

E-00000J-16-0257



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ORIGINAL **Arizona Corporation Commission**
Utilities Complaint Form

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Investigator: Richard Martinez Phone: <<< REDACTED >>> Opinion Date: 8/4/2016
Opinion Number: 2016 - 133692 Priority: Respond within 10 Business Days
Opinion Codes: Rate Case Items - Demand/ In Favor Closed Date: 8/5/2016 3:52 PM

First Name: Terry Last Name: Finefrock Account Name: Terry Finefrock
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Company: Miscellaneous Electric Division: Electric

Nature Of Opinion
Arizona Corporation Commission

DOCKETED

Docket Position: For

Docket No. E-00000J-16-0257

AUG 10 2016

DOCKETED BY

Listened to most, not all, of the State Legislature Workshop 8/4/16, I did not hear the following Utility solution discussed, most were Residential. Rather than focus on managing INDIVIDUAL Ratepayer energy demands, manage SYSTEM Peak Demand for expensive generation at the aggregated substation of circuit level, via the establishment of Modern Distribution Grid(MDG): "Flexible Generation" energy storage equipment, operating systems with ratepayer appliance/load sensors-controls(automated demand response, deferment) on those Utility circuits and substations that have large fluctuations in demand or supply(non-dispatchable base load, concentrations of DG), or those with critical must run requirements. Commercial or Utility scale energy storage equipment solutions will be the first to become economical (5c/kWh 2017-18, much less than 28c/kWh Peaker); avoid expensive transmission infrastructure, related 8% energy loss, eliminate-reduce emissions and fuel surcharges, reduce O & M costs, no water loss costs. Management of imbalances at the aggregated substation level would also prevent many SYSTEM level cascading black-brown-outs. ACC is considering the development of a Regional WECC Competitive Generation-Transmission Market to improve utilization, reduce fixed cost/kWh, and reliability, and minimize impacts of potential obsolescence as new generation technology is introduced. AZ utilities, and DG/Customers, plan significant shifts to local RE(Solar) generation. AZ utilities should shift their focus and expenditure of Ratepayer funds to ASSURE ROI...implement iterative and phased cost reductions to current base rate components, use those revenues to develop the MDG, necessary to reduce-control costs and ratepayer charges which is driving most DG installations, manage and better use current non-dispatchable base load generation and more much less expensive LOCAL solar electric generation/intermittancy. The MDG would also avoid having to sell Base load plant excess energy at night, sold at lower price to a few customers; could sell at higher rate times, provide benefit to ALL ratepayers (A popular "Customer Class" Fairness issue promoted by TEP & APS). Implement a 5 year Utility Substation scale Energy Storage mandate....the discontinued 5-year RE PBI-UFI programs were very successful in reducing costs. Incite utilities to fund 30% of costs using Federal ITC before they expire 2020.

Investigation
Date: 8/4/2016 Analyst: Richard Martinez Submitted By: Telephone Type: Investigation

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Entered for the record and filed in Docket Control.
