

Sustainable Cities
Network: Solar Energy &
Energy Efficiency
Workgroup

November 29, 2016

APS 2016 Rate Case

- Last APS rate increase was in 2012
- Would like new rate to go into effect July 1, 2017
- Requests increase in base rate revenue \$165.9m
- 2nd escalation in 2019 (about \$3/mo for res customer) based on scrubber installation at 4 corners
- 3 part demand rate for res and small commercial
- Net metering changes

Three Part Demand Rate Specifics

Rate name	Summer Energy Charge (on/off Peak \$/kWh)	Winter Energy Charge (on/off Peak \$/kWh)	Demand charge	Basic service charge
R-1	\$0.15/\$0.08	\$0.13/\$0.08	\$6.60/kW	\$24
R-2	\$0.15/\$0.08	\$0.13/\$0.08	\$8.40/kW	\$14.50
R-3*	\$0.09/\$0.05	\$0.07/\$0.05	\$16.40/kW summer \$11.50/kW winter	\$24
Extra Small**	\$0.10324	\$0.10324	None	\$18

*New rooftop solar customers eligible for R3 rate only. Existing solar customers grandfathered for 20 yrs.

**Only for customers using less than 600kWh/mo on average

APS Rate Case

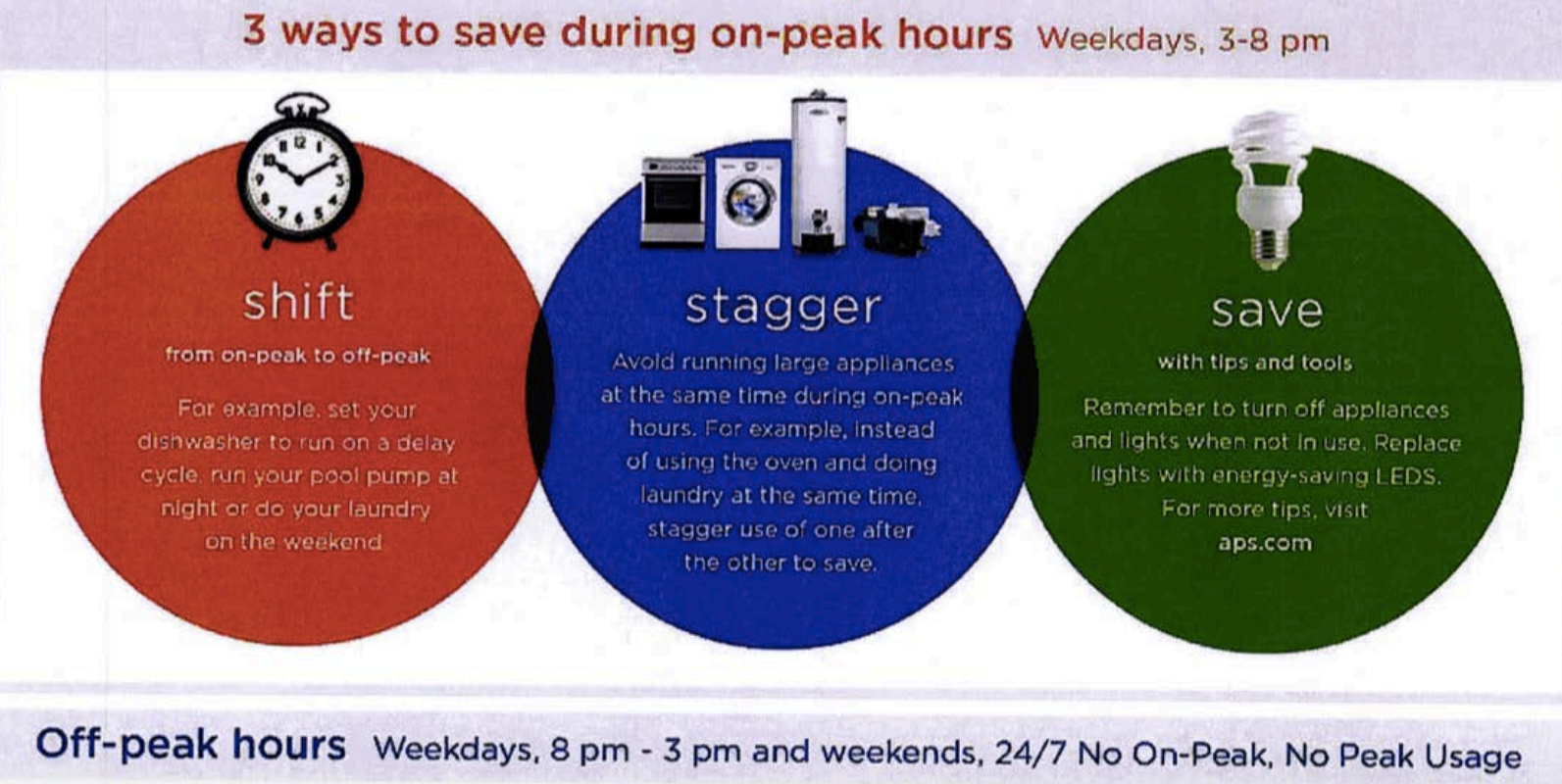
- APS would be first IOU with mandatory residential demand rates
- Current voluntary demand rate with 120,000 customers. Between 60-90% of these customers have saved with this rate, possibly bc they were self selecting
- Application argues that rooftop solar shifts \$42.7m in costs

