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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 15, 2016

FROM: Chairman Doug Little's Office

SUBJECT: Docket No. E-01575A-15-0312

RECEIVED
2016 APR 15 P 2:19
AZ CORP COMMISSION
DOCKET CONTROL

Chairman Little's office received 3 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

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Andrea Gaston

From: PattieandAaron Thomas <apthomas20@hotmail.com>
Sent: Wednesday, April 13, 2016 5:07 PM
To: Tobin-Web; RBurns-Web; Stump-Web; Little-Web; Forese-Web
Subject: ACC SSVEC Rate Concerns 15-0312

Members of the Arizona Corporation Commission,

I am a member of SSVEC, living in Sierra Vista and installed my 30 panel roof top solar panels in May of 2012. At the time, the picture painted by SSVEC was very bright and the incentives were, in my opinion, fantastic. Never once was I told that SSVEC had a serious concern about the program and that it would no doubt be changed at some future date. I was told at the time that net metering was not available and may or may not become available at some later date. This meant that any excess power generated by my system would be returned to SSVEC without compensation. I was OK with this because I would be reducing our yearly cost from approximately \$900 per year to approximately \$200 per year. I also felt that over time the cost of raw materials (coal, gas or water) would increase which would also mean my yearly cost for electricity would go up. Solar was the way to manage my costs and thus an investment worth making.

Fast forward to 2015 and the current year. SSVEC is in the process of making its case for changes in DG and for a rate increase for the 39,000 residential members (where approximately 1250 have rooftop solar) who currently pay a monthly rate of \$10.25. When questioned about what the roof top solar installations were costing SSVEC, our little group of solar folks was told that SSVEC estimated this cost to be \$1.1 million a year. Definitely a cost that needed to be recovered. However, when you divide the \$1.1 million by 12 months and then again by the 39,000 current \$10.25/month ratepayers the actual additional cost comes out to \$2.35/month. SSVEC is asking for a first year increase that will see this go to \$18.25 a month and in the second year the request is for this rate to go to \$27.00/month. If the actual loss is \$2.35/month, where is the justification for these increases?

Please keep in mind that we invested the money to install our systems, are responsible for the maintenance of the systems and that these 1250 roof top systems cost more than \$2.5 million to install. This is money that SSVEC DID NOT need to invest in infrastructure! In addition, the power generated by these roof top installations was power that SSVEC did not have to purchase from their supplier. From this point of view both solar and non-solar residential members of the Co-Op benefited. Our group understands the need to cover the reported \$1.1 million revenues loss claimed by SSVEC, but lets raise the monthly rate to \$12.60 the first year and not to the \$18.25 SSVEC is requesting. This can be re-visited in the second year for adjustment if needed. I would also like to point out that in 2015 SSVEC covered all costs and had a surplus of approximately \$600,000; another consideration on your part when you rule on the rate case.

The other concern we have is about the request to "grand father" for 20 years, from the date of installation, all roof top solar installations. This would be retroactive and we feel unfair. What we would like to see is retaining any current program for as long as the current owner retains possession of the home. Once the home is sold, SSVEC could impose new restrictions for the new owner. We feel this would be a fair program. In addition, the date of this agreement should start from the date solar was installed. In my case, the program I agreed to in 2009 would continue until I sell my home.

As far as the excess power generation compensation is concerned, we feel we should be compensated at the same rate we pay for the power we receive in the non-generating hours. But, we would be willing to accept an 8 to 9 cent rate from what we currently generate which would be less than the 12.6 cents we now receive. Come

“True Up” time, we have no problem with the SSVEC proposed compensation program. In my case, I was not permitted to over size my system at the time of installation. Thus, “True Up”, the compensation is usually less than \$50.00 which shows that I am not “gaming” the system.

In conclusion, our group of roof top solar owners feel that the rate request is well in excess of the loss SSVEC is claiming, and the program we currently have with SSVEC should remain until we sell our home. We took the initiative to buy into the roof top program when it was offered and should not now be penalized for being a willing participant. One additional side note; since my installation went active, I have saved 38.6 tons of CO2 (as of 4/10/2016). I believe this is another environmental factor that should be considered when you are looking at the DG and rate increase.

Thank you for your consideration.

Aaron B. Thomas
3646 E. Mohawk Drive
Sierra Vista, AZ 85650

Andrea Gaston

From: Ron & Shirley Faulkner <faulknerrh@cox.net>
Sent: Thursday, April 14, 2016 12:18 PM
To: Forese-Web; Little-Web; Stump-Web; RBurns-Web; Tobin-Web
Cc: Tom Kennedy; Dennis Ehrenberger; Inge Steve Scheumann &; Johnston Fred
Subject: SSVEC Docket Number E-01575A-15-0312

Commissioners of the Arizona Corporation Commission,

I am a member of SSVEC, reside in Sierra Vista and installed 26 roof mounted solar panels in Feb. 2013. At the time, SSVEC vibrantly promoted residential solar along with financial incentives in the campaign to achieve ACC directed alternative energy goals. I was never informed that they had a serious concern about the program and that it would no doubt be changed at some future date.

In 2015, SSVEC began the process of making its case for changes in Distributive Generation rules and for a rate increase for all 39,000 residential members (approximately 1250 are residential solar owners) who currently pay a monthly fixed costs rate of \$10.25. When questioned about what the residential solar installations were costing SSVEC, a small number of solar owners were informed SSVEC estimated this loss to be \$1.1 million a year.

A simple calculation to recover this loss is offered. Divide the \$1.1 million by 12 months and then again by the 39,000 (current \$10.25 / month ratepayers) and the actual additional cost comes to \$2.35 / month. SSVEC is seeking a first year increase that will go to \$18.25 / month and rise to \$27.00 / month the second year. What or where is the justification for this difference?

