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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

2013 MAR 26 P 3:59

CORP COMMISSION  
SECRET CONTROL

IN THE MATTER OF THE APPLICATION OF  
TRICO ELECTRIC COOPERATIVE, INC., AN  
ARIZONA NONPROFIT CORPORATION, FOR  
A PERMANENT RATE INCREASE, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
THE CORPORATION'S ELECTRIC SYSTEM  
FOR RATEMAKING PURPOSES, FOR A  
FINDING OF A JUST AND REASONABLE RATE  
OF RETURN THEREON, AND FOR APPROVAL  
OF RATE SCHEDULES DESIGNED TO DEVELOP  
SUCH RETURN.

DOCKET NO. E-01461A-11-0266

**NOTICE OF FILING  
COMPLIANCE**

Trico Electric Cooperative, Inc. ("Trico") hereby files the attached Compliance Report relating to Trico's 2012 Renewable Energy Standard and Tariff Plan in compliance with Decision No. 73087 (April 5, 2012).


RESPECTFULLY SUBMITTED this 26<sup>th</sup> day of March 2013.

By 

Michael W. Patten  
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*Attorneys for Trico Electric Cooperative, Inc.*

Arizona Corporation Commission  
**DOCKETED**  
MAR 26 2013

DOCKETED BY 

1 Original and thirteen copies of the foregoing  
filed this 26<sup>th</sup> day of March 2013, with:

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3 Docket Control  
4 ARIZONA CORPORATION COMMISSION  
5 1200 West Washington Street  
6 Phoenix, Arizona 85007

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6 Copy of the foregoing hand-delivered  
this 26<sup>th</sup> day of March 2013 to:

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8 Brian Bozzo  
9 Compliance Manger, Utilities Division  
10 ARIZONA CORPORATION COMMISSION  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007

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*Mary Appolito*



**Renewable Energy Standard and Tariff  
Compliance Report  
Compliance Year 2012**

**Trico Electric Cooperative, Inc.  
Renewable Energy Standard and Tariff  
Compliance Report  
Compliance Year 2012**

**INTRODUCTION**

Pursuant to A.A.C. R14-2-1812, Trico Electric Cooperative, Inc. ("Trico") submits this compliance report for calendar year 2012. This report relates to Trico's 2012 Renewable Energy Standard and Tariff Plan ("REST Plan"), approved by the Arizona Corporation Commission (the "Commission") in Decision No. 73087 dated April 5, 2012.

**EXECUTIVE SUMMARY**

The REST Plan uses surcharge dollars from Trico's Commission-approved retail tariffs to support programs for developing renewable facilities, purchasing renewable energy and participation in large-scale renewable generation projects. Funds may also be used for administration, advertising and educational activities.

The REST Plan for 2012 was approved pursuant to R14-2-1814. R14-2-1814 provides that, upon Commission approval of Trico's REST Plan, its provisions substitute for the Annual Renewable Energy and Distributed Renewable Energy requirements of Rules 1804 and 1805, respectively.

**2012 INSTALLATIONS AND ENERGY GENERATED**

In 2012, 88 new Photovoltaic ("PV") systems were installed in Trico's service area. Of these new systems, all of them were on-grid for a total installed capacity of 626 kW. Additionally, of these new systems, all 88 are distributed generation (86 residential and 2 commercial).

In 2012, 41 new solar water heating systems were installed in Trico's service area. All of these new systems were residential installations expected to save approximately 110,040 kWh per year.

These additions bring the total number of renewable generation installations in Trico's service area by the end of 2012 to 610. This includes 431 PV installations (1 off-grid, 430 on-grid) with a total installed capacity of 4,166 kW, 2 wind installations with a total capacity of 4.8 kW and 177 solar water heating installations expected to save approximately 484,658 kWh per year.

## **2012 REQUIRED REPORTING INFORMATION**

The ACC requested that the Electric Utilities develop a standard REST reporting format. Trico submits the following tables to meet this requirement (see attached tables).

