

ORIGINAL



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

TO: Docket Control

DATE: November 8, 2016

FROM: Chairman Doug Little's Office

SUBJECT: TRICO E-01461A-15-0363

Chairman Little's office received 2 emails, one with attachment, referencing the above docket number. The correspondence can be viewed in Docket, or on the Commission website via the eDocket link.

Arizona Corporation Commission
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Andrea Gaston

From: kirpal johnson <kirpaljohnson@hotmail.com>
Sent: Tuesday, November 01, 2016 2:15 PM
To: Little-Web; Forese-Web; Tobin-Web; Stump-Web; RBurns-Web; kirpal johnson
Subject: PUBLIC COMMENT LETTER--DOCKET E-01461A-15-0363
Attachments: Trico Docket Letter.docx

Dear Sirs,

Please find attached a public comment letter concerning Trico's rate case (E-01461A-15-0363) currently before the Commission.

Sincerely,

Kirpal Johnson

Dear Commissioners,

I am a Trico Electric Cooperative Member who owns a 100% offset solar system that was installed on my home in December 2015. I made this decision to do my small part toward transitioning away from fossil fuel based electrical production. I also made this important decision without clarity on how ongoing discussions about net metering were going to be resolved. As an affected party in this continuing public discussion, I've closely followed developments in the solar industry, at the Cooperative, and at the Commission.

When the overwhelming scientific data concerning climate change is rationally considered, there's only one conclusion: we must swiftly find every means possible to transition to clean energy, and in doing so hopefully avert the indisputable, terrifying consequences of our fossil fuel based society. It's time we acknowledge the gravity of the crisis, and take visionary steps toward addressing this issue.

I would like Trico to join other cooperatives nationwide who are finding creative means to support clean energy and transition away from reliance on fossil fuel based energy sources. I would like Trico, and all Arizona utilities, to challenge themselves to view distributed generation (DG) solar as a net positive on many levels: as a means to cleaner air and improved health, as a way to significantly reduce greenhouse gasses, as a way of conserving our exquisite water, as a means of providing jobs and revitalizing our stagnant economy, as a way to create a more resilient electrical grid, AND as an economic benefit for all ratepayers through avoided costly new expenditures in generation, transmission, distribution, and environmental compliance measures.

When we accept the basic fact that climate change is real and that the extreme drought in the west is real, and that the many other health, environmental and societal problems we face are all very real, then visionary action is needed. The vast majority in the scientific community are abundantly aware that urgent action is needed to reverse current trends and their catastrophic results. However, here in Arizona, those involved in ongoing solar policy debates often act within restricted and inadequate parameters--arguing narrow matters only to arrive at unsatisfactory non-solutions to the larger problems we face.

In the end, this solar debate should not be about narrow questions of net metering or the value of solar, but about the larger question of clean versus dirty energy, and about the larger question of whether elected leaders will demonstrate the courage, intelligence, and vision to meet the incredible problems we face—together, collectively, beyond borders or distinctions, on this increasingly vulnerable planet.

Specific to this docket, and all other electric utility dockets currently underway, Commissioners must support and expand the structures that make leased and owned DG solar systems economically attractive so citizens can have choice in their selection of how they'd like to receive their energy. Time and again, there has been resounding support for solar across the United States. Citizens want more clean energy, and they want to be able to take advantage of the dramatic decreases in the cost of solar and benefit from clean, less expensive solar power. It's essential that the choice to go solar at one's home is protected now and into the future, just as it's essential that the policy mechanisms are in place to protect peoples' already existing investments in clean solar power.

In following the ongoing solar debates in Arizona, it's clear that critics of DG solar often interpret partial data and reach predetermined conclusions through limited analysis. We must sweep out bias and the

moneyed interests who seek to jeopardize and obstruct solar right here in one of the sunniest states of our beautiful country. It would be a tragic day, indeed, if we jeopardized solar in Arizona.

We must have an expansive understanding of the overlapping challenges we're facing and address them in a coordinated manner among Cooperatives and utilities, private and public entities, including city, county, state, and federal authorities. Trico policy on solar should be forward-looking, it should acknowledge all the benefits of solar, and it should seek to the greatest extent possible all forms of clean energy: DG, utility-scale, community solar, etc. Standing before this monumental crisis, Einstein's observation years ago is equally relevant today: "The significant problems we have cannot be solved at the same level of thinking with which we created them."

