



INTERIM EXECUTIVE DIRECTOR
Matthew J. Neubert

Chairman, Tom Forese
Bob Burns
Andy Tobin
Boyd Dunn
Justin Olson

SECRETARY
Kacie Cannon
Phone: 602-542-3931
kcannon@azcc.gov

NOTICE

SPECIAL OPEN MEETING OF THE ARIZONA CORPORATION COMMISSION

Retail Electric Competition Workshop

RU-00000A-18-0284

Monday, December 3, 2018
10:00 a.m.

Hearing Room One
1200 W. Washington St.
Phoenix, AZ 85007

This shall serve as notice of an open meeting at the above location for consideration and discussion of the items on the agenda and other matters related thereto. Commissioners may attend the proceedings in person, or by telephone, video, or internet conferencing, and may use this open meeting to ask questions about the matters on the agenda. The parties to the matters to be discussed or their legal representatives are requested, though not required, to attend. The Commissioners may move to executive session, which will not be open to the public, for the purpose of legal advice pursuant to A.R.S. § 38-431.03(A)(3) on the matters noticed herein.

Persons with a disability may request reasonable accommodations by contacting the Commission Secretary listed above.

Dial-in Phone Number: 1-800-689-9374 Passcode to Speak: 415962
1-800-689-9374 Passcode to Listen Only: 415960

For a live broadcast feed or archived videos: <http://www.azcc.gov/livebroadcast>.

AGENDA

1. Opening Remarks
2. Discussion of Questions (See the Attached)
3. Closing Remarks

NOTE: NO VOTES ON ANY MATTER WILL BE TAKEN BY THE COMMISSION AT THIS MEETING.



RE: In the Matter of Possible Modifications to the Arizona Corporation Commission's Energy Rules (Docket No. RU-00000A-18-0284)

Subject: Commission's Inquiry into Retail Electric Competition

Dear Stakeholders and Interested Parties:

The purpose of this letter is to invite stakeholders and interested parties to be prepared to address the questions in this letter at the workshop scheduled for December 3, 2018 at 10:00 a.m.

At the November 7, 2018 Open Meeting, the Commission expressed a desire to have stakeholders and interested parties engage in a discussion of whether it is in the public interest to implement retail electric competition in Arizona.

In 2013, the Commission opened Docket No. E-00000W-13-0135 and made a similar inquiry into retail electric competition. Commission Staff invites additional input from electric industry stakeholders and interested parties to assist in the evaluation of the potential opportunities, benefits, and challenges that may accompany a transition to retail electric competition.

To help facilitate this inquiry, Commission Staff requests that stakeholders and any interested parties be prepared to address the following:

- 1) Should retail electric competition be implemented across the board equally for all customer classes and enterprises or for only specific customer classes and enterprises (e.g., for electric vehicle industry only)?
- 2) How could retail electric competition affect each of the customer classes?
- 3) How might the benefits of competition apply to all customer classes equally and/or equitably?
- 4) Can a transition into retail competition be in the public's interest if residential customers may be adversely affected by the transition?
- 5) How can the Commission minimize or eliminate market structure abuses and/or market manipulation in the transition to, and implementation of, retail electric competition?
- 6) What, if any, features, entities, or mechanisms must be in place for there to be an effective and efficient market structure for retail electric competition?
- 7) What impact, if any, would retail electric competition have on the reliability of electric service in Arizona?



- 8) Among the states that have transitioned to retail electric competition, which model(s) best promotes the public interest for Arizonans? Which model(s) should be avoided?
- 9) How have retail rates been affected in states that have implemented retail electric competition?
- 10) Considering the Court of Appeals' decision in *Phelps Dodge Cop. v. Ariz. Elec. Power Coop.*, 207 Ariz. 95, 83 P.3d 573 (App. 2004), are the Commission's existing retail electric competition rules (R14-2-1601 through R14-2-1618) able to be modified to comply with the court's decision or should the Commission completely discard those rules and start with a clean slate to transition to retail electric competition? Are there other legal impediments to the transition to and/or implementation retail electric competition?
- 11) Is retail electric competition compatible with the Commission's Renewable Energy Standard that requires Arizona's utilities serve at least 15% of their retail loads with renewable energy by 2025? (See A.A.C. R14-2-1801 et seq.)
- 12) Is retail electric competition compatible with the Commission's Energy Efficiency Standard that requires Arizona's electric utilities to achieve a 22% reduction in retail energy sales by 2020? (See A.A.C. R14-2-2401 et seq.)
- 13) Should the Commission address net metering rates in a competitive market differently than it has in the Value of Solar decision (Decision No. 75859)?
- 14) How will retail electric competition affect investor-owned utilities, public power utilities, cooperatives, and federally-controlled transmission systems?
- 15) What consumer education should be provided, and which consumer protection issues will need to be addressed?
- 16) What issues may arise regarding billing and collection in the transition to retail electric competition?
- 17) How should the Commission accommodate and encourage evolving technology in a competitive market?
- 18) Other than the Commission's existing retail electric competition rules, what other existing Commission rules and policies will need to be changed to accommodate retail electric competition?



This list of questions is not exhaustive. Please feel free to address other matters related to the challenges and opportunities of retail electric competition.

Staff encourages Stakeholders to submit their comments in this Docket following the workshop. If you have any questions about this matter, please contact Sofia Peirats at (602)-542-1266, Robyn Poole at (602)-542-0707, or Elijah Abinah at (602)-542-6935.