BitterSmith-Web
Cc: RBurns-Web; Stump-web@azcc.web; Forese-Web; Little-Web
Subject: SSVEC Proposal Docket NO. E-01575A-15-0127
Attachments: My Solar letter.docx

Please read the attached comment from me concerning the SSVEC proposal on changing the way current solar owners are treated. I am asking that you deny their request.

Thank you for hearing my concerns!

Dennis Ehrenberger
2783 Glenview Drive
Sierra Vista, AZ 85650

520-378-1313

April 24, 2015

Subject: Docket No. E-01575A-15-0127 (which should be a rate case)

SSVEC mailed a proposal to the Co-OP membership only 2 days before docket submission to the ACC. My overall reaction was one of "class warfare." That is, the "solar haves" versus the "solar have-nots." SSVEC proposes to "grandfather" current Solar owners for 20 years and reduce net metered purchase from the current 12.6 cents to 3.07 cents once the "grandfather" period expires. Further, they propose to start the "grandfather" period from the day the system became active. I guess SSVEC feels this "grandfather" clause will stifle any comment from current solar owners. Well, about 22 solar owners met on 4/23 to discuss this proposal and we are far from happy with what SSVEC is proposing. The SSVEC proposal contradicts statements made by SSVEC when we first considered purchasing a roof top installation. Also, solar installations provide some relief for SSVEC to acquire KWH from outside sources. We, the solar owners, provided the infrastructure at our cost to accomplish this.

The SSVEC plan should be viewed as a "rate case" that singles out the solar customers unfairly. This could be construed as single issue ratemaking, which is unconstitutional in Arizona. I want to point out that all solar owners had out of pocket costs (forget about rebates and credits) of between \$18,000 and \$40,000 to install the system. These systems require periodic maintenance and at some point down the line possible panel repair/replacement. This is a future cost that all of us owners will face. The SSVEC proposal will do a great deal of damage to the Arizona Solar industry and will affect required maintenance down the road. The proposed "grandfather date" has already had an adverse reaction in the solar industry and could force some companies out of business.

After doing the math, the owners I met with feel that if there is a reduction from the current 12.6 cents to 8.98 cents (which we feel is fair) for purchased solar power, there is no need for any "grandfather clause because with this new 8.98 cents SSVEC will re-coup the costs they show. In addition, more individual home and business owners would consider an installation. Adopting the SSVEC plan basically kills future individual solar installations.

I believe there is a better way, with clarity the SSVEC member base can understand, as well as avoiding the class warfare of this new docket proposal.

I recommend you direct the Utilities Division to examine and evaluate the following:

1. Solar members pay their "fair share" of fixed costs with the 8.98 cents per kWh credit instead of the current 12.6 cents.
2. Eliminate the need for 20-year grandfathering or any grandfathering all who install solar.
3. At last, parity exists between solar and non-solar members - now and in the future.

In conclusion, the above proposed solution above does not destroy the solar business in Arizona; solar jobs are protected and would continue to grow; and, it protects Arizona's competitive advantage when it comes to solar. There is a lot at stake with your ultimate decision given the Utilities Division mission of, " ... balanced analysis ... consistent with the public interest."

Dennis Ehrenberger

Dennis Ehrenberger, Sierra Vista, Arizona 520-378-1313

Teresa Tenbrink

From: Tom Kennedy <twkennedy@cox.net>
Sent: Friday, April 24, 2015 4:51 PM
To: BitterSmith-Web; Stump-Web; RBurns-Web; Forese-Web; Little-Web
Subject: Docket No. E-01575A-15-0127

April 24, 2015

Dear Chairman Bitter-Smith and Commissioners,

I am upset about SSVEC's plan set forth in Docket No. E-01575A-15-0127. At my home, this will result in as much as \$60/month increase in my monthly electric bill. I am particularly upset that there was never any discussion of cost increases when I purchased the system. At the time, we all went forward with solar in good faith that we were doing something good for the environment and at the same time helping SSVEC meet government mandated quotas. Now we are considered the "bad guys" being subsidized by non-solar users. I put \$11000 out of pocket into my solar system. I hardly consider that being subsidized.

SSVEC claims that they are pro-solar, but this clearly is not true for residential solar. The fact that SSVEC is putting in solar fields reinforces my long held belief that electric utilities want to get into the solar business and they need to get residential solar users in line with their solar business model. Also, there is some question of whether SSVEC's plan is even legal.

Residential solar customers provide a service which is neither recognized nor rewarded. Our systems obviate the need for capital energy expansion thereby saving SSVEC customers money, yet we are scorned for having it.

If this policy is adopted by SSVEC, it will absolutely kill the residential solar business in Cochise County. Aside from killing an industry that is good for the economy and the environment, it also means that existing users will no longer have anyone to maintain their systems. This is a serious threat to all solar users.

I request that Docket No. E-01575A-15-0127 be summarily rejected and any discussion of grandfather deadlines be eliminated so that the solar industry can continue supporting our existing systems.

Very truly yours,

Tom Kennedy
Sierra Vista
twkennedy@cox.net



This email has been checked for viruses by Avast antivirus software.
www.avast.com

Teresa Tenbrink

From: Jane Martin <greatlady_63@yahoo.com>
Sent: Sunday, April 19, 2015 1:25 PM
To: BitterSmith-Web
Subject: Docket No. E-01575A-15-0127

Follow Up Flag: Follow up
Flag Status: Completed

I am writing to express my concern with the above proposal on the docket proposed by SSVEC. I am a senior citizens on a fixed income. I installed solar hot water & solar heating panels on my roof because I was assured that it would A) save me money over the long haul, B) be good for the environment, & C) be a good incentive when the time came to sell my home.

So far my solar hot water vendor has gone bankrupt leaving me with no support & no one to turn to about the savings quoted me that are not being earned. Plus the servicing vendor claims that he has been ripped off by the selling vendor & isn't servicing my hot water heater which has a 20 yr. warranty. If you add to that that the monthly cost of my A/C & heating is at least \$34.00 a month more than quoted, I feel this is a poorly regulated industry in what should be a boon for energy saving to all in Sunny AZ.

