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ARIZONA CORPORATION COMMISSION

ORIGINAL
July 8, 2016

To: Docket Control

TUCSON ELECTRIC POWER COMPANY – Customer Comments

Docket No. E-01933A-15-0322 and E-01933A-15-0239

Please docket the attached 7 customer comments opposing the above filed case.

Customer comments can be reviewed in E-docket under the above docket number.

Filed by: Utilities Division – Consumer Services

Arizona Corporation Commission
DOCKETED
JUL 8 2016

DOCKETED BY *KG*

RECEIVED
2016 JUL -8 P 3:06
AZ CORP COMMISSION
DOCKET CONTROL

E-01933A-15-0239

E-01933A-15-0322

Arizona Corporation Commission Utilities Complaint Form

Investigator: Roxanne Best **Phone:** <<< REDACTED >>> **Opinion Date:** 7/6/2016
Opinion Number: 2016 - 132778 **Priority:** Respond within 5 business days
Opinion Codes: Rate Case Items - Opposed **Closed Date:** 7/6/2016 8:32 AM
 Rate Case Items - Solar In Favor

First Name: John **Last Name:** Hughes **Account Name:** John Hughes
Address: <<< REDACTED >>>
City: Tucson **State:** AZ **Zip Code:** 85750
Home: <<< REDACTED >>>

Company: Tucson Electric Power Company **Division:** Electric

Nature Of Opinion

Docket Number: E-01933A-15-0322 **Docket Position:** Against

This is to express my view in opposition to the proposal before the Arizona Corporation Commission to add charges to those who are presently utilizing rooftop solar panels and those who may be considering that as a step toward greater energy independence in the future.

I happen to have rather strong feelings based on my activities with the Nanotechnology Cluster of Arizona. I have been thrilled with the advances in material sciences that allow far greater energy can capture from sunlight today than was possible five years ago.

I am aware of the attempted to by TEP to impose a "demand charge" on future solar customers. I'm also aware of the attempt to double the monthly service charge for TEP customers. I do support the idea of metering which encourages the public to reduce consumption during periods of high load.

I appreciate the need for adequate revenue for each of the utilities to provide quality service to the consumers in this area. I also appreciate the cooperation between the various utilities and with our national laboratories in regard to research and development on energy production, distribution, and storage methodologies.

Your service to the community at large is appreciated.

Respectfully yours,

John H. Hughes <<< REDACTED >>>

Investigation

E-01933A-15-0322

**Arizona Corporation Commission
Utilities Complaint Form**

Date:

7/6/2016

Analyst:

Roxanne Best

Submitted By:

Email

Type:

Investigation

Sent email to Terry Finefrock advising Mr. Hughes comment was entered. Comments noted for record and docketed.
Closed.

E-01933A-15-0239

E-01933A-15-0322

Arizona Corporation Commission Utilities Complaint Form

Investigator: Roxanne Best **Phone:** <<< REDACTED >>> **Opinion Date:** 7/5/2016
Opinion Number: 2016 - 132769 **Priority:** Respond within 5 business days
Opinion Codes: Rate Case Items - Opposed **Closed Date:** 7/5/2016 4:14 PM
 Rate Case Items - Solar In Favor

First Name: Bill **Last Name:** Irwin **Account Name:** Bill Irwin
Address: <<< REDACTED >>>
City: TUC **State:** AZ **Zip Code:** 85743
Home: <<< REDACTED >>> **Email:** <<< REDACTED >>>

Company: Tucson Electric Power Company **Division:** Electric

Nature Of Opinion

Docket Number: E-01933A-15-0322

Docket Position: Against

The ACC is totally pro utility corps at the expense of users(voters)!!! Solar energy is good for the environment and for those of us who have invested our own funds to have the panels installed on our homes. Think about us (your constituents) rather than the local utility companies who apparently contribute vast amounts of dark money to feather their own nests! Bill Irwin

Investigation			
Date:	Analyst:	Submitted By:	Type:
7/5/2016	Roxanne Best	Web Submission	Investigation

Comments noted for record and docketed. Closed.