APS Rate Case: Questions & Answers

- Q: Why is APS requesting these changes?
- A: APS claims that energy charge will be reduced and basic service charge will be made “more cost based” which will prevent customer rates from correspondingly increasing
- Q: Why change TOU on peak hours?
- A: APS says it will better reflect the highest system load hours. The demand will be measured on the highest average use over an on-peak hour.
- Q: How will APS address potential sticker shock if the demand rate is adopted?
- A: APS plans customer education via bill inserts, videos, and presentations at town halls and HOA meetings.

Need for customer education on demand rates

3 ways to save during on-peak hours Weekdays, 3-8 pm



The infographic consists of three overlapping circles. The left circle is red and contains an alarm clock icon. The middle circle is blue and contains icons of a dishwasher, a washing machine, a water heater, and a coffee maker. The right circle is green and contains a compact fluorescent light bulb icon.

shift
from on-peak to off-peak

For example, set your dishwasher to run on a delay cycle, run your pool pump at night or do your laundry on the weekend.

stagger

Avoid running large appliances at the same time during on-peak hours. For example, instead of using the oven and doing laundry at the same time, stagger use of one after the other to save.

save
with tips and tools

Remember to turn off appliances and lights when not in use. Replace lights with energy-saving LEDs. For more tips, visit aps.com

Off-peak hours Weekdays, 8 pm - 3 pm and weekends, 24/7 No On-Peak, No Peak Usage

Proposed Net Metering change specifics

- “Onsite” consumption credited at retail rate
- “Exported” generation shall be
 - a) measured on instantaneous basis and
 - b) credited through PSA at avoided cost rate

Rate case timeline

Phase	Date
Staff & Intervenor Direct Testimony (except rate design)	December 21, 2016
Staff & Intervenor Direct Testimony (rate design)	January 27, 2017
APS Rebuttal Testimony	February 17, 2017
Staff & Intervenor Surrebuttal Testimony	March 10, 2017
Prehearing Conference	March 13, 2017
APS Rejoinder Testimony	March 17, 2017
Proposed Hearing Commencement Date	March 22, 2017

Value of Solar Docket #E-00000J-14-0023



VOS docket premise

- Establishing a methodology for distributed solar resources to be incorporated into future rate cases, other dockets
- Commissions and third parties in other states have conducted studies into value of solar.

VOS docket status

- ALJ's Recommended Opinion and Order (ROO) published in October
- Methodologies suggested by several parties: APS, TEP/UNSE, Vote Solar, TASC, RUCO, AIC, Commission staff
- Docket will be discussed at December 19th & 20th Open Meetings

Benefits of Rooftop Solar

- Less need to pay for expensive infrastructure
- No fuel costs
- More efficient; no electricity lost in transmission
- Less money spent on fuel hedging
- Greater water conservation
- Less pollution and fewer health impacts
- More local jobs
- Coupled with new tech (batteries), several more benefits will be realized, including electricity regulation and greater reliability.

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THANK YOU!!!