



0000176317

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

TOM FORESE – Chairman
BOB BURNS
DOUG LITTLE
ANDY TOBIN
BOYD W. DUNN

JAN 13 2017

DOCKETED BY

IN THE MATTER OF THE COMMISSION’S
INVESTIGATION OF VALUE AND COST OF
DISTRIBUTED GENERATION.

DOCKET NO. E-00000J-14-0023

DECISION NO. 75932

**ORDER AMENDING DECISION
NO. 75859**

Open Meeting
January 10 and 11, 2017
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. On December 3, 2013, the Arizona Corporation Commission (“Commission” or “ACC”) issued Decision No. 74202 in Docket No. E-01345A-13-0248. Among other things, Decision No. 74202 ordered that this generic docket be opened on net metering issues, and that workshops be held with all stakeholders to help inform future Commission policy on the value that distributed generation (“DG”) installations bring to the grid.

2. On October 20, 2015, at its regularly scheduled Open Meeting, during the course of the Commission’s consideration of Docket No. E-01345A-13-0248, the Commission ordered that an evidentiary hearing on the value and cost of DG be held in this generic docket.

3. Parties to this case are: The Alliance for Solar Choice (“TASC”), Clean Power Arizona, Freeport Minerals Corporation (“Freeport Minerals”), Arizonans for Electric Choice and Competition (“AECC”), Arizona Solar Deployment Alliance (“ASDA”), Vote Solar, Arizona Utility Ratepayer

1 Alliance (“AURA”), Arizona Investment Council (“AIC”), the Residential Utility Consumer Office
2 (“RUCO”), Grand Canyon State Electric Cooperative Association, Inc. (“GCSECA”), Arizona
3 Competitive Power Alliance (the “Alliance”), Western Resource Advocates (“WRA”), Ajo
4 Improvement Company (“Ajo”), Arizona Electric Power Cooperative, Inc. (“AEPCO”), Arizona
5 Public Service Company (“APS”), Columbus Electric Cooperative, Inc. (“CEC”), Dixie-Escalante
6 Rural Electric Association, Inc. (“Dixie-Escalante”), Duncan Valley Electric Cooperative, Inc.
7 (“DVEC”), Garkane Energy Cooperative, Inc. (“Garkane”), Graham County Electric Cooperative, Inc.
8 (“GCEC”), Mohave Electric Cooperative, Inc. (“MEC”), Morenci Water and Electric Company
9 (“MWE”), Navopache Electric Cooperative, Inc. (“NEC”), Sulphur Springs Valley Electric
10 Cooperative, Inc. (“SSVEC”), Trico Electric Cooperative, Inc. (“Trico”), Tucson Electric Power
11 Company (“TEP”), UNS Electric, Inc. (“UNSE”), Patricia Ferré, Nancy Baer, Arizona Solar Energy
12 Industries Association (“AriSEIA”), Local Unions 387, 1116 and 769 of the International Brotherhood
13 of Electrical Workers, AFL-CIO (“IBEW Locals”), Lewis M. Levenson, Susan Pitcairn, Richard
14 Pitcairn, and Staff.

15 4. On October 7, 2016, following an evidentiary hearing on the value and cost of DG, and
16 briefing by the parties, a Recommended Opinion and Order (“ROO”) was docketed.

17 5. At the Commission’s December 19 and 20, 2016 Open Meeting, the Commission
18 considered the ROO, along with several amendments thereto proposed by the Commissioners. The
19 Commissioners voted to adopt the ROO as amended by Andy Tobin’s Proposed Amendment No. 12
20 (with verbal amendments) (“Tobin Amendment”), Bob Burns Proposed Amendment No. 3, and
21 Chairman Little Proposed Amendment No. 13.

22 6. On December 23, 2016, AriSEIA filed a letter in this docket requesting a change to
23 certain amendatory language regarding grandfathering requirements as they appear in the Tobin
24 Amendment. AriSEIA requests that the Commission clarify that an interconnection request, and not
25 actual interconnection, govern grandfathering status for DG systems.

26 7. Also on December 23, 2016, APS filed its Request for Order Nunc Pro Tunc
27 (“Request”). APS states its belief that the Commission intended to tie grandfathering to the date
28 customers submit interconnection applications requesting interconnection to a utility’s system, and not

1 to their actual interconnection date, over which a customer has no control.