If this bill passed I will be in a worse position than I am now & wishing I had never gone "green" Please vote NO on this proposal.
Jane C. Martin

Teresa Tenbrink

From: rockycreek <rockycreek@ssvecnet.com>
ent: Wednesday, April 22, 2015 12:30 PM
To: jblair@ssvec.com; dbane@ssvec.com; chuber@ssvec.com
Cc: BitterSmith-Web; RBurns-Web; Stump-Web; Forese-Web; Little-Web; 'Chad Waits'
Subject: The end of Solar for SSVEC homeowners

Follow Up Flag: Follow up
Flag Status: Completed

Dear Jack Blair:
Referencing your memo, and it's undated but starts:

"We want you to know where Sulphur Springs Valley Electric Cooperative (SSVEC) is heading on the Net Metering issue. Net Metering is regulated by the Arizona Corporation Commission (ACC), the part of state government that oversees the utility industry."

It starts out by saying...

"We are pro-solar. In fact, we are in the process of evaluating final bids on a 20 MW Purchase Power Agreement. This solar field will cover more than 100 acres. This is an addition to our 41 school community solar projects (in 2009) and two other large solar projects; one in San Simon and the other in Sonoita (in 2012)."

This statement is of course complete BS, there is no correlation between building a solar electric generating field or adding solar projects to community buildings and encouraging home solar installations.

"Please also keep in mind as you consider this issue, we are a not-for-profit utility whose only purpose is to serve our members, 100% of whom are voting members of SSVEC because it is a cooperative. As a not-for-profit organization, we routinely return capital credits to our members/owners. Since SSVEC was founded in 1938, we have returned over \$17 million to our members. The point is that we are not motivated to enrich distant stockholders. We are 100% locally owned and controlled. Unlike huge for-profit utilities, we don't pay executive bonuses or provide stock options (although we do have a modest annual safety bonus awarded to employees who consistently use safe work practices)."

Mmm yes so what, if you are not for profit, what is the concern?

"SSVEC is attempting to maintain a fair playing field for all of our members. As a not-for-profit member-owned cooperative, SSVEC is governed by a member-elected board of directors and subject to the oversight of the Arizona Corporation Commission's rules and regulations. SSVEC exists to do one thing: provide reliable electric service to its members at the best possible price. We have successfully done that since 1938. You (our member/owners) continue to tell us that we are exceeding your expectations; in fact, our member satisfaction rate is among the highest in the nation when compared against our peers."

This is a nice history lesson, now what are you going to do to keep the member/owners of our COOP to exceed our expectations?

*"The tariff definition is "The ability to connect a customer's alternative power-generating system to a public utility's power grid to offset the cost of power drawn by the customer from the grid."
Since 1938, we have invested millions of dollars to build electrical transmission and distribution lines and substations throughout our service territory. Prior to 2009, our rates were designed to make sure that everyone who used those facilities paid their fair share of the cost. As you might have guessed from that last sentence, things have changed. Today, not everyone is paying their fair share, which is why it is important to discuss this net metering issue."*

I highlighted your statement that everyone is not paying their fair share, I did it for a reason, let me explain this fair share.

We Solar Electric providers, and that is 2% of your member/customers have paid a large amount of dollar expecting that sometime in the future that these solar panels (photovoltaic panels) we will break even on our investment, for me it was 7 years.

7 years is a long time for a typical homeowner, however I was one of your customers from 1981 to 1988, and again at that residence from 1990 to 1995, I have been at my current residence from 1995 to present, I installed PV just over 3 years ago.

"Under the current ACC net metering rules that were intended to promote more solar power (a goal with which we agree), we are required to pay retail prices for wholesale power sold to us by members who have solar installations. In other words, most people selling us solar power are paying little or nothing for the use of the poles and wire and the cost of operating and maintaining the system (even though they use that system whenever they are not generating enough solar power to meet all their needs). That amounts to a subsidy paid by our non-solar members. The 2% of our members who currently have solar units are being subsidized by the other 98%. The percentage of solar units is only going to grow larger."

I highlighted the BS...

You fail to understand that the power that the homes that have PV installed offset what you have to provide to the rest of their neighborhood, you provide a very small portion of the poles and wire and line losses to the PV providers, we are like your own little Apache Generating Station in your own backyard.

"SSVEC currently pays residential solar unit owners our current retail rate of 12.6 cents per kilowatt-hour when they sell solar power to us. We are asking the ACC to allow us to lower that amount to 3.07 cents per kilowatt-hour. That's how much we pay on average when we buy the power elsewhere. In other words, the ACC net metering rule requires to pay over 4 times more than we otherwise would for the power that our non-solar customers use."

So what you are saying is that you can sell us electricity at 12.6 cents / KWH that you are unwilling to buy that same KWH back from us to sell to our neighbor at no additional expense to you? Yeah that sounds fair.

"Net metering, in its current form, results in cost shifts from those with solar to those who do not have solar or can't afford solar or can't install solar (renters)."

So what you are saying it that if I am a frugal energy user, and for instance do not have an air conditioner and have replaced all my high energy appliances with energy star and all my incandescent light bulbs with LED bulbs, that is unfair to those that have not? ...more BS.

"A customer that is net metered avoids paying the full cost of those facilities and yet receives a full retail rate for power generated by the customer."

Again this is no different than that of a frugal energy user, or a snow bird that is only here 3 months of the year.

"The other members will eventually be forced to pay higher rates to subsidize these costs that are not being paid by net metered customers. In addition, as a result of the high cost of Distributed Generation ("DG") systems, affluent member/customers will be installing DG at the expense of less affluent member/customers."

Yes those that have not become more energy independent may have to pay more of the maintenance cost your distribution lines and power generation costs, although the maintenance costs of your distribution lines should have nothing to do with a less than 2% reduction in the power you need to transport over

those transmission lines. And so in your liberal thinking, affluent member/customers should be punished because they are more affluent? And perhaps you think that someone that has grid power available to them and chooses to go completely off-grid should pay for the infrastructure... I think not!

(No, it's not true for SSVEC. The typical residential solar system produces power, on average, for about 6 hours per day. Shorter winter days, rain, clouds, haze, dawns, and dusks reduce the amount of energy those solar panels can produce.)

So on one hand we are hurting our neighbor members by producing power, but on the other hand we don't produce enough to be a benefit to SSVEC... which is it?

"Since there is at present no affordable battery system for homeowners to store solar power, it means that, on average, those solar homes are using the SSVEC wires and poles (infrastructure) 18 hours a day. The trouble is, we have to pay for the infrastructure no matter how many hours it's used."

