It would appear that R14-2-2306. Billing for Net Metering F. contains two unintended consequences. R14-2-
2306. Billing for Net Metering F. Once each calendar year the Electric Utility shall issue a check or billing credit
to the Net Metering Customer for the balance of any credit due in excess of amounts owed by the Customer to
the Electric Utility. The payment for any remaining credits shall be at the Electric Utility's Avoided Cost. That
Avoided Cost shall be clearly identified in the Electric Utility's Net Metering tariff. The stated purpose of
paragraph F. is: "the Utility Companies are not in the business of continuing to purchase power from
individuals." The two apparently unintended consequences are: 1. The effect of the paragraph potentially puts
every Net Metering Customer in the business of selling excess power to the Utility. 2. The result of the calendar
year issuance of a check or billing credit to the Net Metering Customer for a credit balance at the Avoided Cost
rate potentially puts the Net Metering Customer in the position of having to "re-purchased" that power in the
following month at the retail rate. In consideration of the current Net Metering Facility design limitation of 125%
(R14-2-2302. Definitions, 13. d.), it would seem unlikely that a system within that design limitation would
consistently produce excess power for the following reasons: 1. The design limitation of 125% reported contains
a .5% annual consideration for system degradation. 2. There is apparently no Derate Factor having been
considered in the system design limitation. A. Due to real world efficiency losses (irradiance, dust, temperature, and wiring), there is an expected system power output (AC power) to be less than the output of the system (DC power). This difference is the recognized Derate Factor. B. The default overall DC to AC derate factor of 0.77 is used as an average by the National Renewable Energy Laboratory (NREL). 3. If the NREL Derate Factor of 0.77 is applied to the 125% design limitation, the result, 96%, would appear to indicate that the typical Net Metering Facility, which meets the Net Metering Arizona Administrative Code, would be unlikely to consistently produce electrical power in excess of the Net Metering Customer's individual power requirements. 4. Apparently there were residential customers with installed systems which exceed the 125% Net Metering Facility design limitation. Based on the foregoing information, this comment would urge the Commission to consider amending R14-2-2306. Billing for Net Metering. F. The suggested amendment is shown in italics making the paragraph read: F. Once each calendar year the Electric Utility shall issue a check or billing credit to the Net Metering Customer for the balance of any credit due in excess of three times the one month average of customer generated power for the previous 12 month period of amounts owed by the Customer to the Electric Utility. The payment for excess credits shall be at the Electric Utility's Avoided Cost. That Avoided Cost shall be clearly identified in the Electric Utility's Net Metering tariff.

*End of Complaint*

Utilities' Response:

Investigator's Comments and Disposition:

10/22
Emailed to the Phoenix ACC office for docketing.
FILE CLOSED.
*End of Comments*

Date Completed: 10/22/2013

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