



American Council for an Energy-Efficient Economy

WASHINGTON, DC

August 9, 2005

To: Docket Control
Arizona Corporation Commission

From: American Council for an Energy-Efficient Economy

Re: Distributed Generation Workshop: Interconnection Issues
Docket No. E-0000A-99-0431

The American Council for an Energy-Efficient Economy (ACEEE) is a nonprofit, independent research and policy analysis organization dedicated to advancing energy efficiency as a means of promoting both economic prosperity and environmental protection. We offer a unique perspective that blends engineering, business, and environmental expertise. ACEEE holds the position that clean and efficient distributed generation can be beneficial to both the electricity customer and electricity supplier, while reducing overall emissions and stress on the electricity grid.

We commend the Arizona Corporation Commission on its establishment and support of the working groups outlining interconnection policies for utilities.

We strongly recommend that Arizona adopt the draft interconnection standard provided to the Commission staff on July 29th by the coalition of solar and distributed generation groups. This draft rule is far more comprehensive and complete than the rules submitted by each of the utilities. Based on our extensive research on the topic, we find that hostile interconnection practices are one of the primary barriers to the development of beneficial distributed generation projects and technologies. Consistent interconnection standards should be used to ensure that distributed energy is connected safely, reliably, and without undue cost or delay. Many other states have already adopted, or are moving towards adopting, fair interconnection standards that clearly set out the technical **and** procedural issues, without giving unfair advantage to the electric utilities. Among the model standards are Texas, New York, and Connecticut. Arizona should follow their example.

The content of this draft rule stems from the interconnection rule adopted in Texas, which is far more comprehensive than any standards currently in use in Arizona, and is nationally recognized as a good model. It also contains essential elements that were inadequate, incomplete, or missing in the 1999 Arizona draft guidelines regarding process, procedural issues, timing, fees, study requirements, equipment certification, non-circumvention, and other such issues.

We encourage the Commission, staff, and working groups to proceed using this new draft submitted by the coalition of solar and distributed generation groups. We look forward to working with the Commission, staff, and working groups on ensuring the reliability, adequacy of supply, and reasonable cost of our electric power system, and encouraging the safe proliferation of DG. Please feel free to contact us should you have questions or require additional information.

Sincerely,

R. Neal Elliott, Ph.D., P.E.
Industrial Program Director