Wait, I'm confused about the facts, "there is no affordable battery system", seems to me I signed an agreement not to add batteries to my system, correct? Or can I now add a battery system so I don't have to be dependent on the SSVEC infrastructure 18 hours a day, which I am now paying to support the "wires and poles" 18 hours a day.

"Because SSVEC does not own any conventional generation facilities, the power we purchase at 3:00pm costs the same as power purchased at 3:00am. To keep within the car analogy, it doesn't matter what time of day we buy our gas."

This is almost a whole truth, but in reality you own 2% of your generating power via home owner installed PV systems, and their output during the daylight hours, which due to air-conditioning is the peak period of what you have to supply the power to your members/customers.

"SSVEC is currently allowed by the ACC to charge \$10.25 per month for the cost of the infrastructure (the cost of building, maintaining, and operating the system of poles, wires, and substations that brings power to your home). As you can see in the chart below, those things actually cost more. Our study shows it costs \$23.02 per month for the facilities to connect your home to the nearest transformer."

It seems to me that I paid to have electricity brought in to me when I build this house, so you're saying that it costs you \$23.02/month to maintain the 200' from the transformer that I dug the hole for and provided the A-B footing for so you could mount the transformer on the pedestal? And so over the past 20 years it has cost you \$5524.80 to maintain that wire?

You have lost all credibility. You also charge solar providers an additional fee for the special meter we were required to have.

"It costs another \$21.35 to connect that transformer to the nearest substation, and it costs \$27.52 to connect that substation to the power plants. Added up, it costs \$71.89 per month to build and operate the physical system that brings power to your house - no matter how much power you use!"

So therefore frugal users, snow birds and solar and wind generator users should be punished.

"SSVEC is not alone in seeking a change. Last year, the ACC allowed an adder to Arizona Public Service (APS) for solar customers. The Salt River Project (SRP) board of directors just voted to charge new net metering customers a demand charge that will average \$50 about a month (SRP is not under the jurisdiction of the ACC). Tucson Electric Project (TEP) and Unisource just petitioned the ACC for a waiver to the net metering rules similar to what SSVEC is proposing."

And APS, SRP, TEP are not COOPs...

"If you installed a system or submitted an interconnection request prior to April 15, 2015, SSVEC is proposing that these systems be grandfathered for 20 years from the date of activation. So you keep the deal you now have."

And of course being grandfathered does not affect the resale value of my home, more BS.

Your proposal will kill Solar Electric Home power generation in Arizona.

Sincerely,

**John J. Renwick
Hereford AZ**

Teresa Tenbrink

From: Inge & Steve Scheumann <sscheumann@cox.net>
Sent: Tuesday, April 21, 2015 3:40 PM
To: BitterSmith-Web
Subject: RE: ACC Docket # E-01575A-15-0127, SSVEC, New Net Metering Tariff Schedule NM-2 and Revisions to the Existing Net Metering Tariff Schedule NM

Dear Chairman Susan Bitter-Smith,

I managed change my whole working life and best practices were to keep users informed and make changes gradually if at all possible. I was very disappointed by the way I was informed of this change and the speed of the change. Sulphur Springs Valley Electric Cooperative (SSVEC) mailed its notice to customers on Friday April 10 and I received it on Monday April 13 with a proposed rule effective on Tuesday April 14.

I urge you to consider not approving these tariff schedules right now, but recommending that SSVEC provide its customers with more warning of this change and that the change be gradually implemented over a few years. This should be linked to a thorough review of cost-shifts. SSVEC mentioned cost-shifts in its notice. SSVEC stated that there is a cost-shift, with solar customers not paying their fair share of grid costs. A cost shift is not unfair by default-SSVEC's rates already include a number of cost-shifts due to rate design, where customers pay less or more than their fair share of grid costs. Some examples are customers who leave town for much of the year, customers with very low or very high-energy use, and urban versus rural customers. Cost-shifts should be considered in a rate case at the Arizona Corporation Commission (ACC). This process would allow a careful weighing of the best policy options for SSVEC's ratepayers, along with introduction of evidence, expert testimony, and significant ratepayer input.

This would be a win - win for everyone.

Respectfully,

Steven Scheumann
SSVEC Member - Net Zero since 2012

Teresa Tenbrink

From: David Grieshop <dgrieshop@icloud.com>
Sent: Tuesday, April 21, 2015 8:30 AM
To: BitterSmith-Web
Cc: Stump-Web; RBurns-Web; Forese-Web; Little-Web
Subject: Inputs on SSVEC Docket No. E-01575A-15-0127
Attachments: SSVEC - ACC docket comments V2 .docx; ATT00001..txt

Follow Up Flag: Follow up
Flag Status: Completed

Chairman Bitter-Smith and fellow Commissioners,

While I believe the SSVEC docket item should be addressed as a rate case, my inputs are attached:

April 21, 2015

Subject: **Docket No. E-01575A-15-0127**

SSVEC mailed attachment 1 (see docket) to its members only 2 days before docket submission to the ACC. My overall reaction was one of "class warfare." That is, the "solar haves" versus the "solar have-nots." Via this docket proposal, SSVEC exacerbates this perception by grandfathering the current "solar haves" for 20 years hence.

I believe there is a better way, with clarity the SSVEC member base can understand, as well as avoiding the class warfare of this new docket proposal.

SSVEC, to be an on-going concern, needs $TR > TC$. That is, total revenues (TR) need to exceed total costs (TC). Both TR and TC have fixed (F) and variable (V) components. As learned in economics, $TR = FR + VR$ and $TC = FC + VC$. The conundrum for SSVEC (and ultimately the ACC) is using VR to rectify a FC shortfall when addressing solar installations - or any other FC shortfall for that matter.

In a nutshell, SSVEC must recoup its true monthly FC of \$44.37 (page 6) by adding 4.704 cents per kWh sold (VR) to its average power purchase cost of 3.07 cents per kWh *in order to zero out the kWh adder* (page 5). What is not clear is whether the 4.704 cents per kWh is needed to recoup the \$44.37 or \$34.12 - the incremental difference between \$44.37 and \$10.25 now a monthly FC SSVEC collects from all residential customers regardless.