2 8. On December 28, 2016, RUCO filed its Response to APS's Request, stating that it
3 shares APS's concern, and that it supports the Request.

4 9. On December 29, 2016, Vote Solar filed its Response in Support of the Request. Vote
5 Solar states that setting a grandfathering date based on when a solar DG customer submits an
6 interconnection agreement is preferable to setting it based on when a customer is interconnected, in
7 order to provide solar DG customers more control over their grandfathering status. Vote Solar states
8 that in two prior Commission Decisions,¹ the Commission established that solar DG customers who
9 file an interconnection agreement prior to a Commission Decision in a rate case would be
10 grandfathered. Vote Solar requests that the Decision in this docket be modified to be consistent with
11 those prior Decisions.

12 10. On December 30, 2016, TASC filed its Response in Support of the Request. TASC
13 states that it joins RUCO and Vote Solar in supporting the Request. TASC submits that language
14 currently stating "DG systems that interconnect to a utility's distribution system" should instead state
15 "customers that file for DG interconnection."

16 11. On January 3, 2017, the Commission issued Decision No. 75859 in this docket.

17 12. The parties' requests to amend the language in Decision No. 75859 regarding
18 grandfathering are reasonable.

19 13. The grandfathering provisions of Decision No. 75859 should rely on the date a customer
20 files for interconnection, as opposed to the date interconnection is actually accomplished. Decision
21 No. 75859 should therefore be amended as follows:

22 Page 156, line 6, DELETE: "interconnect"

23 INSERT: "file for interconnection"

24 ...

25 ...

26
27
28 ¹ Decision No. 75697 (August 18, 2016) (UNS Electric rate case) and Decision No. 75788 (November 22, 2016) Sulphur Springs Valley Electric Cooperative rate case).

1	Page 156, line 8,	DELETE:	“interconnect”
2		INSERT:	“have filed for interconnection”
3			
4	Page 156, line 11,	DELETE:	“is interconnected”
5		INSERT:	“files for interconnection”
6			
7	Page 156, line 22,	DELETE:	“interconnects”
8		INSERT:	“files for interconnection”
9			
10	Page 156, line 23,	DELETE:	“interconnection”
11		INSERT:	“filing of the DG interconnection request”
12			
13	Page 175, line 8.5,	DELETE:	“interconnect”
14		INSERT:	“file for interconnection”
15			
16	Page 175, line 11.5,	DELETE:	“interconnect”
17		INSERT:	“have filed for interconnection”
18			
19	Page 175, line 14.5,	DELETE:	“is interconnected”
20		INSERT:	“files for interconnection”
21			
22	Page 175, line 24.5,	DELETE:	“interconnects”
23		INSERT:	“files for interconnection”
24			
25	Page 175, line 25.5,	DELETE:	“interconnection”
26		INSERT:	“filing of the DG interconnection request”
27	...		
28	...		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDER

IT IS THEREFORE ORDERED that Decision No. 75859 (January 3, 2017) is hereby amended as set forth herein.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

No. Forese

CHAIRMAN FORESE

[Signature]

COMMISSIONER DUNN

[Signature]

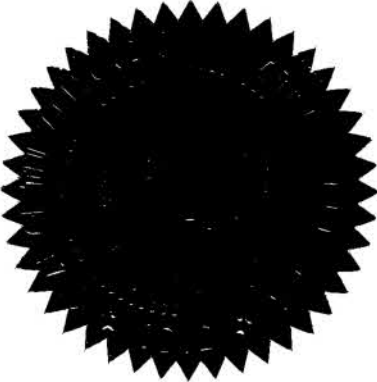
COMMISSIONER TOBIN

[Signature]

COMMISSIONER LITTLE

EXCUSED
COMM. BURNS

COMMISSIONER BURNS



IN WITNESS WHEREOF, I, TED VOGT, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 13th day of January 2017.

[Signature]

TED VOGT
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____
TJ/rt

1 SERVICE LIST FOR:

IN THE MATTER OF THE COMMISSION'S
INVESTIGATION OF VALUE AND COST OF
DISTRIBUTED GENERATION.

