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June 9, 2015

Chairperson Susan Bitter Smith
Commissioners Bob Burns, Tom Forese, Doug Little, and Bob Stump
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Re: Tucson Electric Power Net Metering Proposal Docket No. E-01933A-15-0100

Dear Chairperson Bitter Smith and Commissioners:

Sierra Club's Grand Canyon (Arizona) Chapter submits these comments on the proposed Tucson Electric Power (TEP) Net Metering proposal on behalf of our 35,000 members and supporters in Arizona, many of whom are TEP customers. Sierra Club's mission is "to explore, enjoy, and protect the wild places of the earth; to practice and promote the responsible use of the earth's ecosystems and resources; and to educate and enlist humanity to protect and restore the quality of the natural and human environments." Sierra Club and our members have a significant interest in supporting distributed solar generation as a way to help to reduce dependence on fossil fuels and overall energy use, plus transition to clean renewable energy generation.

TEP has proposed a penalty for rooftop solar that will undercut Arizona's solar economy and harm its customers, especially those who make the decision to invest in solar for their rooftops. In its proposal to you, the Arizona Corporation Commission (ACC), TEP would take energy produced by new solar rooftop customers, paying them less than 6 cents per kilowatt-hour while selling it to other customers for about 13 cents. Rooftop solar customers would no longer have the ability to "bank" the excess energy produced when usage is low and use it when usage is high. This proposal would make it much more difficult for working-class families to own their own solar modules.

Relying heavily on fossil fuel plants hundreds of miles from Tucson, TEP puts its customers' and Arizona's future at risk. Pollution from TEP's coal plants causes serious health effects and releases millions of pounds of carbon dioxide, a potent greenhouse gas contributing to global climate change.

As you know, coal is an increasingly risky investment. Throughout the country, the cost of coal is going up, while the cost of clean renewable energy continues to decline. Smart companies such as Berkshire Hathaway's NV Energy are already beginning to transition toward renewable energy by retiring coal plants and increasing holdings in wind and solar. In community after community, local residents are demanding a future that relies on clean, appropriately-sited renewable energy to move us beyond outdated, polluting coal-fired power plants. As the U.S. coal market continues to decline and market forces become increasingly inhospitable to coal, it makes sense for TEP to invest in one of the cleanest and cheapest fuels around – Arizona sunshine.

TEP should stop attacking residential rooftop solar, quit throwing good money after bad in coal plants such as San Juan Generating Station, and, instead, support local clean energy jobs, such as those associated with



rooftop solar installations.

TEP argues that ratepayers who install solar are not paying their share of fixed costs (construction of power plants, transmission lines, and associated infrastructure). This ignores all of the benefits that solar customers provide to the grid and to our communities, including using less water, producing less air and water pollution, and reducing or, at a minimum, delaying the need for additional power plants and other infrastructure.

Utility customers who install rooftop solar don't just save grid electricity. Solar customers add reliability to the grid by reducing vulnerability to unplanned outages at power plants. Plus, they add energy during the day, when demand is high and when it is more expensive for utilities to generate or buy electricity. But, unlike the utilities, they do not pass on either fixed or operating costs.

Arizona has some of the best opportunities for solar in the country. We are already experiencing the negative impacts of global climate disruption – higher temperatures, extended drought, more extreme weather, larger and more intense forest fires. It makes sense for Arizona and Arizona's utilities to invest in solar energy and energy efficiency to reduce carbon pollution.

Finally, we believe that this issue would be vetted more fully and better reviewed in the next TEP rate case and that, overall, the matter should be examined as part of a generic rulemaking on net metering, similar to what was done when the net metering rules were adopted originally.

Please reject the proposed TEP solar penalty and tell TEP this issue must, at a minimum, wait until it can be fully reviewed in a rate case.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandy Bahr". The signature is written in a cursive, flowing style.

Sandy Bahr
Chapter Director
Sierra Club – Grand Canyon Chapter