

ADVANCED ENERGY BUYERS GROUP

the policy voice of advanced energy purchasers

Commissioners

Tom Forese, Chairman
Bob Burns, Commissioner
Andy Tobin, Commissioner
Boyd Dunn, Commissioner
Justin Olson, Commissioner

IN THE MATTER OF POSSIBLE)	Docket No. RU-00000A-18-0284
MODIFICATIONS TO THE ARIZONA)	
CORPORATION COMMISSION'S)	Advanced Energy Buyers Group
ENERGY RULES)	Comments on
)	Retail Choice and Competition
)	

I. Introduction

The Advanced Energy Buyers Group (“AE Buyers Group” or “AEBG”), a coalition of large energy users pursuing advanced energy to meet their energy needs and achieve their renewable energy and sustainability goals, supports the Arizona Corporation Commission’s (“ACC” or “Commission”) exploration of potential restructuring, or regulated competition, in Arizona.¹ Retail choice is one tool that AEBG members use in states across the country to pursue advanced energy flexibly and cost-effectively.

The AE Buyers Group would like to thank the Commission for the opportunity to provide input at the December 3 “Retail Choice and Competition” workshop, and we appreciate the

¹ These comments represent the consensus view of the Advanced Energy Buyers Group (information and membership available at <https://www.advancedenergybuyersgroup.org/>). However, this document does not necessarily reflect the position of any specific member of the AE Buyers Group, and these comments should not be attributed to any individual company or companies participating in the AE Buyers Group.

Commission’s consideration of our written comments. To effectively and efficiently explore the topic of retail choice and ensure all perspectives are considered, we recommend opening a rulemaking docket to facilitate a focused investigation of this important issue, and to take action as relevant. As a first step and at a minimum, we recommend the Commission consider expanded buy-through opportunities for commercial and industrial (“C&I”) customers through acceptance of staff’s proposed order for “Examination of Buy-Through Programs,” filed in the above-captioned Docket on December 10.

Any expansion of retail choice (whether through expansion of buy-through programs or through full restructuring) should treat all customers fairly and maintain reliability for all Arizonans. The goals of equity, reliability, and affordability need not be in conflict under a well-designed competitive marketplace, and the comments that follow provide recommendations to ensure that any expansion of retail choice will achieve these underlying goals. Other states, including Texas and many PJM states, have transitioned to regulated competition while continuing to ensure reliability and affordability, and we believe that through a rulemaking, Arizona can do the same. In fact, Arizona is in many ways at a significant advantage over states that initiated restructuring in the 1990s or 2000s thanks to both the opportunity to adopt best practices (and avoid mistakes) from other states and to advances in technology that give customers more tools to control and manage their energy use than ever before.

II. About the Advanced Energy Buyers Group

The Advanced Energy Buyers Group is a business-led coalition of large energy users engaging on policies to expand opportunities to procure energy that is secure, clean, and affordable. Members of the Buyers Group are market leaders and major employers spanning different industry segments, including technology, retail, and manufacturing. Our companies are

among the 71% of Fortune 100 companies and 43% of Fortune 500 companies that have established renewable and/or climate targets as part of our corporate sustainability commitments. We share a common interest in expanding our use of advanced energy, including renewable energy like wind, solar, geothermal, and hydropower; demand-side resources like energy efficiency, demand response, and energy storage; and onsite generation from solar, advanced natural gas turbines, and fuel cells.

In 2017, members of the AE Buyers Group totaled over \$1 trillion in revenue and collectively consumed over 18 terawatt hours (TWh) of electricity, including over 11 TWh of renewable electricity, equivalent to the electricity sales for the states of North Dakota and Delaware, respectively.

Collectively, AE Buyers Group members have retail stores, distribution centers, data centers, and offices throughout Arizona. While some of our companies have taken steps to meet our electricity needs in Arizona with advanced energy, we also note that the market structure provides limited options for customer choice relative to many other states, especially for customers unable to participate in the limited AG-X program.

III. The Advanced Energy Buyers Group Views Retail Choice as One Solution to Meet Customers' Renewable Energy and Sustainability Goals.

Members of the AE Buyers Group are sophisticated energy managers with diverse electricity needs and preferences; retail choice is one opportunity to ensure we can meet those needs—including our renewable energy goals—in a tailored and cost-effective way.

