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RECEIVED

IN THE MATTER OF THE APPLICATION OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC., AN ARIZONA NONPROFIT CORPORATION, FOR (1) APPROVAL OF A NEW NET METERING TARIFF, (2) APPROVAL OF REVISIONS TO ITS EXISTING NET METERING TARIFF AND (3) PARTIAL WAIVER OF THE NET METERING RULES.

ARIZONA CORPORATION COMMISSION  
DOCKETED

August 11<sup>th</sup>, 2015

AUG 12 2015

Dear Chairman Bitter Smith and Commissioners,

DOCKETED BY [Signature]

For one hundred and eighteen days, customers of Sulphur Springs Valley Electric Cooperative have been unable to choose to take service under the ACC-approved NM net metering tariff, due to SSVEC's proposal to make significant changes to their net metering tariff, which includes an arbitrary imposition of an April 14<sup>th</sup>, 2015 grandfathering date.

As shown later in this letter, a typical SSVEC customer choosing to install a solar electric system would experience a \$400-1100 annual loss in savings under this proposal, representing a 30-50% lost savings.

Although it has been shrouded in other language, this proposal essentially eliminates net metering as defined by Arizona's Net Metering Rules in R14-2-2302. Net metering has contributed to the availability of energy choice for Arizona consumers since 2009, and should not be rolled back.

Since 2009, Net Zero Solar—of which I am an owner—has installed hundreds of solar electric systems for customers connected to Sulphur Springs Valley Electric Cooperative's grid. Misleading public statements by a SSVEC representative notwithstanding<sup>1</sup>, SSVEC's actions have already severely curtailed the installation of solar installations. Prior to this proposal, Net Zero Solar installed about 3-5 systems per month in SSVEC's service territory. Since April 14<sup>th</sup>, 2015, only *one* SSVEC customer without a prior grandfathered reservation has chosen to install a solar electric system with our company.

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<sup>1</sup> In article at [http://www.willcoxrangeneews.com/news/article\\_0b0e1172-19f9-11e5-b6d9-47cdc29d333c.html](http://www.willcoxrangeneews.com/news/article_0b0e1172-19f9-11e5-b6d9-47cdc29d333c.html), a SSVEC company representative noted that they were still receiving five requests for PV system inspection each week. But many customers had reservations submitted before the artificial grandfathering date. A actual meaningful metric would be systems installed without benefit of grandfathering since April 14<sup>th</sup>.

As Commission Staff have noted in this case, and administrative law judges have set forth in recommended orders in similar cases for TRICO, TEP, and APS, this matter should be properly examined in a rate case. A rate case provides the proper forum to discuss alleged cost shifts after evidence is introduced and significant stakeholder input is heard. It is certainly possible that solar electric systems provide a net benefit to the grid, as has been found in comprehensive studies in various states. If shown to exist, any proven cost shifts from solar electric systems should be properly weighed with respect to other existing cost shifts in SSVEC's rate structure, and with public policy goals.

Last, if approved and implemented, this proposal makes it extremely hard for potential solar customers to evaluate their potential investment in solar energy systems for the following reasons:

1. The variable nature of the avoided cost rate for excess generation as put forth in SSVEC's application. A rate that may decrease year-to-year transfers unquantifiable risk to solar customers.
2. The required complex modeling of minute-to-minute expected customer electric loads and solar electric system production due to variable nature of customer load profiles with similar total monthly use.
3. Uncertainty regarding future benefits from a solar electric system if a customer load profile changes. For example, if a customer who currently provides care to his or her children at home during the day returns to work and therefore uses less energy during the day, they would then receive a smaller economic benefit from their solar electric system, due to a greater amount of excess generation credited at avoided cost. Similar effects would come from increases in energy efficiency in the home.

I have completed a careful analysis of the bills of six customers who currently have solar electric systems, comparing monthly bills under the Standard R rate, monthly bills under Standard R rate with current NM tariff, and monthly bills for a customer with an identical load profile under the Standard R rate with the proposed NM tariff. This actual customer data shows very significant impacts on customer savings from this proposal.

**Table 1: Lost Savings for Selected Solar Customers Under Proposed SSVEC Net Metering Tariff**

Customer Identifier	PV System Size (kW DC)	Percentage of Total Energy Use from Solar PV	Percentage of PV Production that is Excess Generation	Annual Lost Savings with SSVEC Proposal	Percent Annual Lost Savings with SSVEC Proposal
1	3.85	123.3%	66.5%	\$400.55	46.6%
2	9.28	113.2%	65.9%	\$1,093.30	48.3%
3	5.04	116.2%	63.1%	\$478.33	44.7%
4	3.85	44.2%	36.5%	\$347.73	31.7%
5	4.08	79.1%	48.2%	\$397.01	39.2%
6	8.4	99.3%	58.7%	\$821.62	44.3%

As shown in Table 1, even customers who offset a relatively low percentage of their annual energy usage would still be heavily impacted by this proposal.

More troubling, due to the variation of load patterns, customers offsetting similar amounts of energy with solar electric systems would have highly varying outcomes.

In conclusion, I urge you to reject this impractical and ill-conceived proposal. SSVEC members deserve better.

Regards,



Louis Woofenden

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