

ORIGINAL



COMMISSIONERS  
BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTNER SMITH



BOB BURNS  
COMMISSIONER

Direct Line: (602) 542-3682  
Email: RBurns-web@azcc.gov

RECEIVED

DEC -5 P 3:28

ARIZONA CORPORATION  
COMMISSION

Arizona Corporation Commission  
DOCKETED

DEC 05 2013

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

December 5, 2013

DOCKETED BY [Signature]

RE: Innovations and Technological Developments, Docket No. E-00000J-13-0375

Dear Chairman Stump, Commissioners & Interested Stakeholders:

As stated in my letter to my fellow Commissioners on November 4, 2013, I have worked with Staff to develop the proposed scope of this docket and a proposed approach for accomplishing its goal. If you recall, my goal for this docket is to apprise the Commission on innovations and technological developments that could impact our current energy utility model in Arizona.

The proposed scope of this docket is to review the following major innovations and technological areas that appear to have the greatest potential to impact the current energy utility model:

- Distributed Supply and Storage Resources Enabling Customer Self-Supply:** includes any distributed supply resources (solar technologies, fuel cell, etc.); distributed storage devices (battery, flywheel, thermal storage, etc.); and customer shared generation (virtual net metering, etc. (excludes rate design issues being dealt with in Docket No. E-01345A-13-0248).
- Customer Load Management Technology, Energy Efficiency, Major New Loads and Related Services:** includes customer energy information systems, demand controllers, real-time pricing controls, plug-in electric vehicles, demand response, and alternative service arrangements for customer energy management, etc.
- Utility-Scale Storage Technology:** includes pumped storage (hydro, compressed air) battery, flywheel, etc.
- Metering Technology & Services:** includes electronic meters, communication systems (one-way, two-way, real-time), alternative arrangements for meter reading, meter services, and meter data management, etc. (excludes health and privacy issues being dealt with in Docket No. E-00000C-11-0328).
- Transmission and Distribution Automation:** includes improved real-time information access for situational awareness, real-time physical monitoring and manual control, automated technologies for system self-healing, etc.
- Micro-Grids:** includes grid-tied and isolated

To provide the Commission with information on the potential impact of each of the above innovations and technological impacts on our current energy utility model, I propose a series of workshops. For these workshops, the Commission would arrange for experts with knowledge of the current and projected state of development in each of these areas to present information on the following:

- Customer classes potentially impacted and when in the future, if not already, the technology or innovation may become competitive
- Impact on use, safety, reliability, power quality, physical & cyber security, and customer support requirements to traditional utility systems (generation, transmission, distribution, and customer systems)
- Costs and benefits of the technology or innovation
- Business and regulatory impacts such as the need for smart grid to realize benefits, changes in market structures, system operations and planning, rate designs, and regulatory policies resulting from or needed to facilitate the adoption of the technology or innovation
- Impact on other regulated industries such as natural gas, water, telecommunications, or cable

I plan to place this matter on a Commission/Staff Open Meeting so that I can discuss the scope and approach I have outlined above with my fellow Commissioners. I tentatively plan to hold at least two workshops addressing items 1, 2, and 3 and then at least one workshop addressing items 4, 5, and 6. The final number of workshops and schedule will be determined following a review of the comments received on this proposal and discussions with potential presenters.

In the meantime, I would appreciate your comments on the proposed scope and approach described above, as well as your substantive comments on the information requested. I would also appreciate the names and contact information for any persons and/or entities you believe would be appropriate presenters for the workshops. Please provide your comments by filing them in this docket by January 17, 2014.

I want to thank you in advance for your comments on this proposed approach as well as the substantive content, and look forward to the insight we will gain through this process.

Sincerely,



Robert L. Burns  
Commissioner