As noted previously, members of the AE Buyers Group range across multiple sectors, and our operations in Arizona have different load profiles, different opportunities for onsite generation and load management, different geographic spread across the state, and different appetites for financial and technology risk; our companies are also tracking toward different renewable energy

and sustainability goals. These operational differences translate into unique electricity needs and energy management strategies. With regard to renewable energy, for example, companies have different preferences around timeline, quantity, resource type, risk, contract term, contract structure, price, etc. To meet our energy needs and preferences, and to meet our renewable energy and sustainability targets cost-effectively, we are therefore best served by not just a set of fixed options, but true choice and control over our electricity purchases.

Members of the AE Buyers Group have also worked collaboratively with utilities in many states to develop renewable energy programs to serve their load as full-service customers. Across the country, corporate customers have entered into or are in negotiation for nearly 3 GW of renewable energy through utility green tariff programs.² Our companies remain committed to working with utility partners to meet our renewable energy needs, although we note that such utility offerings are generally time consuming to develop, and have had mixed success—some have worked well for one or more customers, while others are unworkable or only work well for one or two customers.

In markets that allow retail choice, our companies have many options to pursue renewable and other advanced energy projects, including through power purchase agreements (PPAs) with renewable energy suppliers, self-supply, contracts with electric service providers, and other individualized solutions. In these markets, companies are able to go to multiple providers, ask for the services they want, compare prices, and put together a portfolio of on-site and off-site resources to meet their specific needs. This may include products and services from multiple providers, e.g., onsite solar, demand response, bundled renewable energy certificates (RECs), and unbundled RECs. As such, for businesses already operating in Arizona, and for businesses considering

² World Resources Institute, “Grid Transformation: Green Tariff Deals,” <https://www.wri.org/resources/charts-graphs/grid-transformation-green-tariff-deals> (accessed December 10, 2018).

expanding or entering into the state, the availability of retail choice is an important consideration, making expansion of retail choice opportunities an important economic development tool.

IV. The AE Buyers Group Recommends Initiation of a Clear Regulatory Process to Further Explore the Issue of Restructuring in Arizona

At the December 3 workshop, all stakeholders—regardless of their position on the issue—agreed that retail choice is a complex topic that requires careful consideration. To effectively tackle the topic, the AEBG recommends a focused exploration through a rulemaking docket to consider potential action on the issue. As the Commission initiates this rulemaking process, we recommend drawing heavily from lessons learned in other states over the course of the past two decades of retail choice.

As an interim step as part of this larger process, we encourage expansion of renewable energy options for C&I customers, and therefore support acceptance of staff’s proposed order for “Examination of Buy-Through Programs.” Because such programs have, in the past, been limited in both size and duration, however, the AE Buyers Group emphasizes that moving forward with exploration of “AG-Y” programs may not fully satisfy C&I renewable energy demand.

V. Responses to Questions Posed by ACC Staff

As the Commission considers potential expansion of retail electric competition, the AEBG offers the following feedback on the questions posed by Commission staff on November 28, 2018.

1) Should retail electric competition be implemented across the board equally for all customer classes and enterprises or for only specific customer classes and enterprises (e.g., for electric vehicle industry only)?

As noted above, the AEBG recommends that the Commission should, at the least, consider retail choice for C&I customers. Retail choice has clear application for C&I customers as a tool to

meet our sustainability goals and to give us the same choice and control with respect to our electricity needs as with other business inputs. However, we would also support the Commission's exploration of expanded retail choice for all customer classes; a larger competitive market could serve to maximize the benefits of the transition to retail choice.

2) How could retail electric competition affect each of the customer classes?

As explained above, retail electric competition would give C&I customers additional control and flexibility to manage our electricity needs in a way that suits our individual business needs, creating new opportunities for innovation and supporting economic development in Arizona that will bring benefits to the state overall. When implemented effectively, retail choice creates competition and diversification of product offerings, allowing customers to choose the rates and services that are best for them and allowing them to manage costs more effectively.

If retail choice is limited to nonresidential customers, residential customers need not be adversely impacted, as described in response to question four, below. However, should the Commission choose to pursue full restructuring, it is important to note that advances in technology, including advanced metering, distributed energy resources, and software tools for energy management, have made the benefits of retail choice more accessible to customers—including residential customers—than ever before. Our views with respect to ensuring that such benefits are available to all customers, and that no customers are harmed by expansion of retail choice, are included below.