As a member of the Cooperative with solar panels, I'm disturbed by Trico's solar proposals. First, I strongly disagree with Trico's repeated assertions of retroactive rate changes for solar customers. The persistence of this ambiguity since February 2015 has undermined the authority of the Commission and harmed the development of the local solar industry. I believe the Commission should have long ago mandated that all Arizona cooperatives and utilities explicitly guarantee net metering rates for all customers for a minimum of 20 years. This is only fair to those who have made the decision to go solar, whether through a lease model or through private ownership. In my case, I find it galling that I cannot make a rational analysis of the payback on my solar system purchase because the utility is threatening to undermine my investment through retroactive changes in net metering and the Commission is condoning this behavior. I request that the Commission grandfather all existing customers for at least 20 years.

In their recent rate case settlement (July 2016), Trico continues to assert that customers who apply for interconnection after May 31, 2016 will be subject to retroactive rate changes by the Commission. I strongly disagree with this and ask that the Commission assert that any potential changes to net metering will only be applied on a moving-forward basis, at some point after a final rate case decision has been made.

I have been confused by Trico's position on demand charges for customers and I am strongly against the implementation of this charge in any form whatsoever. I also question whether it is fair for Trico to change their proposal before the Commission. I receive paper billing and receive all of Trico's LiveWire newsletters, where updates are given and pending changes at the Cooperative are discussed. I don't recollect any updates on or clear explanations of Trico's request for a demand charge billing structure. What Trico is seeking in this rate case hearing did not originally include demand fees, and now it appears that they are attempting to do so (though at an initial zero dollar fee mechanism). I am entirely against demand fees and do not feel I have been educated on how I can control this potential fee nor what has been the justification for the introduction of this unpredictable rate structure in the current proceeding.

As a member of the Cooperative, I deserve to be duly informed of proposed changes and those formulating such changes have the burden of disclosing what they're seeking in an open and direct manner. The Board of the Cooperative is elected, and they exist to serve the interests of the Members. At the very least, it's incumbent upon them to notify Members adequately of what changes are being considered. I don't feel this has occurred. In short, how can the Commission entertain approving something that members of the Cooperative have not been sufficiently informed about beforehand?

Demand charges are foreign to Members of the Cooperative, but I'd also like to mention a surprise I faced as a new solar customer with Trico. When I went solar, Trico's paper billing methodology does not

permit a solar homeowner to know from the monthly bill what his/her total electrical usage is. This is disempowering to those of us seeking to achieve greater energy efficiency and reduce overall usage. At my home I've made multiple upgrades this year (LED lights, blown-in attic insulation, an 18 SEER A/C unit, new double-pane windows), and I'd like to know specifically what the effects are on my electricity consumption. How can I plan to make future investments in energy efficiency measures at my home if I don't have the means to easily know what my overall energy usage is at my home?

Before the initiation of Trico's SmartHub online usage data portal, I called into Trico to inquire about my total usage. I was sent a spreadsheet of my total usage data (as this is not stated on the paper bill). Since then, I haven't found the SmartHub to be a user-friendly means to get basic information about my usage that can be verified with the paper bill I receive. As a way to empower solar homeowners with complete data on their homes electrical usage, I believe Trico should change the bill to show total usage data. I also believe they should educate solar DG Members on how to use the SmartHub to extract relevant data. Lastly, for a long time I didn't even know the SmartHub existed, and I've found that friends of mine who are DG solar Cooperative members still don't know about the SmartHub portal.

Another aspect of Trico's proposal that I do not support involves a dramatic increase in the fixed monthly customer charge. I am entirely opposed to Trico's 60% increase in this fixed fee, from \$15 to \$24. Like demand charges, this steep increase seems to be another change that Trico made during its rate case. I believe I was initially informed my fixed customer charge would potentially go up to \$20, but now that has been raised to \$24. This is a dramatic increase that is out of line with the reality of the lives of most Trico Members, many of whom are working poor families, elderly people on fixed incomes, and folks with low overall usage. Raising the customer fixed charge this much presents an undue burden on Members of the Cooperative. As for solar customers like myself who are generating all of their energy from the sun, this measure comes as a direct penalty, raising the fixed fee customer charge total in year one to \$288. Trico's proposed fee is more than double the \$10 fixed monthly fee that residential customers of TEP currently pay.

