

# HUNTER·SMITH·DAVIS

SINCE 1916

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KPOW.92585

June 3, 2016

**VIA EMAIL & OVERNIGHT DELIVERY:**

Herbert Hilliard, Chairman  
c/o Sharla Dillon, Dockets & Records Manager  
Tennessee Regulatory Authority  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power General Rate Case  
TRA Docket No.: 16-00001

Dear Chairman Hilliard:

In connection with the net metering issues currently before the Hearing Officer in this proceeding, we submit the following document for filing in the docket:

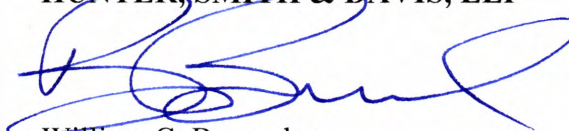
October 30, 2015 filing by The Alliance For Solar Choice ("TASC"), an intervenor in this proceeding, filed in the Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and the Electric Service Rules, Regulation and Conditions of Service for Electric Service in the State of Oklahoma; Corporation Commission of Oklahoma, Cause No.: PUD 201500208.

Thank you for your assistance.

Sharla Dillon, Docket Manager  
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June 3, 2016

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**



William C. Bovender

Enclosure .

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**BEFORE THE CORPORATION COMMISSION OF OKLAHOMA**

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

APPLICATION OF PUBLIC SERVICE COMPANY )  
OF OKLAHOMA, AN OKLAHOMA )  
CORPORATION, FOR AN ADJUSTMENT IN ITS )  
RATES AND CHARGES AND THE ELECTRIC )  
SERVICE RULES, REGULATIONS AND )  
CONDITIONS OF SERVICE FOR ELECTRIC )  
SERVICE IN THE STATE OF OKLAHOMA )

CAUSE NO. PUD 201500208

**THE ALLIANCE FOR SOLAR CHOICE'S STATEMENT OF POSITION**

COMES NOW, the Alliance for Solar Choice ("TASC"), by and through its undersigned counsel, and hereby files the following Statement of Position in the above-styled Cause, in response to the Application of the Public Service Company of Oklahoma ("PSO") to initiate a proceeding to review its rates, charges, regulations and conditions of service and for the establishment of fair and reasonable rates and charges, including for certain environmental compliance upgrades, upon completion of the Oklahoma Corporation Commission ("Commission").

TASC does not plan to present a witness during the hearing on the merits beginning December 8, 2015, but reserves the right to cross-examine the witnesses presented during the hearing and to fully participate in all aspects of this proceeding. TASC reserves the right to amend this Statement of Position or offer witnesses based on information gathered through future testimony, discovery or a significant change in condition related to this Cause should such circumstances change or otherwise present new information not previously known becomes available in the course of the proceeding. Any issues not addressed and any comments not expressed below should not be construed as agreement with PSO's position, method or procedures relating to its Application.

As an initial matter, TASC is pleased to see PSO's recognition of the value of solar energy, as evidenced by its inclusion of utility-scale solar in its 2015 Integrated Resource Plan and its commitment to conduct a Request for Proposals ("RFP") to explore adding additional cost effective utility-scale solar resources in the future. Additionally, TASC believes that PSO's plan to include utility-scale solar is a good initial step that will deliver significant benefits to consumers, businesses and society by, among other things, providing water savings, fuel price hedging, energy security, energy resilience, reduction in both installed and ongoing operations and maintenance costs, less lead time than other forms of generation, greenhouse gas reductions and criteria air pollutant reductions.

Further, TASC notes PSO's recognition of the importance of actively supporting Oklahomans in their decision to employ Distributed Generation ("DG") and the benefits DG can bring to Oklahoma today and into the future.

Notwithstanding the former, TASC believes PSO's utility-scale planned additions to be modest given the intrinsic benefits of solar generation and the large opportunity that Oklahoma's solar resources can provide. TASC believes it should also be noted that DG solar can provide additional benefits for DG adopters and non-adopters alike, as highlighted by numerous recent studies.<sup>1</sup> These benefits included avoided energy costs, environmental compliance costs, future capacity investments, transmission and distribution line losses, and enhanced geographic resource diversity, energy security and resilience. Unfortunately, PSO fails to recognize the enormous potential of roof-top solar and other attractive forms of DG available to Oklahomans. Even PSO's modest DG projections are made more questionable when one considers they have not projected the potential negative impact and future risk to customers of the Utility pursuing and possibly achieving an unfair DG Tariff. Such a tariff might serve as a tax-like disincentive and ultimately impede Oklahomans ability to afford DG additions to their family homes or businesses.

Further, PSO's Rate Case at issue here could have explored the subject of a DG tariff within this Cause, where a current cost of service and other financial data is widely available to more properly vet the requirements of weighing the costs and benefits in a fair and equitable manner for DG integration to PSO's system. This missed opportunity is not only a poor use of judicial economy, but a standalone tariff application, filed outside of a rate case, raises legitimate concerns, including but not limited to, whether a rate considered in isolation can be truly revenue neutral. Should PSO decide to abandon the more reasonable approach of including a DG tariff within this Cause, TASC takes this opportunity to strongly urge PSO to utilize the Commission's DG Tariff Checklist, which resulted from the Commission's seven (7) month analysis and series of public meetings concluding on March 31, 2015, wherein the Commission thoroughly explored Distributed Generation issues, costs, benefits

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<sup>1</sup> See Intersate Renewable Energy Council, Inc. A Regulator's Guidebook: Calculating the Benefits and Costs of Distributed Solar Generation. Available at:

<http://www.occeweb.com/pu/DistributedGeneration/Benefits%20and%20Costs%20of%20Solar%20DG.pdf>

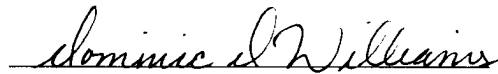
See Stanton, A., et al. Net Metering in Mississippi: Costs, Benefits, and Policy Considerations. Prepared for the Public Service Commission of Mississippi. Available at: <http://www.synapse-energy.com/sites/default/files/Net%20Metering%20in%20Mississippi.pdf>

See National Renewable Energy Laboratory. Distributed Solar PV for Electricity System Resiliency. Available at: <http://www.nrel.gov/docs/fy15osti/62631.pdf>

and technological opportunities, for Oklahoma. The DG Tariff Checklist provides the foundation for fair and equitable consideration and treatment of DG resources. As a participant in the process that lead to the DG Tariff Checklist, PSO undoubtedly recognizes the benefits of the development and inclusion of a mechanism within the Commission's examination process which clearly defines the benefits and cost of DG resources. Done incorrectly, a DG Tariff could evaporate PSO's modest commitments to use of solar, and limit the potential of the solar industry, DG and the numerous benefits they can provide to Oklahomans.

DATED this the 30<sup>th</sup> of October, 2015.

Respectfully submitted,



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**ATTORNEYS FOR  
THE ALLIANCE FOR SOLAR CHOICE**

**CERTIFICATE OF SERVICE**

On this 30<sup>th</sup> day of October, 2015, a true and correct copy of the above and foregoing *Statement of Position*, was sent via electronic mail to the following interested parties:

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