3) How might the benefits of competition apply to all customer classes equally and/or equitably?

The transition to retail choice need not create adverse impacts for different customer classes. However, there are two scenarios in which customer classes may experience different impacts, especially initially:

1. To the extent that costs are not currently allocated equitably among customer classes, certain customer classes may experience relative cost shifts as the transition to retail choice corrects these inequities.
2. The AEBG notes that some residential customers may miss out on the benefits of retail choice due to either lack of information about alternatives, or “status quo bias,” that causes them to stay with their default provider even if cheaper options become available.

The AEBG does not view the first scenario as a justified barrier to pursuit of retail choice; our views on ensuring equitable outcomes for residential customers are explained in more detail in response to question four, below. With respect to the second concern, the AEBG notes that the Commission can take steps to promote positive outcomes. Specifically, to ensure that residential customers are able to achieve benefits under retail choice, the Commission should undergo educational efforts and put in place provisions that will encourage high customer participation in shopping. The Commission should draw heavily from experiences in other states that have already undergone restructuring (e.g., in Texas there is no utility default provider, so all customers must select a provider) to create a truly competitive marketplace). Allowing customers to aggregate and shop collectively, as through community choice aggregators (“CCAs”), is another potential approach that is gaining in popularity in other states. However, this should be done in a way that allows C&I customers to choose to either participate in their local CCA or to choose their own alternate provider. Further, the AEBG notes that even customers that do not choose to leave their incumbent supplier can still benefit from retail choice. For example, a case study by McKinsey & Company highlights an incumbent utility that recognized it needed to make adjustments to better meet its customer needs in a competitive market environment.³

4) Can a transition into retail competition be in the public’s interest if residential customers may be adversely affected by the transition?

³ McKinsey and Company, “The power of customer experience in energy retailing,” *available at* <https://www.mckinsey.com/industries/electric-power-and-natural-gas/how-we-help-clients/the-power-of-customer-experience-in-energy-retailing> (accessed December 10, 2018).

The AEBG disagrees that residential customers would necessarily be harmed by retail choice; if implemented properly, both partial and full retail choice should leave residential customers no worse off, and could deliver significant benefits to such customers.

Under partial retail choice for C&I customers (e.g., an expanded buy-through program), the Commission can determine what utility generating assets, if any, would be “stranded,” and assign those costs to departing customers as they transition. For example, in California, this is called the “Power Charge Indifference Adjustment,” and applies (for a set amount of time) to any customer who leaves the service of an IOU to take service from an alternate provider (a CCA or ESP). However, in considering any potential transition or departure fees, the AEBG emphasizes that such a fee may not be necessary, and that customers should not be over-charged for the cost of stranded assets. Such a fee would not be needed if market purchases defer or replace the need for new utility resources (e.g., through extension of the current moratorium on new natural gas resources). Furthermore, the AEBG notes that net new load should not be assigned any “departure” fees since this load has never been part of the rate base, and no existing utility resources were procured to meet this load.

5) How can the Commission minimize or eliminate market structure abuses and/or market manipulation in the transition to, and implementation of, retail electric competition?

The AEBG recommends adopting best practices and lessons learned from other states that have successfully implemented retail electric competition and operated under retail electric competition since the late 1990s.⁴ The AEBG especially notes that the mistakes made in California’s failed restructuring effort are well documented and understood, and need not occur in

⁴ The California Public Utilities Commission recently undertook a study of four different restructured electricity system models (New York, Illinois, Texas, and Great Britain) as part of its Customer Choice Project. See California Public Utilities Commission, *California Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market* (August 2018), http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy_-_Electricity_and_Natural_Gas/Cal%20Customer%20Choice%20Report%208-7-18%20rm.pdf, at 33-61.

the future. The AEBG recommends bringing in regulators and other experts involved in both successful and failed restructuring efforts in other states to inform the discussion in Arizona.

In addition, the AEBG notes that competitive suppliers would still be subject to oversight by the ACC. Finally, the market monitoring capabilities of an organized wholesale market would provide an additional tool to address potential structure abuses and/or market manipulation should Arizona choose to implement such an approach (however, as discussed in response to question six, below, the AEBG does not believe establishment of an organized wholesale market is necessary).