E-01933A-15-0239

E-01933A-15-0322

Arizona Corporation Commission Utilities Complaint Form

Investigator: Roxanne Best **Phone:** <<< REDACTED >>> **Opinion Date:** 7/5/2016
Opinion Number: 2016 - 132760 **Priority:** Respond within 5 business days
Opinion Codes: Rate Case Items - Opposed **Closed Date:** 7/5/2016 4:00 PM

First Name: James **Last Name:** Liska **Account Name:** James Liska
Address: <<< REDACTED >>>
City: Tucson **State:** AZ **Zip Code:** 85749
Cell: <<< REDACTED >>> **Email:** <<< REDACTED >>>

Company: Tucson Electric Power Company **Division:** Electric

Nature Of Opinion

Docket Number: E-01933A-15-0322 **Docket Position:** Against

We do not support the TEP plans to raise the connection fee to \$20. We do not support the elimination of the rollover and the compensation reduction. The demand charge also seems unfair. Jim and Connie Liska

Investigation			
Date:	Analyst:	Submitted By:	Type:
7/5/2016	Roxanne Best	Telephone	Investigation

Comments noted for record and docketed. Closed.

Arizona Corporation Commission Utilities Complaint Form

proposal to lower rates for businesses that choose "major" business expansions is flat out unethical. They are proposing that struggling households -- subsidize -- business expansion. State regulators must be totally corrupt to encourage such a concept. Thank you for giving me this opportunity to be more specific. Michael Bohl , Tucson, az.

Investigation

Date:	Analyst:	Submitted By:	Type:
7/5/2016	Mary Mee	Email	Investigation

From: Mary Mee

Sent: Tuesday, July 05, 2016 11:49 AM

To: skymindeye@gmail.com

Subject: RE: solar energy integration

Good morning Mr. Bohl,

I am an analyst with the Arizona Corporation Commission, Utilities Division. I have read the below comments and just want to be sure to file them correctly. Is there a particular docket number or electric company that your comments are directed toward?

Thank you,

Mary Mee | Arizona Corporation Commission | Consumer Analyst I, Public Utilities
Office (602) 542-7273 Facsimile (602) 542-2129

Date:	Analyst:	Submitted By:	Type:
7/7/2016	Mary Mee	Telephone	Investigation

Comments noted for the record and docketed. CLOSED

E-01933A-15-0239

E-01933A-15-0322

Arizona Corporation Commission Utilities Complaint Form

Investigator: Roxanne Best **Phone:** <<< REDACTED >>> **Opinion Date:** 7/8/2016
Opinion Number: 2016 - 132830 **Priority:** Respond within 5 business days
Opinion Codes: Rate Case Items - Opposed **Closed Date:** 7/8/2016 9:02 AM
 Rate Case Items - Solar In Favor

First Name: Kent W **Last Name:** Bauman **Account Name:** Kent W Bauman
Address: <<< REDACTED >>>
City: Tucson **State:** AZ **Zip Code:** 85737

Company: Tucson Electric Power Company **Division:** Electric

Nature Of Opinion

Docket Number: E-01933A-15-0322

Docket Position: Against

From: Kent Bauman [mailto:<<< REDACTED >>>]

Sent: Friday, July 08, 2016 8:17 AM

To: Utilities Div - Mailbox <UtilitiesDiv@azcc.gov>

Subject: Docket E-01933A-15-0322

It's Time For Compromise, Sound Economic Reasoning In The Solar Debate

I've been watching the open debate between utilities, state regulators, legislators, and private solar industry concerns about how to fairly serve homeowners with rooftop solar power panels.

Until earlier this month, there were legislative bills being drafted by the Arizona House, and conflicting ballot proposition petitions being sponsored and readied for voter signatures by AEP (the Phoenix power company) and Solar City. The debate has been framed as a "win/lose" matter, driven by profit and political interests, and to some extent, a poor understanding of the economics of the electric power industry.

While everyone seems to have temporarily called a moratorium on their efforts to press for new laws, we are no closer to resolving this important issue. The debate centers around how much a utility should have to pay homeowners for the surplus power their solar panels may produce in the form of credits on their monthly electric bills, and for how long these credits need to be honored by the utility (called "net metering").

Here's a brief outline of what's at stake:

- Homeowners who've each already invested thousands in rooftop solar panels to save money on their electric bills are crying foul at proposed utility rate changes. Some of the changes proposed by AEP and TEP will wipe out most of the savings they had counted on to cover payments they are making on their rooftop solar systems. It can take 10 or more years of electric bill savings to cover these initial costs. Elsewhere, California regulators have elected to keep buy back rates and net metering policies in place, while Nevada regulators have recently opted for policies that have wiped out most of the savings for those who already invested in rooftop solar systems.
- Even with our abundant sunshine, the Arizona solar industry is now in decline because of the uncertainty our State Regulators and utilities have created over whether the savings of a new rooftop solar system will cover the leasing or financing costs on a new project.