2
3 DOCKET NO.:

E-00000J-14-0023

4
5 Dillon Holmes
6 CLEAN POWER ARIZONA
7 9635 N. 7th Street, #47520
8 Phoenix, AZ 85068
9 dillon@cleanpoweraz.org
10 **Consented to Service by Email**

11 Garry D. Hays
12 LAW OFFICES OF GARRY D. HAYS PC
13 2198 East Camelback Road, Suite 305
14 Phoenix, AZ 85016
15 Attorney for Arizona Solar Deployment
16 Alliance

17 C. Webb Crockett
18 Patrick J. Black
19 FENNEMORE CRAIG, PC
20 2394 East Camelback Road, Suite 600
21 Phoenix, AZ 85016-3429
22 Attorneys for Freeport Minerals and AECC
23 wrocket@fclaw.com
24 pblack@fclaw.com
25 **Consented to Service by Email**

26 Court S. Rich
27 ROSE LAW GROUP, PC
28 7144 E. Stetson Dr., Suite 300
Scottsdale, AZ 85251
Attorneys for The Alliance for Solar Choice
CRich@RoseLawGroup.com
Consented to Service by Email

Richard C. Adkerson
Chief Executive Officer
AJO IMPROVEMENT COMPANY
333 N. Central Ave.
Phoenix, AZ 85004-2189

Lewis M. Levenson
1308 East Cedar Lane
Payson, AZ 85541

Timothy M. Hogan
ARIZONA CENTER FOR LAW IN THE
PUBLIC INTEREST
514 W. Roosevelt St.
Phoenix, AZ 85003
Attorneys for Vote Solar and Western Resource
Advocates
thogan@aclpi.org
rick@votesolar.org
briana@votesolar.org
ken.wilson@westernresources.org
cosuala@earthjustice.org
mhiatt@earthjustice.org
Consented to Service by Email

Craig A. Marks
CRAIG A. MARKS, PLC
10645 N. Tatum Blvd., Suite 200-676
Phoenix, AZ 85028
Attorney for Arizona Utility Ratepayer
Alliance
Craig.Marks@azbar.org
Consented to Service by Email

Meghan H. Grabel
OSBORN MALEDON, PA
2929 N. Central Ave., Suite 2100
Phoenix, AZ 85012
Attorneys for Arizona Investment Council
mgrabel@omlaw.com
gyaquinto@arizonaic.org
Consented to Service by Email

Daniel W. Pozefsky
RESIDENTIAL UTILITY CONSUMER
OFFICE
1110 W. Washington, Suite 220
Phoenix, AZ 85007
dpozufsky@azruco.gov
Consented to Service by Email

1 Jennifer Cranston
 2 GALLAGHER & KENNEDY, PA
 3 2575 E. Camelback Rd., Suite 1100
 4 Phoenix, AZ 85016
 5 Attorneys for Grand Canyon State Electric
 Cooperative Association, Inc.
 6 jennifer.cranston@gknet.com
 7 **Consented to Service by Email**

8 Jennifer Cranston
 9 GALLAGHER & KENNEDY, PA
 10 2575 E. Camelback Rd., Suite 1100
 11 Phoenix, AZ 85016
 12 Attorneys for Arizona Electric Power
 Cooperative, Inc. and
 13 Dixie Escalante Rural Electric Association,
 14 Inc.

15 Michael W. Patten
 16 Timothy J. Sabo
 17 Jason D. Gellman
 18 SNELL & WILMER, LLP
 19 One Arizona Center
 20 400 E. Van Buren St., Suite 1900
 21 Phoenix, AZ 85004
 22 Attorneys for Ajo Improvement Company,
 Morenci Water and Electric Company, Trico
 23 Electric Cooperative, Inc.,
 24 Tucson Electric Power Company, and UNS
 25 Electric, Inc.