6) What, if any, features, entities, or mechanisms must be in place for there to be an effective and efficient market structure for retail electric competition?

The AEBG notes that, depending on the degree of retail choice under consideration, creating or joining a regional transmission organization or independent system operator (RTO/ISO) is likely not necessary, and recommends careful consideration of what is actually needed in Arizona prior to taking action.⁵ Arizona Public Service is already a participant in the Energy Imbalance Market (EIM), and Salt River Project (SRP) will join in 2020, and there is potential for EIM to expand to offer day-ahead capabilities that would further support regulated competition in Arizona. In addition, the Arizona Independent Scheduling Administrator is available to provide scheduling services in the wholesale market, and its capabilities could be expanded.

While joining or forming a full RTO/ISO is likely not *necessary*, the AEBG encourages the ACC to consider the potential benefits of expanded organized wholesale market capabilities,

⁵ The AEBG recommends the following resources from R Street Institute as a starting point for inquiry into organized wholesale market capabilities: *Wholesale Electricity Markets in the Technological Age* (August 2016), available at <https://2o9ub0417chl2lg6m43em6psi2i-wpengine.netdna-ssl.com/wp-content/uploads/2018/04/67-1.pdf>; and *Types of Organized Electricity Markets* (August 2016), available at <https://2o9ub0417chl2lg6m43em6psi2i-wpengine.netdna-ssl.com/wp-content/uploads/2018/04/electricity5-1.pdf>.

because such capabilities can deliver benefits whether or not retail choice is expanded. Specifically, a regional organized wholesale market would:

- **Deliver cost savings to all customers due to more efficient resource use.** Already, the expansion of the Energy Imbalance Market to several utilities in the West has brought significant customer savings, with total benefits since its initial expansion in November 2014 estimated at over \$500 million, including over \$20 million to APS territory in Q3 of 2018 alone.⁶ A more integrated organized market would provide further savings by ensuring more efficient resource deployment and long-term planning across the region.
- **Facilitate renewable energy integration, enabling new renewable energy development and decreasing curtailment of existing projects.** An expanded wholesale market would help reduce renewable energy curtailment in the region, provide a market for cost-effective resources located far from load centers, and facilitate transmission planning to enable greater renewable energy development. These changes would benefit existing renewable energy projects while helping to unlock opportunities to develop new, cost-competitive renewable energy projects across the west.
- **Provide additional flexibility and choice for our companies as we seek renewable energy to meet our needs.** A larger wholesale market in the west would open new opportunities for companies to seek renewable energy projects through virtual power purchase agreements and other similar structures only available in competitive wholesale markets.
- **Improve grid performance and reliability.** A coordinated market across the western states would bring significant grid benefits to the region. For example, a larger regional footprint with a greater range of peak production and peak load times would help smooth out variable renewable energy generation.

Should the Commission decide to separately pursue participation in an existing or new organized wholesale market, the AEBG would welcome the opportunity to provide input on this effort.

7) What impact, if any, would retail electric competition have on the reliability of electric service in Arizona?

The Commission will need to ensure that resource adequacy is maintained, either through the integrated resource planning (IRP) process (if partial restructuring) or through wholesale market resource adequacy and/or capacity market requirements (if Arizona forms or joins an

⁶ As of October 2018. See California ISO, *Western EIM Benefits Report: Third Quarter 2018* (October 29, 2018), <https://www.westerneim.com/Documents/ISO-EIMBenefitsReportQ3-2018.pdf>.

RTO/ISO). However, based on the experience of other states, there is no reason to believe that retail electric competition would jeopardize reliability, and a competitive market can help ensure that reliability is maintained cost-effectively.

8) Among the states that have transitioned to retail electric competition, which model(s) best promotes the public interest for Arizonans? Which model(s) should be avoided?

The AEBG does not recommend specific states or models for retail competition at this time.

However, we recommend that, should the state transition to retail choice only for nonresidential customers, it should aim to do so uniformly for *all* nonresidential customers. In states that have limited the opportunities for C&I customers to shop for supply, the cap on direct access participation has led to an uneven playing field for businesses. In Michigan, for example, 6,000 nonresidential customers are served by alternate suppliers through the state’s 10% choice market, but an additional 7,000 customers are currently in the queue.⁷ In California, the direct access cap is determined by random lottery, and is currently oversubscribed by about 8,000 GWh.⁸ Nearly a decade after the last expansion of direct access service, the state is opening an additional 4,000 GWh, and initiating a study of full reopening to all nonresidential customers.⁹ Arizona could avoid significant uncertainty and dispute by ensuring that all nonresidential customers have the same opportunity to participate in direct access or buy-through programs from the beginning.

