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July 23, 2015

Arizona Corporation Commission

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Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

DOCKETED BY *MB*

RE: Resource Planning and Procurement, Docket No. E-00000V-15-0094
Comments to Commissioner Bob Burns' July 9, 2015 letter regarding IRP filing
timeline changes

Dear Commissioner Burns:

Arizona Public Service Company (APS) appreciates the opportunity to provide comments as requested in the letter docketed on July 9, 2015 regarding the proposed Integrated Resource Plan (IRP) process and timeline changes. Resource Planning is an important matter that is embodied in cost-effective, reliable, and sustainable electric service today and in the future. APS is interested in developing a balanced approach to IRPs that address Commission and stakeholder feedback as well as the development of resources that are required to meet a Load Serving Entity's (LSE) obligation to provide reliable service.

Over the past year, the Commission has taken a number of steps to enhance the dialogue around the IRP process. During its review and acknowledgement of the 2014 IRP, Commissioners and Commission Staff (Staff) made several proposals aimed at increasing discussions between the Commission, LSE and Stakeholders. APS supports efforts to enhance such proposals. During the April 14, 2015 Open Meeting, APS supported a number of enhancements to the IRP process including: filing updates to IRP Action Plans whenever substantive changes occur; holding public pre-filing workshops prior to detailed portfolio planning and analysis; re-examining load forecasting techniques; consideration of additional portfolio scenarios; and the overall importance of near term Action Plans. APS understands the importance the Commission has placed on the IRP process and the efforts toward more timely and meaningful engagement with LSEs and Stakeholders.

Since the April 2015 Open Meeting, the Commission has continued to explore opportunities to expand this dialogue. On June 16, 2015, Commissioner Little docketed a letter requesting comments on the proposal to delay the filing of the next IRP to 2017, allowing time for LSEs to incorporate potential portfolio modifications pertaining to the 111(d) Clean Power Plan rules. The LSEs, and the majority of the stakeholders who filed comments, supported the delay for that purpose. On June 19, 2015, Commissioner Burns docketed a letter that requested comments on extending the current IRP process cycle to three-years. The comments contained a mixture of options and the LSEs recommended continued conversation on that topic.

During the July 2015 Staff Open Meeting, the Commissioners discussed three possible scenarios for the next IRP process. The first was no delay and no planning cycle change; the IRP would be filed in April 2016 in accordance with the current rules and acknowledged by the Commission in spring of 2017. The second scenario provided for a one year delay for filing and no planning cycle change; the IRP would be filed in April 2017 and acknowledged by the Commission in the spring of 2018. The third scenario would modify the IRP process by elongating the time frame and including a Preliminary Resource Plan (Preliminary Plan) with time incorporated for comments from the Commissioners, Staff and its Consultant. It is this third scenario that Commissioner Burns requested comments on in his July 9, 2015 letter.

The third scenario includes a number of opportunities for the Commission, LSEs and Stakeholders to enhance interaction around the IRP. While APS supports the general direction of the proposed scenario (including submitting a Preliminary Plan), APS does not believe the third scenario as written provides sufficient delay in the filing deadlines to allow for the incorporation of implications created by the Clean Power Plan; nor does it provide enough time for LSEs to analyze and accommodate Commission and Stakeholder comments. Therefore, to maximize the benefit of the third scenario, APS recommends a modified timeline and narrowly defining the Preliminary Plan.

APS's modified timeline below would allow sufficient time for the LSEs to accommodate modifications necessary due to Clean Power Plan implications, as well as adequate time to reflect Commission comments on updated scenarios and plans. The proposed timeline maintains the same footprint proposed by Commissioner Burns, with pre-filing workshops beginning in the fall of 2015 and the final Commission Acknowledgment in February of 2018, but reallocates the time LSEs and Staff have for creating and reviewing the IRPs. If APS's definition of the Preliminary Plan (described below) is adopted, it would reduce the amount of time necessary to review the Preliminary Plan and provide the LSEs with more prompt feedback from the Commission. This in turn would allow time for the LSEs to more fully evaluate the Commission's comments and requested scenarios, as well as incorporate additional workshops into the cycle, while still providing ample time for Staff and the Commission to analyze the final plan.

APS Proposed IRP Process Timeline

ACC IRP Process (w/ Preliminary Plan)	Start Date	Due Date	Responsibility
Pre Filing Workshops	9/1/2015	11/30/2015	LSEs/ACC
LSE's File Preliminary Resource Plan	2/1/2016	2/1/2016	LSEs
Staff/Consultant Review of Preliminary Plans	2/2/2016	7/1/2016	Staff/Consultant
ACC Open Meeting to Review Preliminary Plans	8/1/2016	8/31/2016	ACC
LSE's Update Plans/Scenarios	9/1/2016	3/31/2017	LSEs
LSE's File Final Resource Plan	4/1/2017	4/1/2017	LSEs
Staff/Consultants Review of Final Plans	4/2/2017	9/30/2017	Staff/Consultant
Staff/Consultants Dockets ROO	10/1/2017	10/1/2017	Staff/Consultant
ACC Open Meeting to Acknowledge Final IRP	2/1/2018	2/1/2018	ACC

As stated above, APS recommends narrowly defining what a Preliminary Plan is and what it would contain, so that LSEs would not effectively be required to file two IRPs a year apart from each other. APS proposes that the Preliminary Plan require filing only the following items:

1. Load Forecast
2. Sources of assumptions and technologies evaluated
3. Load & Resource Table
4. Proposed sensitivities
5. Action Plan, including planned RFPs and associated selection criteria.

The specific information provided in the Preliminary Plan would allow the Commission and Stakeholders an opportunity to review major components of the LSE's resource needs, planned mix of resources, and near term actions while providing ample opportunity for Commission and Stakeholder dialogue. The slight modifications APS has proposed address the Commission's objective to enhance interaction, but also would not be unduly burdensome on the LSEs or Staff and its consultants - especially considering the other matters to be addressed in 2016-2017.

APS appreciates the Commission's desire to engage and improve the IRP process, and its willingness to solicit feedback on its proposals. APS looks forward to the Commission's response to its recommended modifications.

Sincerely,



Kerri A. Carnes

KC/kr

cc: Parties of Record

Copies of the foregoing delivered/mailed this 23rd
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