26 Gary Pierson
 27 ARIZONA ELECTRIC POWER
 28 COOPERATIVE, INC.
 PO BOX 670
 1000 S. Highway 80
 Benson, AZ 85602

Steven Lunt
 Chief Executive Officer
 DUNCAN VALLEY ELECTRIC
 COOPERATIVE, INC.
 379597 AZ 75
 PO Box 440
 Duncan, AZ 85534

Thomas A. Loquvam
 Thomas L. Mumaw
 Melissa M. Krueger
 PINNACLE WEST CAPITAL
 CORPORATION
 PO BOX 53999, MS 8695
 Phoenix, AZ 85072
 Attorneys for Arizona Public Service
 Company
Thomas.loquvam@pinnaclewest.com
Consented to Service by Email

Charles Kretek, General Counsel
 COLUMBUS ELECTRIC COOPERATIVE,
 INC.
 PO Box 631
 Deming, NM 88031

LaDel Laub, President and CEO
 DIXIE ESCALANTE RURAL ELECTRIC
 ASSOCIATION, INC.
 71 East Highway 56
 Beryl UT 84714

Nancy Baer
 245 San Patricio Drive
 Sedona, AZ 86336

Dan McClendon
 Marcus Lewis
 GARKANE ENERGY COOPERATIVE, INC.
 PO Box 465
 Loa, UT 84747

William P. Sullivan
 LAW OFFICES OF WILLIAM P.
 SULLIVAN, PLLC
 501 East Thomas Road
 Phoenix, AZ 85012-3205
 Attorneys for Garkane Energy Cooperative,
 Inc., Mohave Electric Cooperative, Inc. and
 Navopache Electric Cooperative, Inc.

Than W. Ashby, Office Manager
 GRAHAM COUNTY ELECTRIC
 COOPERATIVE, INC.
 9 W. Center St.
 PO Drawer B
 Pima, AZ 85543

1 Tyler Carlson, CEO
 2 Peggy Gillman, Manager of Public Affairs
 MOHAVE ELECTRIC COOPERATIVE, INC.
 3 PO Box 1045
 Bullhead City, AZ 86430

4 Vincent Nitido, CEO/General Manager
 TRICO ELECTRIC COOPERATIVE, INC.
 5 8600 West Tangerine Road
 Marana, AZ 85658

6 Roy Archer, President
 7 MORENCI WATER AND ELECTRIC
 COMPANY
 8 AJO IMPROVEMENT COMPANY
 Po Box 68
 9 Morenci, AZ 85540

10 Charles R. Moore
 11 Paul O'Dair
 NAVOPACHE ELECTRIC COOPERATIVE,
 12 INC.
 1878 West White Mountain Blvd.
 13 Lakeside, AZ 85929

14 Patricia Ferré
 15 P.O. Box 433
 Payson, AZ 85547

16 Jeffrey W. Crockett
 17 CROCKETT LAW GROUP, PLLC
 18 2198 E. Camelback Rd., Suite 305
 Phoenix, AZ 85016-4747
 19 Attorney for Sulphur Springs Valley Electric
 Cooperative, Inc.

20 jeff@jeffcrockettlaw.com
kchapman@ssvec.com
 21 jblair@ssvec.com

22 **Consented to Service by Email**

23 Nicholas J. Enoch
 LUBIN & ENOCH, P.C.
 24 349 North Fourth Avenue
 Phoenix, AZ 85003
 25 Attorneys for IBEW Locals 387, 1116, & 769
 26
 27
 28

Bradley S. Carroll
 TUCSON ELECTRIC POWER COMPANY
 PO Box 711
 Tucson, AZ 85701-0711
mpatten@swlaw.com
BCarroll@tep.com
docket@swlaw.com
Consented to Service by Email

Susan H. Pitcairn, MS
 Richard H. Pitcairn, PhD, DVM
 1865 Gun Fury Road
 Sedona, AZ 86336

David G. Hutchens, President
 Kevin P. Larson, Director
 UNS ELECTRIC, INC.
 88 E. Broadway Blvd., MS HQE901
 PO Box 711
 Tucson, AZ 85701-0711

Tom Harris, Chairman
 ARIZONA SOLAR ENERGY INDUSTRIES
 ASSOCIATION
 2122 W. Lone Cactus Dr., Suite 2
 Phoenix, AZ 85027
Tom.Harris@AriSEIA.org
Consented to Service by Email

Janice Alward, Chief Counsel
 Legal Division
 ARIZONA CORPORATION COMMISSION
 1200 West Washington Street
 Phoenix, AZ 85007
LegalDiv@azcc.gov
tford@azcc.gov
rlloyd@azcc.gov
tbroderick@azcc.gov
mlaudone@azcc.gov
msscott@azcc.gov
JXHatch-Miller@azcc.gov
Consented to Service by Email