



# Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

311 E. Wilcox Dr. • Sierra Vista, AZ 85635

March 15, 2010


Docket Control  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Re: 2009 Annual Compliance Report by Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC); Docket No. E-01575A-07-0310.

Dear Sir or Madam:

Pursuant to the requirements of A.A.C. R14-2-1812.A, SSVEC submits our Annual Compliance Report for the calendar year 2009. An electronic copy of this report is also being transmitted to the Director of the Utilities division.

Sincerely,



J.S. Blair  
Chief Member Services Officer  
Sulphur Springs Valley Electric Cooperative, Inc.

JSB/db  
Enclosure

Original and 13 copies filed with Docket  
Control this 15th day of March, 2010

# **SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.**

## **RENEWABLE ENERGY STANDARD AND TARIFF COMPLIANCE REPORT FOR 2009 R14-2-1812**

### **INTRODUCTION**

Pursuant to A.A.C. R14-2-1812, Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) submits our compliance report for calendar year 2009. This report relates to the REST plan for 2009 was approved by Decision No. 70701 dated January 20, 2009 pursuant to R14-2-1814

### **EXECUTIVE SUMMARY**

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

This report covers activity for calendar year 2009. R14-2-1814.A provides that upon 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. SSVEC's current retail tariffs (as required under the REST Rules) were approved by the Commission at its Open Meeting on January 13, 2009.

### **2009 INSTALLATIONS AND ENERGY GENERATED**

264 new PV distributed facilities were installed in SSVEC's service area with a total capacity of 2,821.6kW. Eleven of the installations were Commercial & Industrial customers.

18 small wind systems were installed in SSVEC's service area for a total installed capacity of 56.7 kW.

A renewable boiler (biomass thermal) continued operation (using pecan shells) to replace the use of natural gas. In 2009 this replaced 78,327 therms of natural gas and is equivalent (when converted to kWh) of 1,047kW of PV systems. This system diverted 1,455,580 lbs of waste from the landfill. The PBI for 2009 operations is \$34,404.

These additions bring the total number of installations in SSVEC service area to 456 as of December 31, 2009. Our total program watts are now 3,134.9 kW (connected capacity). All of the systems are "distributed" renewable energy systems.

Under the 2009 REST program SSVEC also has 240 proposed systems representing 1,006,149 watts and committing \$3,843,999 in incentives. There is an additional \$1,267,822 in incentives committed for systems installed in 2009 and waiting to receive their incentive.

## **R14-2-1812 INFORMATION**

Pursuant to R14-2-1812.B, SSVEC supplies the following information:

<b>Systems installed in 2009</b>		Projects	Watts Installed
	<b>Solar</b>	<b>208</b>	<b>1,609,730</b>
	<b>Wind</b>	<b>18</b>	56,690
	<b>Water</b>	<b>37</b>	108,134
	<b>Other</b>	<b>1</b>	1,047,000
	<b>Total</b>	<b>264</b>	<b>2,821,554</b>

<b>TOTAL PROJECTS 2007 and prior</b>	<b>102</b>	141,928
<b>TOTAL PROJECTS 2008</b>	<b>90</b>	171,416
<b>TOTAL PROJECTS 2009</b>	<b>264</b>	2,821,554
<b>TOTAL PROGRAM</b>	<b>456</b>	<b>3,134,898</b>

2009 Incentives Paid	\$	1,322,192
2009 Incentives Reserved (system installed)	\$	1,267,822
2009 Incentives Reserved (systems NOT installed)	\$	3,843,999
2009 Loans	\$	36,231

E. kWh production of 2009 installs (prorated based on activation month)	3,049,637
E. 2009 kWh of Schools Project (prorated based on activation month)	1,077,480

### **Using the cost of Incentives paid only (excluding customers cost of $\approx$ 50%)**

E. Cost per kWh (20 year life) PV & Wind	\$	0.04
E. Cost per kW of Capacity (PV & Wind)	\$	4,986.62

### **Renewable Energy Credits (RECs)**

E. PV, Wind, Water, Other	1,833,493
C. Biomass (thermal)	2,293,624
E. 2009 Total	4,127,117

### **Normalized for full year production (RECs)**

E. PV and Wind	6,179,204
C. Biomass (thermal)	2,293,624
E. 2009 Total	8,472,828

E. Total program (2005-2009 installs) RECs for 2009	9,159,051
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### **Goal Tracking**

2009 Total kWh System Sales	834,119,415
2009 Renewables as a %	1.10%
2009 Renewables Goal	1.00%
Target of A.A.C. R14-2-1804 for other utilities (investor owned)	2.00%

The SSVEC RES Tariff Budget Summary is as follows:

## 2009 REST Budget Report

**Income**

Balance Forward from 2008	\$	1,041,935
REST Collections	\$	1,476,063
Loan repayments	\$	<u>18,566.00</u>
Total	\$	<u>2,536,564</u>

**Allocation of Income (budget)**

Loan Fund from Surcharge	\$	377,700	15%
Loan Fund from repayments	\$	18,566	1%
Program Costs (R&D, Advertising,	\$	251,800	10%
Habitat for Humanity projects	\$	15,000	1%
Solar School Project	\$	832,000	33%
SunWatts Rebates Residential	\$	624,899	25%
SunWatts Rebates Commercial	\$	<u>416,600</u>	<u>16%</u>
	\$	<u>2,536,564</u>	<u>100%</u>

**Expenses (actual)**

Loan Fund	\$	128,846	5.1%
R&D	\$	134,852	5.3%
Advertising	\$	13,700	0.5%
Administration	\$	122,205	4.8%
Habitat for Humanity projects	\$	-	0.0%
Solar School Project	\$	766,733	30.2%
SunWatts Rebates Residential	\$	1,166,268	46.0%
SunWatts Rebates Commercial	\$	<u>185,860</u>	<u>7.3%</u>
	\$	<u>2,518,463</u>	

Balance Carried to 2010	\$	18,101	0.7%
	\$	<u>2,536,564</u>	<u>100%</u>

Note: As you can see when you compare the 2009 Budget to the 2009 Expenses, thanks to the flexibility granted by the ACC to move budget funds from one category to another, SSVEC was able to pay out \$541,369 more in residential rebates than originally provided in the budget as demand for this category was larger than anticipated.

Point of Contact for questions:

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