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BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE  
Chairman  
BOB STUMP  
Commissioner  
BOB BURNS  
Commissioner  
TOM FORESE  
Commissioner  
ANDY TOBIN  
Commissioner

Arizona Corporation Commission  
**DOCKETED**  
AUG 19 2016

DOCKETED BY *kh*

IN THE MATTER OF THE APPLICATION )  
OF AJO IMPROVEMENT COMPANY FOR )  
WAIVER OF THE RENEWABLE ENERGY )  
STANDARD RULES. )

DOCKET NO. E-01025A-16-0205  
DECISION NO. 75703  
ORDER

Open Meeting  
August 9 and 10, 2016  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Ajo Improvement Company ("AIC") is engaged in providing electric power within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission")

2. On June 24, 2016, AIC filed an application requesting a complete waiver of the Renewable Energy Standard and Tariff Rules ("REST Rules").

3. AIC claims that it has always faced challenges in complying with both the Annual Renewable Energy Requirement and the annual Distributed Renewable Energy Requirement. AIC has, however, been able to acquire bundled energy with renewable energy credits ("RECs") as defined under the REST Rules, and has provided incentives to customers for eligible Distributed Energy Renewable Resources ("DERs"). AIC now states that procuring such bundled energy and RECs has become impossible, and no additional customers have come forward with any applications to receive incentives

1 for such eligible DERs. Therefore, AIC believes the time is right to request a complete waiver of the  
2 REST Rules. AIC has requested and been granted partial waivers in the past.

3 4. Should the Commission decide to not approve a complete waiver, then as an alternative,  
4 AIC is requesting the same partial waiver it has received in the past, which is the waiver of the annual  
5 Distributed Renewable Energy Requirement under A.A.C. R14-2-1805, originally granted in Decision  
6 No. 73881 (May 8, 2013) and affirmed in Decision No. 74831 (November 13, 2014). Further, AIC  
7 requests that its Renewable Energy Standard Implementation Plan for 2015 and 2016 ("2015-16 REST  
8 Plan") remain in effect for 2017 and 2018.

9 5. AIC is correct in its statement that the Commission has granted a partial waiver in past  
10 REST cases. Staff believes that this is a sufficient option and preferable to the complete waiver  
11 requested by AIC.

12 6. Staff has recommended that the waiver of the annual Distributed Renewable Energy  
13 Requirement under A.A.C. R14-2-1805 continue for AIC for 2017 and 2018.

14 7. Staff has further recommended that AIC's 2015-16 REST Plan should remain in effect  
15 for 2017 and 2018.

#### 16 CONCLUSIONS OF LAW

17 1. AIC is an Arizona public service corporation within the meaning of Article XV, Section  
18 2, of the Arizona Constitution.

19 2. The Commission has jurisdiction over AIC and over the subject matter of the  
20 application.

21 3. The Commission, having reviewed the application and Staff's Memorandum dated July  
22 20, 2016, concludes that it is in the public interest to approve AIC's alternative proposal of a partial  
23 waiver, and AIC's 2015-16 REST Plan remaining in effect for 2017 and 2018.

#### 24 ORDER

25 IT IS THEREFORE ORDERED that Ajo Improvement Company's waiver of the annual  
26 Distributed Renewable Energy Requirement under A.A.C. R14-2-1805 shall continue for 2017 and  
27 2018.

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IT IS FURTHER ORDERED that their Ajo Improvement Company's 2015-16 REST Plan shall remain in effect for 2017 and 2018.

IT IS FURTHER ORDERED that this Order shall take effect immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

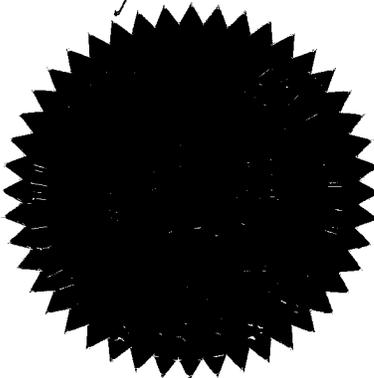
*J. Blitt*  
CHAIRMAN LITTLE

*Paul Stump*  
COMMISSIONER STUMP

*Tom Forese*  
COMMISSIONER FORESE

*Leah Tobin*  
COMMISSIONER TOBIN

*Robert Burns*  
COMMISSIONER BURNS



IN WITNESS WHEREOF, I, JODI A. JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 19th day of August, 2016.

*Jodi A. Jerich*  
JODI A. JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

TMB: JJP:vsc/WVC

1 SERVICE LIST FOR: Ajo Improvement Company  
2 DOCKET NO. E-01025A-16-0205

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Mr. Jason D. Gellman  
Snell & Wilmer L.L.P  
One Arizona Center  
400 East Van Buren Street, Suite 1900  
Phoenix, Arizona 85004

Mr. Thomas M. Broderick  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Janice M. Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Dwight Nodes  
Chief Administrative Law Judge, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007