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Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

Renewable Energy Standard and Tariff

Compliance Report

Compliance Year 2013

Docket E-01575A-12-0264


Decision 73639

Submitted April 22, 2014

Arizona Corporation Commission

DOCKETED

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**Sulphur Springs Valley Electric Cooperative, Inc.
Renewable Energy Standard and Tariff
Compliance Report
Compliance Year 2013**

INTRODUCTION

Pursuant to A.A.C. R14-2-1812, Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) submits this compliance report for calendar year 2013. This report relates to the SSVEC 2013 Renewable Energy Standard and Tariff Plan ("REST Plan"), approved by the Arizona Corporation Commission (the "Commission") in Decision No. 73639 dated January 1, 2013.

EXECUTIVE SUMMARY

The REST Plan uses surcharge dollars from the SSVEC Commission-approved retail tariffs to support programs for developing renewable facilities, purchasing renewable energy and participation in large-scale renewable generation projects. Funds may also be used for administration, advertising and educational activities.

The REST Plan for 2013 was approved pursuant to R14-2-1814. R14-2-1814 provides that, upon Commission approval of SSVEC's REST Plan, its provisions substitute for the Annual Renewable Energy and Distributed Renewable Energy requirements of Rules 1804 and 1805, respectively.

2013 INSTALLATIONS AND ENERGY GENERATED

In 2013, 358 new Photovoltaic ("PV") systems were installed in SSVEC's service area for a total installed capacity of 2,260.4 kW. Additionally all of these new systems are distributed generation (279 residential and 79 commercial).

In 2013, 147 new solar water heating systems were installed in SSVEC's service area. These new systems were expected to save approximately 586,511 kWh per year (as determined by the OG-300 rating program).

These additions bring the total number of renewable generation installations in SSVEC's service area by the end of 2013 to 1,648. This includes 1,252 PV installations (a total installed capacity of 8,462 kW), 37 wind installations with a total capacity of 106.9 kW, 1 bio-mass boiler, 1 geothermal well, and 357 solar water heating installations expected to save approximately 1,510,253 kWh per year.

REQUIRED REPORTING INFORMATION

The ACC requested that the Electric Utilities develop a standard REST reporting format. SSVEC submits the following tables to meet this requirement (see attached tables).

- Table 1a – Renewable Resources
- Table 1b – Compliance Summary
- Table 2b – RES Cash Incentive Costs

The following tables were not included because they are not applicable to the Commission approved SSVEC REST program.

- Table 2a - RES Resource Costs
- Implementation Plan Table 1 – Targeted Resources
- Implementation Plan Table 2 – Targeted RES Resources Costs

Financial Summary

REST Surcharge Funds Collected		\$ 4,569,289
Expenses		
Loans	\$ 69,981	
Admin	\$ 190,435	
Debt Service ¹	\$ 1,172,922	
Incentives Paid	\$ 2,966,382	
Total Expenses		<u>\$ 4,399,720</u>
Balance ² Applied to the 2014 REST Programs	\$ 169,569	

Respectfully Submitted,


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¹ Debt service is for CREBs financing of the Solar for Schools and SSVEC large scale solar farm as approved by the Commission.

² Balance includes over \$500,000 of incentives paid in January for projects completed in 2012 but after the December Incentive Payment processing and reserved Incentives for two large C&I projects to be completed in the first quarter of 2013.

Table 1.a - Renewable Resources

Resource	Technology	Ownership	MWac ¹	MWdc ¹	Production (Actual) + (Annualized) ²	Multiplier Credits	Total MWh or Equivalent
GENERATION:							
	PV Fixed Array	SSVEC		0.3	514		514
	PV Tracked Array	SSVEC		1.2	2,643		2,643
Gross Total (if needed)					3,157		3,157
Adjustments (if needed)							
(A)							
DISTRIBUTED ENERGY (DE):							
Residential:							
	PV			4.2	9,154		9,154
	SWH			0.9	1,938		1,938
	Wind			0.1	230		230
Gross Total (if needed)							11,322
Adjustments (if needed)							
(B)							
Non-Residential:							
	PV			2.6	5,760		5,760
	SWH			0.6	1,380		1,380
	Wind						
	Bio-Mass			0.7	2,219		2,219
	Geothermal			0.7	2,336		2,336
Gross Total (if needed)					2,336		11,694
Adjustments (if needed)							
(C)							
(D)							
(E)							

Notes to Table 1:

¹ Generation capacity is generally reported in MWac and DE is generally reported in MWdc.

² Assumes 2190 kWh per installed kW for non-metered or current year installed residential PV systems, and 2190 kWh per installed kW for similar non-residential systems. Assumes 2920 kWh / kWdc for tracked

Table 1b - Compliance Summary

Category	Metric	%	Compliance Measure (MWh)	RES Resources (MWh or Equivalent)
Retail Sales	Actual MWh Sales for 2013	2.00%	17,475	(F) (E)
2013 Total RES Requirement	N/A			(G)
DE Requirement	N/A			(H)
DE Sub-Requirements:	N/A			(I)
Residential DE	N/A			(J)
Non-Residential DE	N/A			(K)
Non-DE Target	N/A			

Notes to Table 1b:

¹The RES-eligible resource carrying balance is accounted for using FIFO methodology, wherein the entire carrying balance is applied to the RES requirement and the year-end carrying balance consists of current year remaining resources.

Table 2b - RES Cash Incentive Costs

2013 Distributed Energy Cash Incentive Program Costs

	MW	MWh	Up-Front Incentives		Production-Based Incentives		2013 Total Incentives Paid (\$)**
			(\$/MW) ¹	(\$/MWh) ¹	(\$/MW)	(\$/MWh)	
Residential:	7.8	17,045	238,035	109		120	1,852,625
		<u>1,484</u>					<u>178,123</u>
Subtotal: Residential							
							2,030,748
Non-Residential:							
OTI	0.5	1,042	1,566,208	715		120	745,515
PBI		1,584					190,119
Subtotal: Non-Residential							
							935,634
Total DE Incentive Costs							2,966,382

Notes to Table:

¹ Based on expected annual system production.

** Because SSVEC uses a reservation list Incentives paid out cover multiple REST plans