I recommend you direct the Utilities Division to examine and evaluate the following:

- **Solar members receive a credit of 8.98 cents per kWh returned to the grid.**
- **Rationale:** assuming \$44.37 is the correct FC for residential customers, SSVEC need only recover \$34.12 FC since SSVEC already invoices \$10.25 FC monthly.
- If 4.704 cents per kWh is required for \$44.37 FC recoupment, then only 3.62 cents per kWh is required for \$34.12 net full FC recoupment; a basic ratio calculation.
- 12.6 cents per kWh residential rate (SSVEC's highest rate class) minus 3.62 cents equals 8.98 cents per kWh credit recommended.

While the 'devil is in the math details' above, what this solution rectifies are:

1. Solar members pay their "fair share" of fixed costs with the 8.98 cents per kWh credit instead of the current 12.6 cents.
2. Eliminate the need for 20-year grandfathering for existing solar members.
3. At last, parity exists between solar and non-solar members - now and in the future.

In conclusion, the proposed solution above does not destroy the solar business in Arizona; solar jobs are protected and would continue to grow; and, it protects Arizona's competitive advantage when it comes to solar. There is a lot at stake with your ultimate decision given the Utilities Division mission of, " ... balanced analysis ... consistent with the public interest."

David S. Grieshop
David S. Grieshop
Sierra Vista, AZ

Teresa Tenbrink

From: georgep4@cox.net
Sent: Tuesday, April 21, 2015 6:55 AM
To: BitterSmith-Web; RBurns-Web; Stump-Web; Forese-Web; Little-Web
Subject: PRAGG01: Roof Top Solar Residential Customer Input on Docket E-01575A-15-0127

Follow Up Flag: Follow up
Flag Status: Completed

Dear Commissioners-

Please reference Arizona Corporation Commission (ACC) Docket No: E-01575A-15-0127 filed by Sulfur Springs Valley Electric Coop (SSVEC) in April 2015.

As a 34 year proud resident of Arizona, I wish to make three comments that may impact your decision in this matter.

1. Who should pay to reduced pollution in Arizona- I believe all Arizona residents must help pay the cost because we all rich or poor benefit from the positive environmental effects of solar electricity generation. Clearly we may have to pay in different ways. Those who can afford it have funded expensive roof top installation costs through ownership or lease arrangements. Those who cannot afford this route or choose not to or simply cannot (e.g. renters) will likely wind up paying 1% to 2% more each month on there electric bill which will probably be reflected in increased future FUEL or INFRASTRUCTURE costs. This seems fair to me and I believe a civil court will agree that this is fair.
2. Possible Legal Action- From the beginning of residential roof top solar installations in the SSVEC service area, I believe SSVEC has mislead its customers as to the cost of installing solar devices. SSVEC monthly bills have always and still do directly state that the vast majority of monthly electric costs are from FUEL costs. There has never been a split out of costs between FUEL costs and INFRASTRUCTURE cost. Had such a split out occurred in past bills, I suspect virtually no residence would have elected to install roof top solar even given the SSVEC SUNWATT program incentive. This misrepresentation may be grounds for a class action suit against SSVEC and possibly the ACC should the ACC enforce SSVEC's NM-2 or similar tariff. This class action may involve removal of roof top solar systems, payments to solar owners for funds already expended, and court costs associated with breakage of lease agreements.
3. Impact on future Residential Solar Installations- I believe under NM-2, the payback period for future solar installations will be so long that very few residences will install solar systems and that most installer companies will go out of business with the attendant loss of higher paying tax paying AZ jobs.

Thank you for taking the time to consider my input.

Have a great day
from Marilyn/George Praggastis (listed in the Sierra Vista phone book)

Teresa Tenbrink

From: RANDY REDMOND <randyredmond@hotmail.com>
Sent: Tuesday, April 21, 2015 6:35 AM
To: Forese-Web; Little-Web; BitterSmith-Web; Stump-Web; RBurns-Web
Cc: Derek Jordon
Subject: SSVEC 's Solar Request is a Contractual Violation

Follow Up Flag: Follow up
Flag Status: Completed

Mr. Forese, Mr. Little, Ms. Bittersmith, Mr. Stump, Mr. Burns,
(Mr. Jordon - please forward this to the letter to the editor column - thank you)

This email is in regards to the proposed changes requested of you, by our local energy provider - SSVEC. As a 35+ year member of the coop I am very happy with their overall service, but do not agree with their proposed changes. My disagreement is not based on their financials, it is simply based on integrity and contractual agreements.

When I answered SSVEC's solar incentive program in 2012-13 and installed solar it was because SSVEC was offering an incentive based on financial facts that they provided, as viable for both parties. Solar was presented to be beneficial for both the customer and the coop. Now I am being told, just 3 years later, that I am not paying my portion of the "system". I am not sure of the true impact because all costs associated with the "system" are presented by SSVEC. With that said I simply believe that my agreement should not change not based on the financials - but based on the fact that SSVEC presented me, and paid me an incentive, to install my \$20,000 solar system based on the saving to both parties. Now, only 3 years later I am being told that SSVEC is loosing 1M dollars because of residential solar customers. If the utility is truly loosing money then I suggest, like any corporation, you look to the responsible party who made the wrong decision and offered the incentives. Holding the customers responsible for a bad management decision to pay incentives and support the program is simply wrong. The SSVEC CEO should be held responsible for the decision - if their financials are truly accurate.

I feel like I was offered an incentive to finance my home and was notified 3 years after closing that my payment will be changed after 20 years - it is simply wrong. I, like many, agreed to the incentives and the sale pitch offered by SSVEC. They are now changing that agreement. I am not in support of SSVEC's attempt to transfer responsibility of this horrible financial decision by their employees, back to the customers who simply responded to their offer.

I would offer that the true costs are lower and would suggest the legal costs associated with a class action lawsuit by solar customers would be far more detrimental. How about you respond to SSVEC's request by telling them to "stand up" and accept liabilities associated with THEIR bad decision, and not allow them to transfer this to their coop members.

