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Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

Renewable Energy Standard and Tariff

Compliance Report

Compliance Year 2014

Docket E-01575A-13-0209

Decision 74158

Submitted March 4, 2015

Arizona Corporation Commission

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**Sulphur Springs Valley Electric Cooperative, Inc.
Renewable Energy Standard and Tariff
Compliance Report
Compliance Year 2014**

INTRODUCTION

Pursuant to A.A.C. R14-2-1812, Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) submits this compliance report for calendar year 2014. This report relates to the SSVEC 2014 Renewable Energy Standard and Tariff Plan ("REST Plan"), approved by the Arizona Corporation Commission (the "Commission") in Decision No. 74158 dated October 25, 2013.

EXECUTIVE SUMMARY

The REST Plan uses surcharge dollars from the SSVEC Commission-approved retail tariffs to support programs for developing renewable facilities, purchasing renewable energy and participation in large-scale renewable generation projects. Funds may also be used for administration, advertising and educational activities.

The REST Plan for 2014 was approved pursuant to R14-2-1814. R14-2-1814 provides that, upon Commission approval of SSVEC's REST Plan, its provisions substitute for the Annual Renewable Energy and Distributed Renewable Energy requirements of Rules 1804 and 1805, respectively.

2014 INSTALLATIONS AND ENERGY GENERATED / SAVED

In 2014, 266 new Photovoltaic ("PV") systems were installed in SSVEC's service area for a total installed capacity of 2,110.2 kW. Additionally all of these new systems are distributed generation (244 residential and 22 commercial).

In 2014, 15 new solar water heating systems were installed in SSVEC's service area. These new systems were expected to save approximately 45,832 kWh per year (as determined by the OG-300 rating program).

These additions bring the total number of renewable generation installations in SSVEC's service area by the end of 2014 to 1,896. This includes 1,494 PV installations (a total installed capacity of 10,370 kW), 37 wind installations with a total capacity of 106.9 kW, 1 bio-mass boiler, 1 geothermal well, and 363 solar water heating installations expected to save approximately 11,550,470 kWh per year.

In 2014 SSVEC also eliminated the need for a reservation list and is paying incentives as the systems are inspected and approved.

REQUIRED REPORTING INFORMATION

The ACC requested that the Electric Utilities develop a standard REST reporting format. SSVEC submits the following tables to meet this requirement (see attached tables).

- Table 1a – Renewable Resources
- Table 1b – Compliance Summary
- Table 2b – RES Cash Incentive Costs

The following tables were not included because they are not applicable to the Commission approved SSVEC REST program.

- Table 2a - RES Resource Costs
- Implementation Plan Table 1 – Targeted Resources
- Implementation Plan Table 2 – Targeted RES Resources Costs

Financial Summary

REST Surcharge Funds Available		\$ 3,774,056
Expenses in 2014		
Administrative Costs	\$ 244,805	
Debt Service ¹	\$ 1,162,695	
Incentives Paid	\$ 2,223,280	
Total Expenses	<u> </u>	\$ 3,630,780
Balance Applied to the 2015 REST Programs		\$ 143,277

Respectfully Submitted,


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¹ Debt service is for CREBs financing of the Solar for Schools and SSVEC large scale solar farm as approved by the Commission.

Table 1a - Renewable Resources

Resource	Technology	Ownership	MWac ¹	MWdc ¹	Production (Actual) + (Annualized) ²	Multiplier Credits	Total MWh or Equivalent
GENERATION:							
	PV Fixed Array	SSVEC		0.3	502		502
	PV Tracked Array	SSVEC		1.2	2,618		2,618
				1.5	3,120		3,120
	<i>Gross Total (if needed)</i>						
	<i>Adjustments (if needed)</i>						
	Subtotal Generation						3,120 (A)
DISTRIBUTED ENERGY (DE):							
<i>Residential:</i>							
	PV			5.7	12,417		12,417
	SWH			0.9	1		1
	Wind			0.1	241		241
				6.7			12,659
	<i>Gross Total (if needed)</i>						
	<i>Adjustments (if needed)</i>						
	Subtotal Residential						12,659 (B)
<i>Non-Residential:</i>							
	PV			3.2	7,052		7,052
	SWH			0.8	1		1
	Wind						
	Bio-Mass			1.7	2		2
	Geothermal			1.7	2		2
				7			7,056
	<i>Gross Total (if needed)</i>						
	<i>Adjustments (if needed)</i>						
	Subtotal Non-Residential						7,056 (C)
	Subtotal Distributed Energy (B + C)						19,715 (D)
	Total RES Resources (A + D)						22,835 (E)
	Total MWac equivalent³						

Notes to Table 1:

¹ Generation capacity is generally reported in MWac and DE is generally reported in MWdc.

² Assumes 2190 kWh per installed kW for non-metered or current year installed residential PV systems, and 2190 kWh per installed kW for similar non-residential systems. Assumes 2920 kWh / kWdc for tracked

³ Represents the total RES portfolio capacity in MWac. Assumes a 90% dc-ac conversion factor applied to MWdc capacity.

Table 1b - Compliance Summary

Category	Metric	%	Compliance Measure (MWh)	RES Resources (MWh or Equivalent)
Retail Sales	Actual MWh Sales for 2014	2.25%	20,975	
Prior year carrying balance ¹				(F)
2012 Total RES Resources [From (E) in Table 1a]				(E)
2013 Total RES Requirement	N/A			
DE Requirement	N/A			
DE Sub-Requirements:				
Residential DE	N/A			(G)
Non-Residential DE	N/A			(H)
Non-DE Target	N/A			(I)
Resources Used for 2013 Compliance (G + H + I)				(J)
End 2013 carrying balance (F + E - J)				2,040
				(K)

Notes to Table 1b:

¹The RES-eligible resource carrying balance is accounted for using FIFO methodology, wherein the entire carrying balance is applied to the RES requirement and the year-end carrying balance consists of current year remaining resources.

2014 Distributed Energy Cash Incentive Program Costs

	MW	MWh	Up-Front Incentives (\$/MW) ¹	(\$/MWh) ¹	Production-Based Incentives (\$/MW)	(\$/MWh)	2013 Total Incentives Paid (\$) **
Residential:	1.6	3,581	801,509	366		180	1,310,467
		<u>1,391</u>					<u>250,365</u>
<i>Subtotal: Residential</i>							
							<i>1,560,832</i>
Non-Residential:							
OTI	0.5	1,038	877,654	401		160	416,008
PBI		1,540					<u>246,441</u>
<i>Subtotal: Non-Residential</i>							
							662,449
Total DE Incentive Costs							2,223,281

Notes to Table:

¹ Based on expected annual system production.

** Because SSVEC uses a reservation list Incentives paid out cover multiple REST plans