Lastly, I do not support the proposed changes to net metering. I ask: If, as the Cooperative claims, there is a cost shift occurring due to DG solar installations, why has there been no direct evidence of this or data provided to back this up? Why is there no comprehensive proof of this so-called cost shift?

In independent studies across the nation, we find an entirely different conclusion than what the utilities here in Arizona are disseminating. In a report by the Environment America Policy and Research Center (<http://environmentamerica.org/reports/ame/shining-rewards>), 12 out of 16 analyses nationwide found that the value of solar energy was worth more than the average residential retail electricity rate in the area at the time the analysis was conducted. Three out of the other four studies that did not were commissioned by utilities.

As a Member, I'm in full support of the financial health of the Cooperative. However, I disagree with the approach that Trico has taken concerning DG solar and I don't feel the information they've presented to the public presents the whole picture nor treats solar customers fairly. More importantly, I feel the Cooperative is moving in entirely the wrong direction: rather than jeopardizing solar customers and decreasing the economic benefits of solar, they should be promoting solar adoption and working creatively to create policy solutions that allow for the swift integration of clean solar energy into the electrical grid.

In the various proceedings before the Commission, there's a stunning consistency: the utilities all claim, using nearly identical language, an alarming cost shift due to DG solar, and yet all these same utilities do not provide the data to prove it. The report referenced above summarizes a dozen independent studies around the country that arrive at a conclusion diametrically opposed to what the utilities here claim—that is, *solar customers are being underpaid for the energy they produce when all the benefits of their solar production are accounted for.*

Overall, for many decades tremendous subsidies have existed for the fossil fuel industries, and all of the pollution and harm this has caused and continues to cause has not been taken into account. It's time we address this glaring fact and institute a carbon tax that rationally and reasonably reflects the true costs associated with our continuing reliance on fossil fuels. If the vast damage and destruction being caused by fossil fuel consumption was objectively taken into account, there would be no question that solar energy is the best form of energy generation available here in southern Arizona. We would work to scale down our reliance on coal and natural gas while aggressively ramping up solar energy output. In doing so, well-paying jobs would be created, we'd have a more resilient grid, less water would be consumed, less pollution would be emitted, the cost of electricity would go down, and the list of benefits goes on and on.

To conclude, I do not support Trico's proposed retroactive rate making, their proposed demand fee structure, their proposed increase in the fixed monthly fee for all Members, nor their proposed changes to net metering.

I know that better solutions can be found other than those laid out in the proposals put forward by Trico. We need visionary policy that brings together all entities, public and private, to create energy policy that addresses the gravity of the situation we face in the world today. We cannot afford a business as usual approach if we'd like to leave our children and grandchildren with a healthy and sustainable way of being here on Earth. The impacts of our destructive behavior now affect nearly every aspect of our interconnected life on earth.

Clean solar energy is an essential part of the solution. We need to find the means in Arizona to deploy the largest amount of solar at every level possible—through distributed generation, utility scale, and community solar. In the adoption of comprehensive clean energy policy solutions lies our best hope for creating a vibrant future for southern Arizona, and for making us a leader in the urgently needed transition away from fossil fuel energy consumption.

Thank you for your time and consideration.

Sincerely,

Kirpal Johnson

Andrea Gaston

From: Linda Lyon <lindalyon1222@gmail.com>
Sent: Sunday, November 06, 2016 3:26 PM
To: Little-Web
Subject: Constituent not happy with demand charge change

Chairman Little:

We write today regarding docket number E-01461A-15-0363. Our specific concerns are centered on the rate design settlement agreement proposed by Trico and Arizona Corporation Commission staff.

We are not happy about the Trico and AZ Corporation Commission agreement to include a demand charge on our bill. We don't recall receiving notice of this change as we would think there is a legal requirement to do.

As a related aside, we are concerned that this change seems to be another ploy to deter the expansion of solar power generation. We can't for the life of us understand why solar energy isn't the #1 product of Arizona and consider it a failure of leadership that is not the case.

We believe TRICO failed to give reasonable notification let alone proper education on what "demand charges" are and how they will impact our electricity bills. We therefore request the Commission direct Trico to attend to proper notification and membership education before proceeding with any further consideration of changes to rates for their members.

Thank you, Hollace and Linda Lyon

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