Thank you,
Randy Redmond
Fire Chief - Retired, Sierra Vista
Arizona Firefighter's Fund

Redmond Consulting
3511 East Little Hill Lane
Sierra Vista, Arizona 85635
1-520-456-4815

Teresa Tenbrink

From: Ray Bersano <r.bersano@cox.net>
Sent: Saturday, April 18, 2015 12:25 PM
To: BitterSmith-Web
Cc: RBurns-Web; Stump-Web; Forese-Web; Little-Web
Subject: SSVEC's Net a Metering Proposal

Follow Up Flag: Follow up
Flag Status: Completed

Attention:
Chairman Susan Bitter-Smith
Commissioners Bob Burns,
Bob Stump, Tom Forese, and
Doug Little

For the past several years my wife and I have been looking at installing Solar Panels. All we have heard for the past several years is how we are killing our planet. I have always been suspicious of Solar, and made excuses about the high cost, even after rebates and the long return of investment time. However, down deep I knew Solar was the right thing to do for our environment and our future. Now that Solar Panels are dependable , warranted and somewhat affordable, I could no longer make excuses. So we installed Solar Panels in January.

We are GRANDFATHERED, but

the new regulations will effectively Kill the Solar industry !

This seems so short sighted !! The Electric Companies should be looking at the Big Picture and not the immediate bottom line. I know this is a Industry Problem and Not just SSVEC !! I realize SSVEC is trying to look out for All their customers. But, you have to ask yourselves is Solar GOOD or BAD. If Solar is good, then You must say NO to SSVEC's request. If Solar is BAD then say yes to the request, BUT we all know Solar is GOOD. The entire Solar industry, especially the little guys will go out of business and Kill Solar in our area. You can't possibly want that ! But, that will be the effect of granting SSVEC's Request. SSVEC is a good Company run by good people , with a concerned Board of Directors. But, they got this one wrong, and this is happening all over the country. Someone must say Stop, look at the Big Picture and do the Right Thing.

I sincerely hope your Board will do the Right Thing !!!

Thank You For Your Time And
Consideration,

Raymond Bersano
Martha Bersano
Sierra Vista

Sent from my iPhone

Teresa Tenbrink

From: Marvin Purdy <nivram@cox.net>
Sent: Friday, April 17, 2015 6:34 PM
To: BitterSmith-Web; RBurns-Web; Stump-Web; Forese-Web; Little-Web
Subject: SSVEC proposal for Net Metering Customers

Follow Up Flag: Follow up
Flag Status: Completed

I am a little puzzled at SSVEC and their tactics to send out a mailings about their submitting changes to rules on Net Metering with only one day to respond. I also find fault in their reasoning that Net Metering customers don't pay their fair share. What happens with the banked power? It surely does not sit on some pole somewhere, SSVEC uses it to power other users.

Also, why did they give an incentive for so many years and now decides to change the way they operate. Wrong! We need to reduce fossil fuel usage and one way is to sponsor solar usage. SSVEC is even doing that in getting a solar farm setup for its use.

Let them know they need to stop these tactics of one day notice and do it with input from the community. SSVEC is a cooperative and they need to let the users decide how to proceed.

Thank you for your time,

Marvin Purdy

Teresa Tenbrink

From: Bob Spalding <spaldingrb@msn.com>
Sent: Friday, April 17, 2015 6:26 PM
To: BitterSmith-Web; RBurns-Web; Stump-Web; Forese-Web; Little-Web
Subject: SSVEC's Net Metering Proposal

Follow Up Flag: Follow up
Flag Status: Completed

ALCON,

As a current solar users I will first say, I'm immensely grateful for the "Grandfather" clause. Otherwise, this would have destroyed our return on investment which had a very significant cost.

Speaking for future customers and solar companies I can only imagine their disbelief regarding this proposal. This action will cripple the solar industry which is proven to a valuable, renewable, and an environmentally friendly resource. We take great pride in knowing the power we use comes from the sun and not nuclear power, oil, coal, or gas. I'm not asking to do away with this proposal completely but please, compromise on the return for excess k-Whs. Seventy-five percent reduction – really! This compromise is the only way future customers will see value added to their investment – an investment that will benefit all living creatures and this great irreplaceable planet we all reside on. Let's invest in the future!

My trust and faith are with you all to make the decision that will benefit new customers, solar industry and the power company. Please don't destroy this industry that focuses on renewable resources.

Thank you...
Bob and Pam Spalding
Hereford, AZ

Teresa Tenbrink

From: TnD Black <tnD.black3@gmail.com>
Sent: Friday, April 17, 2015 6:36 AM
To: Richard Martinez; Stump-Web; RBurns-Web; BitterSmith-Web; Little-Web; Forese-Web
Cc: investigators@kvoa.com; news@kgun9.com
Subject: Fwd: FW: SOLAR - SSVEC
Attachments: SSVEC_NET METERING.PDF

Follow Up Flag: Follow up
Flag Status: Completed

Richard,
Please update my comments or add if you could. Again, thank you in advance for assisting with the posting of below comments.

Reference: SSVECs petition/waiver submitted via Docket # E-01575A-15-0127.
I am requesting you attach the below comments to SSVECs waiver for all commissioners/reviewers to see.

I've cc'd the below to two News Channel Teams petitioning them to follow-up and research, investigate, and make people aware so that the public can comment to the ACC.

I am also trying to collect additional remarks to be submitted ... but I do not want the waiver to go unchallenged, so I submit the below as a start.

I am 100% for alternative solutions that may reduce our impact to the environment, drive down costs, etc.

Bottom Line: Arizona could lead our nation in solar production and use if "we" choose to. Management of our precious resources will always take a back seat to greed. One would think that the Arizona electric companies (such as SSVEC) would be looking to adopt and leverage current and future technologies for home solar systems but instead, SSVEC and other companies are opting to take another path. The lack of vision and/or leadership by our energy/electric providers is troubling and inconsistent to previous claims made by them to industry professionals and their customers whom, they say they value.

I Oppose SSVECs request for a waiver to NET Metering and would like the following addressed as rebuttal to SSVECs petition the ACC:

1. SSVEC's intent was not disclosed to their customers in advance.
 - SSVEC notified it's customers of their intent to stop NET Metering the day they mailed the attached (14 April 2015), the same day they filed the exemption to ACC - posted to the E Doc registry 15 Apr 2015..
 - SSVEC claims (in the attached and in the petition/waiver) to be customer oriented why were they not up front about this process of filing the petition?

According to the attached, SSVEC proposes to be the sole provider of electric (solar or not).

- SSVEC wants to build their own solar array.