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- The utilities claim that the current retail rates at which they now have to buy back unused power from solar homeowners are forcing them to charge more to non-solar rate payers and hurting the returns to their shareholders. Utilities also claim the "net metering" policies that allow solar customers to "bank" the extra power they make in the form of credits toward their future electric bills are also causing rates to be higher for non-solar rate payers. Instead, the utilities want to settle electric bill credits with solar customer each month, paying as little as 2 cents for each surplus kilowatt hour produced, which they can then resell for 12 cents.
- Elected commissioners at the Arizona Corporation Commission and members of the Arizona legislature have to balance public opinion against the powerful voices of the electric utilities, who also contribute to re-election campaigns, and who may also one day employ them as lobbyists after they leave their elected positions. Today there are legal fights in process over whether electric utilities can be forced to publically disclose contributions they've made to the election campaigns of ACC commissioners and state legislators.

In my opinion, each one of these stakeholders seems to be so busy arguing for their personal and financial interests, that no one is ready to talk compromise by proposing economically-balanced solutions that create a win-win situation for all constituents. Alternative energy is a vital part of creating clean air and helping our country reduce our dependency on foreign oil. As electric vehicles continue to become more viable, the demands for electric power will likely mushroom, and the constraints on the US power grid are going to become a front and center issue. Brown outs and major power grid failures are likely to become common in the years ahead. Rooftop solar power will reduce our country's need to build more electrical plants powered by oil and natural gas and reduce the demands being placed on our aging transmission line infrastructure.

A residential solar policy that balances the competing financial interests of stakeholders should first recognize the costs the utility incurs to operate their distribution network, and the cost of billing and collecting payments for power to their customers. These costs are totally separate from the cost of producing power by the utility or purchasing from power plants that are owned and operated by other companies. Nationally, 30-40 percent of the retail price paid by homeowners goes toward covering these distribution costs.

Because it doesn't make sense to run redundant sets of power lines through our communities to enable choice and competition, electric utilities are necessarily operated as monopolies that are regulated by federal and state government authorities. Regulators should work to ensure that the rates utilities are allowed to charge customers are based on competitive wholesale power purchases and reasonable costs for distributing this power locally. Utility monopolies should be required to show that they are buying their wholesale power from the cheapest sources available, whether the utility owns the generating plants or not. Residential solar producing customers should be treated as just another source of wholesale power, and paid for their surplus power at a rate equal to the most expensive power the regulated utility buys during the day when the sun is shining. These rates may fluctuate between the summer and winter, and with the cost of oil and natural gas.

Call to Action

We need our ACC commissioners to distinguish between TEP's wholesale costs of power they buy for the local grid, and the costs they incur for distributing power to residential customers. TEP needs to be held accountable for sourcing wholesale power at the lowest possible cost, including residential solar power purchase at rates that are equivalent to the highest rates they pay for wholesale power purchases made from other sources. If the TEP is buying surplus power from solar home owners at competitive wholesale rates, this should eliminate any objection to continuing with present net metering agreements that permit solar customers to "bank" and carry forward credits to use on future power bills. It is certainly not fair to require TEP to pay customers with solar panels the full 12 cents per kilowatt retail rate, but then it's not fair to allow TEP to pay just 2 cents per surplus kilowatt hour either. Adoption of fair kwh buy back rates should also eliminate the need for TEP to ask the ACC to approve discriminatory monthly surcharges or peak demand fees on customers with rooftop solar panels.

Come on everyone, there's lots at stake with this issue, and it's time to move forward quickly with policies that are fair to both solar and non-solar rate payers, TEP shareholders, and the private solar industry.

E-01933A-15-0322

**Arizona Corporation Commission
Utilities Complaint Form**

Muddling through another year of indecision just isn't acceptable.

Kent W. Bauman

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		Investigation	
Date:	Analyst:	Submitted By:	Type:
7/8/2016	Roxanne Best	Email	Investigation
Comments noted for record and docketed. Closed.			
