



---

## ARIZONA CORPORATION COMMISSION

---

FOR IMMEDIATE RELEASE: April 2, 2010

CONTACT: Rebecca Wilder (602) 542-0844

### Commission Approves APS Solar Pilot Project in Flagstaff

PHOENIX—The Arizona Corporation Commission has approved a pilot project in Flagstaff for APS to install utility-owned solar arrays on approximately 200 homes, solar water heaters in about 50 homes, and small-scale, stand-alone wind turbines on approximately six properties in a limited distribution area in northeast Flagstaff.

APS selected this portion of its Flagstaff service territory for the Community Power Project because of its limited growth compared to other areas and significant community support for renewable resources. The smart distribution grid will include intelligent diagnostics, automation technologies, and central distribution information management systems. Smart grid technology provides APS with the ability to measure and track the effects of weather, equipment failure, customer usage, and other types of operational impacts on the distribution system, enabling the company to observe and measure the impacts of DE on the distribution system.

In order to provide opportunity for competition, the agreement passed gives APS the authority to move forward with installing 100 of the systems, but allows third-party installers a 120 day window to bring forward plans to develop the additional 100. Following this window, APS is authorized to develop those systems not developed by other entities.

The APS Community Power Project provides the benefits of renewable energy to customers and helps meet the Commission's goal of bringing more renewable resources to Arizona, and will help APS achieve the Renewable Energy Standard targets.

The Flagstaff Pilot project will incur capital expenditures of \$10.8 million, deployment costs of \$3.8 million, and ongoing expenses of \$410,000 per year.

"Flagstaff will serve as a laboratory of sorts in discerning the effects of saturating the feeder with solar projects, thereby increasing our knowledge of how distributed energy affects the electrical distribution system," said **Commissioner Bob Stump**.

"This decision strikes a balance between competition and APS' need to become deeply conversant in distributed generation," said **Commissioner Paul Newman**. "The Flagstaff pilot will help us understand how high levels of distributed clean energy impact the grid, and provide jobs to local solar installers."

"The Flagstaff solar project will not only make Coconino County a leader in renewables, it will build on Arizona's reputation for supporting solar energy research and development," said **Chairman Kris Mayes**. "This pilot will measure the impact of concentrating a number of solar systems in a given area, and will likely prove that solar energy reduces the need for additional utility infrastructure, thus saving all ratepayers money over time."

###