- They do not want the public producing energy, although the public helped them meet the Green mandate.
 - Their intent, now is to cut these same customers out.
 - It is apparent that SSVEC wants to monopolize the generation and sales of electric, putting the customer in a position that is NOT beneficial.
- SSVEC proposes to control more resources, and if they do, they may charge whatever they want. It appears they want customers as consumers only.

3. SSVEC claims:

- They pay retail prices for solar produced by members: Not sure this claim is totally true. Maybe they are referring to credits; meaning the credits they post to a solar customers account is reimbursable at the same rate as they are billing that customer for usage.

- Solar customers pay little to nothing for the use of the poles and wire. Early last year SSVEC raised their meter fees ... rationale: to defray the costs of infrastructure. (another flyer I received earlier ... I will have to find a copy of that)

We do pay a meter fee, and we are charged taxes for energy use even when the use results in a credit.

What about the cost savings to SSVEC in reduced transmission, is this addressed (more stated below)

- According to the document, Solar customers (making up 2%) are free loading on the other 98%.

Are we talking about 2% of the customer base demolishing SSVEC's profits, and negatively impacting their ability to operate?

This needs to be challenged.

- The solar subsidy is unfair to non-solar members?

We need an explanation.

How is the government sponsored subsidy unfair to those who choose to or cannot afford Solar?

What about corporations who have installed solar panels (military facilities, businesses, etc)? What is the impact to them?

SSVEC seems to claim that they are having a hard time sustaining the grid.

Have they produced facts indicating that they are in trouble keeping pace with maintenance, sustainability, etc?

- Solar energy produced by home systems are unreliable - because the weather (time of sun) is inconsistent page 2 ... but then SSVEC tells how they will become more effective in the production of cheaper electric when THEY complete their solar systems (page 4).

Apparently these systems will not rely on weather or earth rotational issues, seasons.

4. Why is SSVEC so opposed to methods of driving costs down for the consumer?

Contrary to the Attached Article: In my 14 years with SSVEC I have NEVER received a rebate or cost savings on my electric bill until I paid for the installation of Solar at my residence.

5. Rooftop solar has broad collective economic benefits:

- Cooler homes in the summer (the panels shade rooftops) = reduction in energy required to cool those homes.
- Local energy: Power produced on solar rooftops stays local, it doesn't travel far like utility-scale electricity.

- Savings to electric companies, due to a reduction in transmission
 - Local electricity distribution from solar reduces use and congestion of the transmission and distribution system - saving SSVEC and all SSVEC customers' money through reduced need for grid maintenance. (Imagine the reduction to long haul transmission if more homes had solar systems)
- Energy at the Right Time: Solar produces electricity during the time of day when it is most expensive, saving customers money.
- Job Creation: Rooftop solar generated jobs even during the Great Recession. There are currently 10,000 rooftop solar jobs in AZ.
- Ignoring the benefits of rooftop solar for all of its customers, SSVEC sees it only as a threat to its bottom-line.

6. SSVEC received many kudos in the solar panel industry (references can be provided) and found online it is interesting to note that they are now backing out on promises/agreements made with customers who fronted their personal funds to help SSVEC get these awards, and drive the conversion to green energy.

7. Lastly, SSVEC states that TEP, Unisource, APS, SRP, and TRICO are all seeking the same waiver to NET Metering.

Comment:

The current petition/wavier is a slap in the face to the user/consumer for wanting to do the right thing. Why can't, why shouldn't, why couldn't AZ be ranked number 1 in solar production? see the following URL ...

<http://www.seia.org/research-resources/2014-top-10-solar-states>

Do Not approve SSVECs waiver to NET Metering



IMPORTANT NOTICE TO SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE MEMBERS

We want you to know where Sulphur Springs Valley Electric Cooperative (SSVEC) is heading on the Net Metering issue. Net Metering is regulated by the Arizona Corporation Commission (ACC), the part of state government that oversees the utility industry. We're going to file an official request to be exempted from some of the rules effective as of April 15, 2015.

In order to remain under the current rules or tariff, SSVEC members' PV systems must have been installed or have a signed "request for interconnection and reservation agreement" at one of the SSVEC offices by the close of business on April 14, 2015.

FAIRNESS TO ALL MEMBERS IS OUR GOAL

Before we get into the specifics, we want to clarify a few things. We are pro-solar. In fact, we are in the process of evaluating final bids on a 20 MW Purchase Power Agreement. This solar field will cover more than 100 acres. This is an addition to our 41 school community solar projects (in 2009) and two other large solar projects; one in San Simon and the other in Sonoita (in 2012).

Please also keep in mind as you consider this issue, we are a not-for-profit utility whose only purpose is to serve our members, 100% of whom are voting members of SSVEC because it is a cooperative. As a not-for-profit organization, we routinely return capital credits to our members/owners. Since SSVEC was founded in 1938, we have returned over \$17 million to our members. The point is that we are not motivated to enrich distant stockholders. We are 100% locally owned and controlled. Unlike huge for-profit utilities, we don't pay executive bonuses or provide stock options (although we do have a modest annual safety bonus awarded to employees who consistently use safe work practices).

SSVEC is attempting to maintain a fair playing field for all of our members. As a not-for-profit member-owned cooperative, SSVEC is governed

by a member-elected board of directors and subject to the oversight of the Arizona Corporation Commission's rules and regulations. SSVEC exists to do one thing: provide reliable electric service to its members at the best possible price. We have successfully done that since 1938. You (our member/owners) continue to tell us that we are exceeding your expectations; in fact, our member satisfaction rate is among the highest in the nation when compared against our peers.

WHAT IS THE NET METERING ISSUE ALL ABOUT?

The tariff definition is "The ability to connect a customer's alternative power-generating system to a public utility's power grid to offset the cost of power drawn by the customer from the grid."

Since 1938, we have invested millions of dollars to build electrical transmission and distribution lines and substations throughout our service territory. Prior to 2009, our rates were designed to make sure that everyone who used those facilities paid their fair share of the cost. As you might have guessed from that last sentence, things have changed. Today, not everyone is paying their fair share, which is why it is important to discuss this net metering issue.

Under the current ACC net metering rules that were intended to promote more solar power (a goal with which we agree), we are required to pay retail prices for wholesale power sold to us by members who have solar installations. In other words, most people selling us solar power are paying little or nothing for the use of the poles and wire and the cost of operating and maintaining the system (even though they use that system whenever they are not generating enough solar power to meet all their needs). That amounts to a subsidy paid by our non-solar members. The 2% of our members who currently have solar units are being subsidized by the other 98%. The percentage of solar units is only going to grow larger.

