

# ADVANCED ENERGY BUYERS GROUP

the policy voice of advanced energy purchasers

## Arizona Corporation Commission

1200 W. Washington Street  
Phoenix, AZ 85007-2996

April 23, 2018

Re: Docket No. E-00000Q-16-0289, Review, Modernization, and Expansion of the Arizona Energy Standards and Tariff Rules and Associated Rules

Re: Docket No. E-00000V-15-0094, Integrated Resource Planning

### Chairman Forese and Commissioners of the Arizona Corporation Commission:

The Advanced Energy Buyers Group, on behalf of the Arizona Advanced Energy Customer Collaborative, is pleased to provide comments on the proposed Arizona Energy Modernization Plan for consideration by the Arizona Corporation Commission.<sup>1</sup>

The Arizona Advanced Energy Customer Collaborative is a coalition of large energy users that share an interest in expanding our use of advanced energy in Arizona. Collectively, the customers participating in the Arizona Advanced Energy Customer Collaborative have electricity use of approximately **1,790,000 MWh annually in the state**, including **approximately 960,000 MWh in APS territory**, with the potential for growth in the near future. We previously provided input to the Commission on January 30 in response to utility integrated resource plans, to communicate our intent to source renewable energy for our operations from new, long-term projects. We noted that we had initiated a collaborative effort with Arizona Public Service (APS)

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<sup>1</sup> The *Arizona Advanced Energy Customer Collaborative* and the *Advanced Energy Buyers Group* are both facilitated by Advanced Energy Economy (AEE), a national association of advanced energy businesses. This letter expresses the views of the participants of the Arizona Advanced Energy Customer Collaborative, and does not necessarily represent the views of all AEE and Advanced Energy Buyers Group members.

to develop solutions that would allow us to pursue new renewable and clean energy to meet our energy needs, which is still ongoing.

Consistent with our comments in that letter, we appreciate the Commission's thoughtful and forward-looking decision to align utility integrated resource plans with any policy changes enacted through the proposed "Energy Modernization Plan" during the March Open Meeting. This measured approach will reduce the risk of future stranded assets and will ultimately reduce costs for ratepayers, including our companies and organizations. Given our commitment to increase our use of clean energy in Arizona and our ongoing effort with APS to develop cost-competitive customer renewable energy solutions, we also encourage the Commission to act expeditiously to support a transition to a cleaner electricity system in Arizona, and one that includes options for customers to choose clean resources to meet their own energy needs. In particular, we would welcome opportunities to explore how customer-driven renewable energy and advanced energy projects fit into the proposed Energy Modernization Plan.

First, we write to ask that customer clean energy options be considered as part of the goal of "supporting customer choice whenever possible," a tenet included under the guiding principle of economic development in the proposed Energy Modernization Plan. As customers who have chosen to pursue clean energy, we assess the availability of these resources when determining a state's competitiveness for new investments, and we fully agree that meeting customers' clean energy needs and preferences is a key tool for economic development. Successful customer solutions will be cost-competitive, flexible, and expedient, and should be available to both new and existing customers. **As the Commission moves forward with the Arizona Energy Modernization Plan, we encourage you to support ongoing and future efforts to meet customers' renewable and clean energy targets, and we welcome further dialogue and progress on this topic.**

Second, as large energy users dependent on reliable and affordable electricity, we also support efforts to lower costs and increase reliability and resilience. In our own operations, we have seen that a diverse mix of advanced energy technologies and services—including investments in energy efficiency, participation in demand response programs, use of electric vehicles, reliance on energy storage, and purchase of onsite and offsite renewable energy—can lower costs and create new revenue streams while supporting a more diverse, flexible, and responsive grid.

The same is clearly true in Arizona, where a large solar-plus-storage project was recently named as the best-fit, least-cost solution to meet the needs of APS in an all-source request for proposals to supply energy during peak times.<sup>2</sup> We are also aware of certain challenges on the horizon in Arizona—such as the "duck curve" and daily ramping requirements—and the Arizona Energy Modernization Plan provides an opportunity for Arizona to comprehensively plan for these challenges and move toward a more flexible, clean, reliable, and resilient grid. **Given the rapid advances in cost and performance for energy storage, renewable energy, demand response, smart grid technologies, electric vehicles, and energy efficiency, we strongly support efforts by the Commission to prioritize deployment of these cost-competitive resources to meet resource needs in Arizona.**

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<sup>2</sup> <https://www.greentechmedia.com/articles/read/50-megawatt-battery-will-give-arizona-peak-power-from-the-sun>.

We appreciate your consideration of our perspective on the proposed Arizona Energy Modernization Plan and look forward to continued engagement on this matter.

Sincerely,

**The Arizona Advanced Energy Customer Collaborative<sup>3</sup>**

*Submitted by* The Advanced Energy Buyers Group

cc: Governor Doug Ducey

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<sup>3</sup> For more information or to reach the participants of the Arizona Advanced Energy Customer Collaborative, contact [cmarquis@aee.net](mailto:cmarquis@aee.net).