Please keep in mind that residential solar owners invested the money to install these systems, are wholly responsible for the maintenance of the same and that these 1250 systems cost more than \$2.5 million to install. This is money that SSVEC did not need to invest in infrastructure. In addition, the power generated by these solar installations represent avoided power purchases by SSVEC. From this point of view, both solar and non-solar residential members of the Co-Op benefited. Our group understands the need to cover the reported \$1.1 million loss claimed by SSVEC, but I recommend a raise to \$12.60 the first year and not the \$18.25 SSVEC is requesting. This can be revisited in the second year for adjustment if necessary. I would also point out that in 2015 SSVEC covered all costs and had a surplus of approximately \$600 K.

The other concern I have is about the request to grandfather for 20 years from the date of installation all residential solar installations. This would be retroactive and this seems unfair. I support retaining any current program for as long as the original / current owner retains ownership of the property. Once the house is sold, SSVEC could impose applicable rules for the subsequent owner.

As far as the excess power generation compensation is concerned, I believe solar owners should be compensated at the same rate they pay for the power received in the non-generating hours. But I would be willing to accept an 8 or 9 cent rate from what is currently paid (12.6 cents). Regards "true-up" time, I have no objection with the SSVED proposed compensation program.

In conclusion, I feel that the rate request is well in excess of the loss SSVEC is requesting and the program we currently have with SSVEC should remain very closely intact until we sell our house. I took the initiative to invest into solar for several reasons among which were to assist SSVEC to meet ACC directed alternative energy goals and should not now be penalized for having done such.

Respectfully and

In God We Trust,
Ron Faulkner
1749 Elmwood Lane
Sierra Vista, Az
520-458-2384

Andrea Gaston

From: EDEFJI@aol.com
Sent: Wednesday, April 13, 2016 4:33 PM
To: Tobin-Web; Stump-Web; Forese-Web; Little-Web; RBurns-Web
Subject: Comment on the SSVEC Rate Case 15-0312

Members of the Arizona Corporation Commission;

I am a member of SSVEC, living in Sierra Vista and installed my 14 panel roof top solar panels in July of 2009. At the time, the picture painted by SSVEC was very bright and the incentives were, in my opinion, fantastic. Never once was I told that SSVEC had a serious concern about the program and that it would no doubt be changed at some future date. I was told at the time that net metering was not available and may or may not become available at some later date. This meant that any excess power generated by my system would be returned to SSVEC without compensation. I was OK with this because I would be reducing our yearly cost from approximately \$900 per year to approximately \$200 per year. I also felt that over time the cost of raw materials (coal, gas or water) would increase which would also mean my yearly cost for electricity would go up. Solar was the way to manage my costs and thus an investment worth making.

Fast forward to 2015 and the current year. SSVEC is in the process of making its case for changes in DG and for a rate increase for the 39,000 residential members (where approximately 1250 have rooftop solar) who currently pay a monthly rate of \$10.25. When questioned about what the roof top solar installations were costing SSVEC, our little group of solar folks was told that SSVEC estimated this cost to be \$1.1 million a year. Definitely a cost that needed to be recovered. However, when you divide the \$1.1 million by 12 months and then again by the 39,000 current \$10.25/month ratepayers the actual additional cost comes out to \$2.35/month. SSVEC is asking for a first year increase that will see this go to \$18.25 a month and in the second year the request is for this rate to go to \$27.00/month. If the actual loss is \$2.35/month, where is the justification for these increases?

Please keep in mind that we invested the money to install our systems, are responsible for the maintenance of the systems and that these 1250 roof top systems cost **more than \$2.5 million to install**. This is money that SSVEC DID NOT need to invest in infrastructure! In addition, the power generated by these roof top installations was power that SSVEC did not have to purchase from their supplier. From this point of view both solar and non-solar residential members of the Co-Op benefited. Our group understands the need to cover the reported \$1.1 million revenues loss claimed by SSVEC, but lets raise the monthly rate to \$12.60 the first year and not to the \$18.25 SSVEC is requesting. This can be re-visited in the second year for adjustment if needed. I would also like to point out that in 2015 SSVEC covered all costs and had a surplus of approximately \$600,000; another consideration on your part when you rule on the rate case.

The other concern we have is about the request to "grand father" for 20 years, from the date of installation, all roof top solar installations. This would be retroactive and we feel unfair. What we would like to see is retaining any current program for as long as the current owner retains possession of the home. Once the home is sold, SSVEC could impose new restrictions for the new owner. We feel this would be a fair program. In addition, the date of this agreement should start from the date solar was installed. In my case, the program I agreed to in 2009 would continue until I sell my home.

As far as the excess power generation compensation is concerned, we feel we should be compensated at the same rate we pay for the power we receive in the non-generating hours. But, we would be willing to accept an 8 to 9 cent rate from what we currently generate which would be less than the 12.6 cents we now receive. Come

“True Up” time, we have no problem with the SSVEC proposed compensation program. In my case, I was not permitted to over size my system at the time of installation. Thus, “True Up”, the compensation is usually less than \$50.00 which shows that I am not “gaming” the system.

In conclusion, our group of roof top solar owners feel that the rate request is well in excess of the loss SSVEC is claiming, and the program we currently have with SSVEC should remain until we sell our home. We took the initiative to buy into the roof top program when it was offered and should not now be penalized for being a willing participant.

One additional side note; since my installation went active, I have saved 63,256 pounds of CO2 (as of 4/10/2016). I believe this is another environmental factor that should be considered when you are looking at the DG and rate increase.

Thank you for your consideration.

E. Dennis Ehrenberger

E. Dennis Ehrenberger
2783 Glenview Drive
Sierra Vista, AZ 85650