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DID SSVEC DO ANYTHING WHEN THE RULES WERE PASSED AND WHY WAIT UNTIL NOW?

Prior to 2009, when the net metering rule was in development by the ACC, SSVEC, along with the other electric cooperatives in Arizona, joined with for-profit electric utilities because we all objected to the way parts of the rule was written. Perhaps you have read in the news about Arizona utilities' struggle on this issue and the flurry of recent filings.

It now appears that if the rule stands as is, the subsidy will become so big that it will be unfair to all non-solar members. That's why we are asking the ACC to grant us a waiver on the net metering rules.

WHAT IS SSVEC ASKING FOR?

SSVEC currently pays residential solar unit owners our current retail rate of 12.6 cents per kilowatt-hour when they sell solar power to us. We are asking the ACC to allow us to lower that amount to 3.07 cents per kilowatt-hour. That's how much we pay on average when we buy the power elsewhere. In other words, the ACC net metering rule requires us to pay over 4 times more than we otherwise would for the power that our non-solar customers use.

WHY IS SSVEC ASKING FOR THIS WAIVER?

Net metering, in its current form, results in cost shifts from those with solar to those who do not have solar or can't afford solar or can't install solar (renters).

SSVEC is a not-for-profit electric cooperative that it owned by its members whom we provide electric service. We have no shareholders who are expecting dividends. Any profits or margins at the end of the year are allocated to our members and eventually they are paid to them. Hence, SSVEC has no profit motive and our sole goal is provide reliable electricity and the lowest possible price.

Net metering creates a subsidy for customers who receive net metering. The cooperative and its members have incurred the cost of a transmission and distribution system to serve all member/customers.

A customer that is net metered avoids paying the full cost of those facilities and yet receives a full retail rate for power generated by the customer. The other members will eventually be forced to pay higher rates to subsidize these costs that are not being paid by net metered customers. In addition, as a result of the high cost of Distributed Generation ("DG") systems, affluent member/customers will be installing DG at the expense of less affluent member/customers.

IS IT TRUE THAT THOSE ROOFTOP SOLAR UNITS ACTUALLY SAVE SSVEC MONEY?

No, it's not true for SSVEC. The typical residential solar system produces power, on average, for about 6 hours per day. Shorter winter days, rain, clouds, haze, dawns, and dusks reduce the amount of energy those solar panels can produce. Since there is at present no affordable battery system for homeowners to store solar power, it means that, on average, those solar homes are using the SSVEC wires and poles (infrastructure) 18 hours a day. The trouble is, we have to pay for the infrastructure no matter how many hours it's used. It's like buying a car: you have to make the monthly payment no matter how many miles you drive it.

Because SSVEC does not own any conventional generation facilities, the power we purchase at 3:00pm costs the same as power purchased at 3:00am. To keep within the car analogy, it doesn't matter what time of day we buy our gas.

HOW MUCH DOES IT COST TO SERVE A RESIDENTIAL MEMBER PER MONTH?

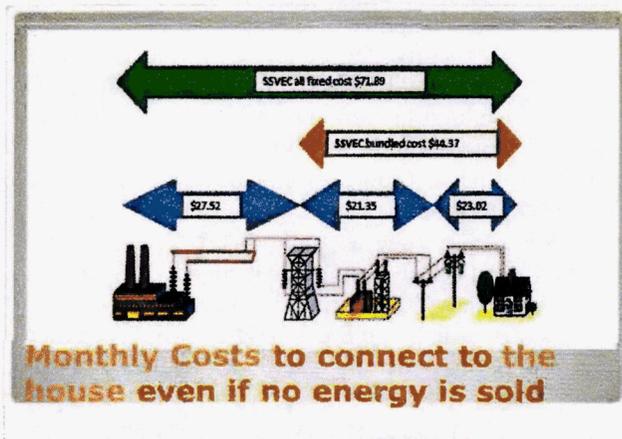
Traditionally, SSVEC and many other electric utilities charged a fixed monthly fee for those facilities that was well below the actual cost - and made up the difference in what they charged for the energy itself per kilowatt-hour. This has kept the cost of energy high so other energy sources looked like they were more competitive in pricing.

SSVEC is currently allowed by the ACC to charge \$10.25 per month for the cost of the infrastructure (the cost of building, maintaining, and operating the system of poles, wires, and substations that brings power to your home). As you can see in



the chart below, those things actually cost more. Our study shows it costs \$23.02 per month for the facilities to connect your home to the nearest transformer. It costs another \$21.35 to connect that transformer to the nearest substation, and it costs \$27.52 to connect that substation to the power plants. Added up, it costs \$71.89 per month to build and operate the physical system that brings power to your house - no matter how much power you use!

Here's the problem: under the current rules we are allowed to charge solar customers only the



same \$10.25 monthly facility charge that everyone else pays, even though the actual cost is \$71.89 per month. So, they're getting a subsidy of \$61.64 per month from the non-solar customers when they sell us wholesale power at retail rates. A little of that was probably OK to get the ball rolling on solar, but now we have reached a point where it will be unfairly expensive to non-solar customers to continue under the original ACC rules.

WHAT ARE OTHER UTILITIES DOING?

SSVEC is not alone in seeking a change. Last year, the ACC allowed an adder to Arizona Public Service (APS) for solar customers. The Salt River Project (SRP) board of directors just voted to charge new net metering customers a demand charge that will average \$50 about a month (SRP is not under the jurisdiction of the ACC). Tucson Electric Project (TEP) and Unisource just petitioned the ACC for a waiver to the net metering rules similar to what SSVEC is proposing.

TRICO, our sister cooperative in Tucson, also is requesting a similar waiver.

I BOUGHT OR LEASE A SOLAR SYSTEM. WHAT HAPPENS TO ME?

If you installed a system or submitted an interconnection request prior to April 15, 2015, SSVEC is proposing that these systems be grandfathered for 20 years from the date of activation. So you keep the deal you now have.

WHY DID SSVEC SELECT A 20 YEAR GRANDFATHER DATE?

