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Memorandum
From the office of
Chairman Doug Little
Arizona Corporation Commission
1200 W. WASHINGTON
PHOENIX, ARIZONA
(602) 542-0745

TO: Docket Control

DATE: April 22, 2016

FROM: Chairman Doug Little's Office

SUBJECT: Docket No. E-10575A-15-0127

Chairman Little's office received 2 emails referencing the above Docket Number. The emails can be viewed either in Docket, or on the website via the eDocket link.

Arizona Corporation Commission
DOCKETED

APR 22 2016

DOCKETED BY	
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Andrea Gaston

From: Kathleen Buonocore <bogracie@me.com>
Sent: Wednesday, April 20, 2016 5:11 PM
To: Little-Web
Cc: Tobin-Web; Forese-Web; Stump-Web; RBurns-Web
Subject: SSVEC Rate increase 15-0127

Chairman Little, Commissioners,

I am a member of SSVEC, living in Sierra Vista have roof top solar panels. As you know SSVEC is requesting a rate change directed primarily at solar users claiming that we unfairly are increasing non-solar users. That we do not cover the cost of maintaining the infrastructure, roughly \$80.00 monthly and that the cost is unfairly being passed to non-solar users. I have yet to hear from a representative of SSVEC exactly what that cost is or how that has been determined. Also in talking to non-solar friends and family no one has indicated a cost increase and many indicate normal month electric bills of less then \$80.00. I also find it interesting that when asked about the part year residents (snow birds) and if they cover the same cost, I was total that no, but it is too hard to figure it out. When asked if this rate case is granted as SSVEC is requesting would that cover all costs and the answer was no. I am concerned that SSVEC is not acting in the best interest of all customers-but itself. During a presentation on the request a SSVEC representative stated that given the increases it would likely be that some day it would be cheaper for a solar user to disconnect their system, maybe that is the real point of this requested increase.

I am including a letter from a fellow Sierra Vista solar user for your consideration.

Thank you,

Kathleen M. Buonocore
575 Camino Mojado
Sierra Vista, AZ 85635

Distributive Generation (DG) has been a 'burning issue' throughout the USA as well as Arizona for most of this decade. The electricity generation industry business model, approaching a century of existence, is being challenged not only by DG but the rapid advent of storage batteries for excess production by DG. In short, the industry is directly threatened and survival becomes paramount. (An analogy: the buggy-whip industry was challenged when Henry Ford mass produced his Ford Model-T automobile.)

With respect to SSVEC's docket matter and upcoming hearing(s), permit me to offer some observations related to their claim of \$1.1M in solar losses; their changing use of REST dollars approved almost a decade ago by the ACC; and the rapid cost reductions of solar panels/systems. To put this last statement regarding cost of solar in context, solar installations are presently being completed in North Carolina for \$1.35 per notional watt installed, net of tax credits and/or rebate considerations.

When I installed my 5,600 notional watt electrical solar system in March 2009, the SSVEC rebate (using REST monies collected from SSVEC's approximately 39K residential customers) was the lesser of \$4/notional watt installed or 50 percent of my system cost, whichever was less. Now in 2016, SSVEC's rebate is \$0.25/notional watt for solar hot water installations and is nil for electrical solar systems. (In all fairness to SSVEC, their April 2015 notice to their member base essentially said any rebate would be nil. So, no surprises here.)

REST fixed charges are collected from SSVEC's 39K residential member base at the rate of \$3.49 per member per month. When one considers SSVEC paid \$4/notional watt in 2009 versus \$0.25/notional watt maximum in 2016, that is a 90-plus percent reduction in the use of REST monies collected from SSVEC's member base - without a commensurate revision. For sake of argument, today's REST fixed charge should be \$0.35 not \$3.49 (a \$3.14 reduction) when compared to the changing rebate paid to solar customers from REST monies. To be clear, SSVEC paid these rebates from REST funds collected from SSVEC's residential member base - not SSVEC internal operating funds.

SSVEC's \$1.1M solar loss is their claim based on revenues forfeited from the 1,250 roof top solar customers not "paying their fair share of monthly fixed costs" for the SSVEC grid operations. If one spreads that \$1.1M loss over their 39K residential member base that equates to \$2.35 monthly. I would remind the ACC that SSVEC is requesting a \$18.25 monthly increase, not \$2.35.

Cooperative parity. I respectfully ask the ACC staff assigned to SSVEC's docket item to consider another solution for the entire SSVEC membership. (In the interest of full disclosure I have maintained the April 2015 notice from SSVEC was a thinly veiled exercise in class warfare - *solar haves versus the solar have-nots*. I stated such in a comment submitted to the Commission in April 2015.)

Consider raising the current monthly fixed charge from \$10.25 to \$12.60 for the 39K residential members which will recoup \$1.1M for SSVEC. Consider reducing the current monthly REST charge from \$3.49 to \$1.14, a net reduction of \$2.35. (Note: the \$1.14 revision is still a material increase from the \$0.35 mentioned above which favorably positions SSVEC going forward.) **From a SSVEC residential membership perspective, the monthly fixed fees are unchanged.**

In closing, I remind the Commission that Arizona has had the highest rooftop solar installations of any state, save California. I fully appreciate the forces bearing on the Commission to accommodate a disparate group of interested parties not only for SSVEC's pending docket item but all electrical utilities you regulate in the State of Arizona. Serving "the public interest" is no small challenge; I wish you well.

David S. Grieshop
3673 La Terraza Drive
Sierra Vista, AZ 85650

Andrea Gaston

From: David Grieshop <dgrieshop@me.com>
Sent: Wednesday, April 20, 2016 2:57 PM
To: Little-Web
Cc: Stump-Web; RBurns-Web; Forese-Web; Tobin-Web
Subject: SSVEC: Docket Number E-01575A-15-0127

Chairman Little:

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