9) How have retail rates been affected in states that have implemented retail electric competition?

⁷ Michigan Public Service Commission, Department of Licensing and Regulatory Affairs, “MPSC Reports on the Status of Electric Competition in Michigan,” available at https://www.michigan.gov/mpsc/0,4639,7-159-16377_17111_17999-68257--,00.html (accessed December 13, 2018).

⁸ California Public Utilities Commission, *California Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market* (August 2018), [http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy - Electricity and Natural Gas/Cal%20Customer%20Choice%20Report%208-7-18%20rm.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy_-_Electricity_and_Natural_Gas/Cal%20Customer%20Choice%20Report%208-7-18%20rm.pdf), at 8.

⁹ SB 237, 2018 Regular Session (Calif. 2018).

It is very difficult to compare rate impacts from restructuring because there are many variables that affect retail rates. Accordingly, we recommend against reliance on historical rate impacts in other states as a primary metric for deciding whether to move forward with retail choice in Arizona. However, it is notable that rates have risen less quickly in states that implemented retail electric competition.¹⁰ As another example, a recent report comparing retail pricing in competitive and regulated areas of Texas found that retail prices in competitive market areas better reflected wholesale prices and have moved favorably for consumers relative to wholesale prices. This finding suggests that competitive retail markets have behaved as expected, and have delivered cost reductions consistent with competitive electricity service providers reducing their marginal costs.¹¹

10) Considering the Court of Appeals’ decision in *Phelps Dodge Cop. v. Ariz. Elec. Power Coop.*, 207 Ariz. 95, 83 P.3d 573 (App. 2004), are the Commission’s existing retail electric competition rules (R14-2-1601 through R14-2-1618) able to be modified to comply with the court’s decision or should the Commission completely discard those rules and start with a clean slate to transition to retail electric competition? Are there other legal impediments to the transition to and/or implementation retail electric competition?

The AEBG has no comment on the *Phelps Dodge* case at this point. We appreciate the effort by Commissioner Olson to initiate a discussion of this important issue by laying out the history and arguments associated with the *Phelps Dodge* decision in a memo filed in this docket on December 10.

11) Is retail electric competition compatible with the Commission’s Renewable Energy Standard that requires Arizona’s utilities serve at least 15% of their retail loads with renewable energy by 2025? (See A.A.C. R14-2-1801 et seq.)

¹⁰ Retail Energy Supply Association, *Restructuring Recharged: The Superior Performance of Competitive Electricity Markets 2008-2016*, Philip R. O'Connor, Ph.D. (April 2017), https://www.resausa.org/sites/default/files/RESA_Restructuring_Recharged_White%20Paper_0.pdf.

¹¹ Hartley, Peter R., Kenneth B. Medlock III, and Olivera Jankovska (June 2017) *Electricity Reform and Retail Pricing in Texas*. Center for Energy Studies, Baker Institute Center for Energy Studies, Rice University’s Baker Institute for Public Policy. <https://www.bakerinstitute.org/research/electricity-reform-and-retail-pricing-texas/>.

Retail electric competition can certainly coexist with other state energy policies. For example, many states that have implemented restructuring also have renewable portfolio standards (RPS) in place, including Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Rhode Island; as well as a voluntary RPS in Texas. The same is true in states with partial retail choice; e.g., in California, all competitive electric service providers and CCAs must meet the same RPS standard as the investor-owned utilities.

At the same time, a competitive market can enable increasingly cost-competitive renewable energy to achieve higher penetration, provided that renewable energy providers continue to have opportunities for long-term contracts. Across the country, voluntary corporate customers have become an increasingly important driver of new renewable energy, with over 14 GW of projects contracted since 2013, mostly in states with organized competitive wholesale markets and/or retail choice.¹²

12) Is retail electric competition compatible with the Commission’s Energy Efficiency Standard that requires Arizona’s electric utilities to achieve a 22% reduction in retail energy sales by 2020? (See A.A.C. R14-2-2401 et seq.)