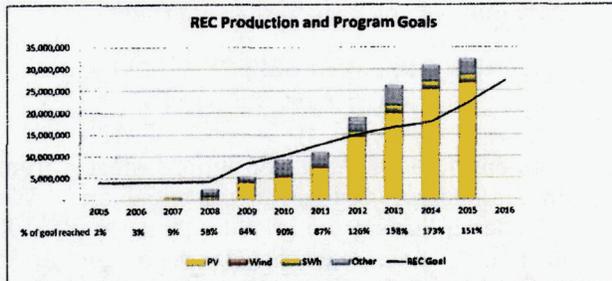
We considered a variety of options ranging from no grandfather date to an unlimited one. We considered leaving the grandfathering in place if solar unit owners sold their house, or not. After looking at many variations, SSVEC's board of directors, considering the impact to both solar and non-solar members, voted for a 20 year grandfather from the date of activation of the system for the system itself (and not limit it to just the current owner). Some of the main reasons that 20 year grandfather term was chosen include:

- ✓ If a member purchased a system, the payback period to recover the investment ranges largely in the 6 to 10 year period. Therefore over 20 years, a member would easily recover their investment with another decade to spare.
- ✓ 20 years is the top end of the scale on virtually all leasing models. Thus a member who has chosen a leasing model will be able to fulfill the lease obligations under the program that they signed up with.
- ✓ An unlimited or forever option places no end period for a purchased or lease systems. Consequently, all of our members would be forced to subsidize another member's system forever. This is not fair to the members who do not have a PV system.
- ✓ A 20 year term also removes uncertainty and questions that may arise in the future. Unlimited and forever leaves a number of questions requiring interpretation. A finite term of 20 years solves the problem.
- ✓ 20 years from the date of installation gives everyone 20 years. 20 years from the adoption of the exemption would give some more than 20 years. The same time period to everyone is the fairest way to handle it.



THIS SOUNDS A LITTLE ANTI SOLAR. IS SSVEC DOING ANYTHING IN TERMS OF RENEWABLE ENERGY?

SSVEC is pro-solar and pro-member. For the past 4 years (and through at least 2016), SSVEC has been ahead of the goals set in our ACC-mandated renewables program as seen below:



As we mentioned earlier, we are in the final review of bids for a Purchased Power Agreement (PPA) for a utility scale solar project that will provide 20 megawatts of solar power to SSVEC members at an extremely attractive price. We installed 41 school community solar projects and we have two other large solar projects, one in San Simon and the other in Sonoita. This is solar power that will benefit SSVEC's entire membership versus individual solar which only benefits those who have the means/credit and home ownership to acquire solar. If this negotiation is successful, and our board of directors and the ACC approve, this project will put SSVEC at over 95% of its 2025 goal by the end of 2017.

SENATE BILL 1465 (MANDATORY DISCLOSURE FOR SOLAR PURCHASES AND LEASES)

Due to an increase in complaints from citizens in Arizona who have purchased or leased systems, the legislature approved and the governor has signed Senate Bill 1465 into law. It will be effective on January 1, 2016. Even before the law takes effect, you ought to be asking these questions and get responses back in writing.

- ✓ You should have a 3 day period to change your mind. Important financial decisions like this should have some thought time and the ability to change your mind.
- ✓ Make sure you understand how much this system will cost over the life of the lease. Understand any interest or fees to be paid. Total number of payments and due dates.
- ✓ Who has the tax obligations, including the increase in property values?
- ✓ Ensure they write down any tax incentives and rebates you might be eligible for and who will be getting them.
- ✓ How and can the warranty or maintenance obligations be sold or transferred to anyone else?
- ✓ What happens if you sell your home (what happens to the lease)?
- ✓ What is the energy output over the life of the system?
- ✓ What are the folks selling you using for Projection of future electric rates?
- ✓ What is the combination of lease costs and electric bills and what are you paying now.

Remember, our State Legislature and Governor would not have passed this bill if there weren't a lot of complaints from citizens.

Feel free to direct your questions or concerns to:

Jack Blair
Chief of Member Services
520-515-3470
jblair@ssvec.com

or

David Bane
SunWatts Program Manager
520-515-3472
dbane@ssvec.com

Teresa Tenbrink

From: David Parsons <umpy@cox.net>
Sent: Saturday, April 25, 2015 6:05 PM
To: dennis Ehrenberger; Tom Kennedy
Subject: Dolar
Attachments: IMG.pdf

From: David Parsons umpy@cox.net

Subject: Docket No. E-01575A-15-0127

Date: April 25, 2015 at 3:14 PM

To: Bitter-Smith-web@azcc.gov, RBurns-web@azcc.gov, Stump-web@azcc.gov, Forese-web@azcc.gov, Little-web@azcc.gov

I am adding my voice to the many letters you have received regarding SSVEC's plan regarding solar generation. I am, as many of the other writers have note, am vehemently against this proposal. We installed our roof top solar panels in 2009 with an out of pocket expense in excess of \$16,000. The installation of these panels was in response to a SSVEC program called "SunWatts". That program stated it was "the path to a cleaner, healthier environment". The left introducing the program encouraged residents and small businesses to install the Photovoltaic Systems. After this encouragement, many SSVEC members moved to complete said installation that in doing so was helping the overall environment. Now, SSVEC's actions will result in fewer solar activities this is contrary to the own stated corporate strategies. Therefore, I encourage you to decline this request completely.

David L. Parsons
3055 Gemstone Court
Sierra Vista, AZ 85650
520-378-4434
520-678-6017

Teresa Tenbrink

From: Michelle Constancia <doxiedog1@msn.com>
Sent: Saturday, April 25, 2015 5:55 PM
To: BitterSmith-Web
Subject: Docket No. E-01575A-15-0127

Good Day Chairman Bitter-Smith,

Please know I am flat out mad and completely against your current actions and proposal(s) given the rhetoric and earlier promises made to get us to sign on board to solar, making the financial commitment, again, given your earlier promises, but do not, cannot understand how you can talk out of both sides of your financial mouth and continue forward with the actions you are trying to force upon us.

It is imperative you reconsider, given your prior commitments and promises, to do the morally right action. there is uch that must be considered and taken into account when you coe to the final determination. You must be fair, reasonable and follow through on your initial verbal commitments.

I ask you reconsider, be reasonable, fair and morally upright.

Thank you.

Michelle Constancia
2804 Glenview Drive
Sierra Vista, AZ 85650