



AriSEIA
ARIZONA SOLAR ENERGY
INDUSTRIES ASSOCIATION

2025 SRP Pricing Proceeding

AriSEIA Recommendations and Proposal

What is AriSEIA?

- **The Arizona Solar Energy Industries Association (AriSEIA) is the solar, storage, and electrification trade association for the State of Arizona.**
- **We are an Arizona nonprofit.**
- **We advocate for pro-renewables policy at every level of government.**
- **We are especially active at the Arizona Corporation Commission (ACC) and Arizona legislature.**
- **We also have a robust consumer protection body of work.**
- **We engage with local governments on renewables ordinances.**

Process Concerns

- **The timeline for the rate case is needlessly short.**
 - **This eliminates the possibility to hire an expert witness.**
 - **Therefore, the proposal is not benefiting from national best practices and checks and balances on SRP.**
- **Data requests are taking weeks or even more than a month to get a response.**
- **There is no reason the entire process must be completed in ~2 months.**
- **SRP should have an online data room where all orgs can see the data requests and responses of other orgs.**
- **The “interviews” were needlessly constrained to 1 hour of questions each.**

Macro Rate Design Comments

- **The fixed fees should be as low as possible. Volumetric charges are preferable to drive behavior changes.**
- **The majority of your customers should be on time of use (TOU) rates, which is not currently the case.**
- **The TOU period should be 3 hours. The longer the period the less likely the participation.**
- **The differential between on-peak and off-peak should be ~3:1 to drive behavior change.**
- **You should not be defaulting TOU customers to a non-TOU rate in 2029.**

Current SRP Solar Policies Compared

Utility	# of Customers	# of Solar Customers	Export Rate	Duration
APS	~1.4 million	~185,000	\$.06857	10 years
TEP	~400,000	~53,000	\$.0570	10 years
SRP (proposed)	~1.2 million	~56,000	\$.0345	1 year

The savings are reduced for solar customers on the new rate plans

- We modeled the new E-28 rate plan on Open Solar to compare the savings. According to our calculations, a customer that switches from the new E-23 to the new E-28 is going to save *substantially less* than they would have saved switching from the old E-23 to the E-13.
- **Savings for customer using 16,000 kWh per year; 76% offset system (8.55 kW) @ \$2.40 per watt switching to E-13 vs. switching to E-28:**
 - Current E-23 switch to E-13: \$73 savings per month; 12-year break even
 - New E-23 switch to E-28: \$51 savings per month; 15-year break even
- **Savings for customer using 16,000 kWh per year; 51% offset system (4.5 kW) @ \$2.40 per watt switching to E-13 vs. switching to E-28:**
 - Current E-23 switch to E-13: \$58 savings per month; 9.5-year break even
 - New E-23 switch to E-28: \$40 savings per month; 13-year break even

Specific Recommendations

- **Net load, not delivered load, should be utilized consistently for the cost allocation study.**
- **Customers on net metering tariffs should be allowed to remain on those tariffs even if frozen until 2034.**
- **The export rate for solar lacks consideration of capacity costs and avoided transmission and distribution costs.**
 - **Export rate should be locked in for more than one year.**
- **All residential rate plans should be open to solar customers.**

Specific Recommendations

- **E-16 should have the same on peak period as E-28.**
- **The on peak time should be 5-8pm, not 6-9pm based on cost.**
- **There should be two seasons, not three to reduce confusion.**
- **Super off peak should be limited to 10-3 and the winter based on cost.**
- **Customer service costs should not be disproportionately higher for solar customers, especially without explanation.**

Specific Recommendations

- **Commercial rate plans:**
 - **E-32: The change in TOU hours reduces the savings by >\$1,000 for customers without storage.**
 - **Changes meant to incentivize batteries are not significant enough to offset the cost of the batteries.**
 - **E-36: The declining block rate disincentivizes energy efficiency measures.**
 - **We recommend creating a commercial pilot with reduced demand charges and a higher differential between on and off peak.**

Virtual Power Plant Proposal

Principles:

- Performance-based
- Allow batteries to export to grid
- No opt-out fee or limit
- Targeted, 3-hour max events, max 60 events per year
- Performance payments are stackable & open to all tariff/rate schedules
- Allow third-party aggregators
- Lock in payment level for 5 years
- Summer only events

Proposed Tariff-based Incentive:

- \$150/kW performance payment
 - Based on SRP's marginal cost of demand and marginal energy cost at the secondary distribution level
- Incentive payment would retain value for SRP and rest of rate base, while appropriately compensating VPP customers
- Payment to be based on actual average kW discharge