- Table 1a – Renewable Resources
- Table 1b – Compliance Summary
- Table 2b – RES Cash Incentive Costs

The following tables were not included because they are not applicable to Trico's REST program

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- Table 2a - RES Resource Costs
- Implementation Plan Table 1 – Targeted Resources
- Implementation Plan Table 2 – Targeted RES Resources Costs

**Table 1a - Renewable Resources**

Resource	Technology	Ownership	MWac <sup>1</sup>	MWdc <sup>1</sup>	Production (Actual) + (Annualized) <sup>2</sup>	Multiplier Credits	Total MWh or Equivalent
<b>GENERATION:</b>							
Photovoltaic - Sun Farm	Utility			0.227	446	-	446
<i>Gross Total (if needed)</i>							
<i>Adjustments (if needed)</i>							
<b>Subtotal Generation</b>					<b>446</b>		<b>446 (A)</b>
<b>DISTRIBUTED ENERGY (DE):</b>							
<i>Residential:</i>							
Photovoltaic	Customer			2.260	4,949	-	4,949
Solar Water Heating	Customer			0.217	475	-	475
Wind	Customer			0.005	11	-	11
<i>Gross Total (if needed)</i>							
<i>Adjustments (if needed)</i>							
<b>Subtotal Residential</b>				<b>2.481</b>	<b>5,434</b>		<b>5,434 (B)</b>
<i>Non-Residential:</i>							
Photovoltaic	Customer			1.680	731	-	731
Solar Water Heating	Customer			0.004	9	-	9
Wind	Customer			-	-	-	-
<i>Gross Total (if needed)</i>							
<i>Adjustments (if needed)</i>							
<b>Subtotal Non-Residential</b>					<b>740</b>		<b>740 (C)</b>
<b>Subtotal Distributed Energy (B + C)</b>				<b>4.165</b>	<b>6,175</b>		<b>6,175 (D)</b>
<b>Total RES Resources (A + D)</b>				<b>4.165</b>	<b>3,193</b>		<b>9,367 (E)</b>
<b>Total MWac equivalent<sup>3</sup></b>							

Notes to Table 1:

<sup>1</sup> Generation capacity is generally reported in MWac and DE is generally reported in MWdc.

<sup>2</sup> Assumes 2,190 kWh per installed kW for non-metered or current year installed residential PV systems, and 2,190 kWh per installed kW for similar non-residential systems.

<sup>3</sup> Represents the total RES portfolio capacity in MWac. Assumes a 0% dc-ac conversion factor applied to MWdc capacity.

**Table 1b - Compliance Summary**

Category	Metric	%	Compliance Measure (MWh)	RES Resources (MWh or Equivalent)
Retail Sales	661,213	3.5%	23,142	23,142 (F)
Prior Year carrying balance <sup>1</sup>				- (E)
2012 Total RES Resources	<i>(From (E) in Table 1a)</i>		9,367	9,367 (E)
2012 Total RES Requirement	% of Retail Sales	N/A		
DE Requirement	% of RES Requirement	N/A		
<i>DE Sub-Requirements:</i>				
Residential DE	% of DE Requirement	N/A		
Non-Residential DE	% of DE Requirement	N/A		
Non-DE Target	% of RES Requirement	N/A		
Resources Used for 2012 Compliance: (G + H + I)				
<b>End 2012 carrying balance (F - E + G)</b>				<b>23,142</b> (I)
<b>End 2012 carrying balance (F - E + G)</b>				<b>(13,775)</b> (K)

*Notes to Table 1b:*

<sup>1</sup>The RES-eligible resource carrying balance is accounted for using FIFO methodology, wherein the entire carrying balance is applied to the RES requirement and the year-end carrying balance consists of current year remaining resources.

**Table 2b - RES Cash Incentive Costs**

**2012 Distributed Energy Cash Incentive Program Costs**

	MW	MWh	Up-Front Incentives (\$/MW) <sup>1</sup>	Up-Front Incentives (\$/MWh) <sup>1</sup>	2012 Total Incentives Paid (\$) <sup>2</sup>
<b>Residential:</b>					
Photovoltaic	0.932	2,041	798,050	364	743,730
Solar Water Heating	0.108	238	875,996	400	95,004
Wind	0.002	5	1,500,000	685	3,600
<b>Subtotal: Residential</b>	<b>1.043</b>	<b>2,284</b>	<b>3,174,047</b>	<b>1,449</b>	<b>842,333</b>
<b>Non-Residential:</b>					
Photovoltaic (UFI)	0.010	22	496,032	226	5,000
Photovoltaic (PBI)	1.368	2,757	-	182,092	249,033
Solar Water Heating	0.003	6	876,000	400	2,416
Wind	-	-	-	-	-
<b>Subtotal: Non-Residential</b>					<b>256,449</b>
<b>Total DE Incentive Costs</b>					

Notes to Table:

<sup>1</sup> Based on expected annual system production.

<sup>2</sup> Incentives paid include payments using Stimulus funds.