As noted above, retail electric competition can coexist with other state policies. Several states that have enacted restructuring have an Energy Efficiency Resource Standard (EERS), including Connecticut, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New York, Ohio, Pennsylvania, Rhode Island, and Texas. Retail electric competition would not require any changes to the current processes in place for energy efficiency program administration.

13) Should the Commission address net metering rates in a competitive market differently than it has in the Value of Solar decision (Decision No. 75859)?

¹² Business Renewables Center, “Corporate Renewable Deals: 2013-2018 YTD” (last updated October 17, 2018), <http://businessrenewables.org/corporate-transactions/>.

The AEBG has no comment on net metering rates.

14) How will retail electric competition affect investor-owned utilities, public power utilities, cooperatives, and federally-controlled transmission systems?

The AEBG has no comment on the impact of retail competition on investor-owned utilities, public power utilities, cooperatives, and federally-controlled transmission systems at this time. However, we note that retail competition for C&I customers can coexist with vertically integrated service to residential customers, requiring relatively little change.

15) What consumer education should be provided, and which consumer protection issues will need to be addressed?

The AEBG strongly supports clear consumer education and protection, especially for residential customers, to ensure successful rollout of retail choice. The AEBG recommends following best practices for education and consumer protection from other states that have many years of experience with retail choice. Setting clear requirements based on what has worked in other states will avoid any potential adverse outcomes. The Commission could tackle this topic through a separate workshop bringing in experts to discuss best practices and lessons learned.

16) What issues may arise regarding billing and collection in the transition to retail electric competition?

The AEBG does not have specific comments regarding billing and collection, but again recommends following best practices from other states that have decades of experience with retail choice. One key decision is whether investor-owned utilities should maintain responsibility for billing and collection, or whether this responsibility should fall on retail suppliers, as it does in Texas. Each approach has potential benefits that warrant consideration.

17) How should the Commission accommodate and encourage evolving technology in a competitive market?

Broadly speaking, technology—whether distributed energy resources (DERs), large-scale renewable energy, grid-scale storage, or smart grid and data analytics—opens up many opportunities for customers of all sizes to become more engaged with their energy use and to become active participants in energy markets. Whether Arizona moves toward full or partial retail competition, the state should aim to create a vibrant marketplace that gives all customers a range of options for meeting their energy needs and managing energy use and costs. This includes an expanded role for third-party suppliers of various products and services to customers and to utilities.

The same is true at the wholesale level, where resources should be valued for all the services they provide. For example, the RTOs/ISOs are working to implement opportunities for energy storage to bid into wholesale markets, and the Federal Energy Regulatory Commission (FERC) is considering opportunities for aggregated distributed energy resources to also bid into wholesale markets. In many markets, including PJM, demand-side resources such as demand response and energy efficiency already participate in the competitive market.

18) Other than the Commission’s existing retail electric competition rules, what other existing Commission rules and policies will need to be changed to accommodate retail electric competition?

There will likely be changes needed to the state’s integrated resource planning process, especially if the state moves toward full restructuring. As noted above, additional wholesale market capabilities may be beneficial, especially if the Commission moves toward full retail choice.

VI. Conclusion

Giving nonresidential customers the ability to control their electricity choices is a flexible, proven way to enable companies to meet their electricity needs and preferences. For AEBG

members, retail choice is one key tool we use to meet our renewable energy and sustainability goals in other states. In Arizona, retail choice for C&I customers is an opportunity to drive economic development while also enabling customers to be a part of the solution toward a more affordable, reliable, and decarbonized electricity system. As a first step, we support moving forward with staff's proposed exploration of expanded buy-through programs. To fully explore what level of retail choice is appropriate for Arizona, the AEBG also encourages formation of a rulemaking docket for a focused consideration of potential expansion of retail choice.

The Advanced Energy Buyers Group appreciates the Commission's consideration of our perspective on this issue, and we look forward to continuing to engage on this topic.

RESPECTFULLY SUBMITTED this 14th day of December, 2018.

The Advanced Energy Buyers Group

A handwritten signature in black ink, appearing to read "Caitlin Marquis". The signature is fluid and cursive, with a long horizontal stroke at the end.

Caitlin Marquis, Manager of Federal and State Policy, Advanced Energy Buyers Group

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