Appendix: Needed change to TOU periods

From	2:00 AM	3:00 AM	4:00 AM	5:00 AM	6:00 AM	7:00 AM	8:00 AM	9:00 AM	10:00 AM	11:00 AM	12:00 PM	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	6:00 PM	7:00 PM	8:00 PM	9:00 PM	10:00 PM	11:00 PM
To	3:00 AM	4:00 AM	5:00 AM	6:00 AM	7:00 AM	8:00 AM	9:00 AM	10:00 AM	11:00 AM	12:00 PM	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	6:00 PM	7:00 PM	8:00 PM	9:00 PM	10:00 PM	11:00 PM	12:00 AM
Total	H03	H04	H05	H06	H07	H08	H09	H10	H11	H12	H13	H14	H15	H16	H17	H18	H19	H20	H21	H22	H23	H24
January	1.87	1.84	1.87	1.94	2.20	2.56	2.18	1.55	1.22	1.07	0.97	0.87	0.86	0.99	1.59	2.32	2.55	2.50	2.42	2.33	2.20	2.02
February	1.47	1.45	1.45	1.52	1.72	2.01	1.62	0.93	0.62	0.50	0.42	0.37	0.36	0.44	0.74	1.51	1.99	2.12	1.98	1.90	1.82	1.66
March	1.03	1.02	1.05	1.18	1.46	1.41	0.79	0.32	0.12	0.05	0.00	(0.02)	(0.02)	0.03	0.20	0.79	1.43	1.66	1.55	1.43	1.29	1.17
April	0.99	0.99	1.04	1.19	1.36	0.89	0.29	0.07	(0.03)	(0.05)	(0.07)	(0.07)	(0.05)	0.00	0.14	0.59	1.34	1.72	1.61	1.41	1.23	1.13
May	1.15	1.14	1.21	1.35	1.30	0.57	0.15	0.02	(0.02)	(0.04)	(0.04)	(0.01)	0.03	0.13	0.28	0.71	1.54	2.24	2.19	1.82	1.49	1.35
June	1.32	1.30	1.33	1.46	1.34	0.77	0.57	0.52	0.53	0.58	0.66	0.73	0.88	1.19	1.49	2.52	2.40	2.82	2.47	2.08	1.63	1.50
July	1.75	1.72	1.74	1.81	1.97	1.55	1.39	1.38	1.42	1.53	1.69	1.97	2.43	7.00	14.38	23.63	48.05	58.56	15.86	4.96	3.12	2.61
August	1.89	1.85	1.87	1.98	2.22	1.80	1.52	1.46	1.49	1.59	1.76	2.44	2.48	4.34	6.34	10.43	19.44	17.45	4.98	3.26	2.59	2.34
September	1.47	1.44	1.45	1.56	1.67	1.44	1.05	0.95	0.95	1.02	1.12	1.27	1.46	2.42	3.19	3.43	5.47	4.18	2.88	2.13	1.86	1.70
October	1.10	1.09	1.12	1.23	1.44	1.33	0.88	0.65	0.58	0.57	0.59	0.63	0.72	0.84	1.13	1.70	2.06	1.76	1.57	1.51	1.32	1.22
November	1.30	1.28	1.29	1.36	1.54	1.66	1.27	0.81	0.65	0.61	0.60	0.61	0.64	0.80	1.31	1.82	2.01	1.80	1.73	1.68	1.61	1.44
December	1.80	1.77	1.77	1.81	1.97	2.37	2.05	1.66	1.44	1.34	1.27	1.24	1.26	1.37	1.80	2.25	2.42	2.35	2.28	2.24	2.17	1.99
Summer	1.26	1.25	1.28	1.40	1.44	1.03	0.66	0.53	0.51	0.54	0.58	0.65	0.77	1.15	1.52	2.09	2.87	2.75	2.28	1.88	1.57	1.44
Peak	1.82	1.79	1.81	1.90	2.09	1.68	1.45	1.42	1.46	1.56	1.72	2.21	2.46	5.67	10.36	17.03	33.75	38.00	10.42	4.11	2.85	2.47
Winter	1.41	1.39	1.41	1.50	1.71	1.82	1.37	0.89	0.67	0.59	0.53	0.50	0.51	0.61	0.96	1.55	1.96	2.02	1.93	1.83	1.72	1.57
Annual	1.43	1.41	1.43	1.53	1.68	1.53	1.15	0.86	0.75	0.73	0.75	0.84	0.92	1.63	2.72	4.31	7.56	8.26	3.46	2.23	1.86	1.68

Appendix: Customers not on TOU

Table 4. SRP Standard Residential Price Plans

Rate	Description	Customer Accounts	Accounts % of Class	\$ Proposed Annual Impact	% Proposed Annual Impact
E-21	"EZ-3" Super Peak Time-Of-Use 3-6 p.m.	164,007	15.3%	\$13,132,711	3.7%
E-22	"EZ-3" Super Peak Time-Of-Use 4-7 p.m.	14,912	1.4%	\$852,455	2.7%
E-23* / E-24	Standard / "M-Power" Pre-Pay	688,788	64.1%	\$43,355,947	3.5%
E-26*	Time-Of-Use	119,519	11.1%	\$7,845,178	2.7%
E-29	Electric Vehicle	29,851	2.8%	\$2,096,567	2.7%
Residential		1,017,077	94.7%	\$67,282,858	3.4%

Appendix: Customers moving to non-TOU plans

Table 6. Freeze & Sunset Schedule

To Be Frozen and Sunset		Moved to Price Plan	
E-15 E-27 E-27P	Average Demand Price Plan Customer Generation Price Plan Residential Demand Price Plan Pilot	E-16	Manage Demand 5-10 p.m. and Save
E-21 E-22	EZ-3 Price Plan (3-6 p.m.) EZ-3 Price Plan (4-7 p.m.)	E-23	Basic Price Plan
E-13 E-14 E-26 E-29	Time-of-Use Export Price Plan Electric Vehicle Export Price Plan Time-of-Use Price Plan Electric Vehicle Price Plan	E-28	Conserve 6-9 p.m. and Save
E-33	Super Peak Time-of-Use General Service Experimental Price Plan	E-32	Time-of-Use General Service

Questions?

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