

Chairman Burns

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May 3, 2019

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007RE: RETAIL ELECTRIC COMPETITION
DOCKET NO. RE-00000A-18-0405

Commissioners and Interested Parties:

This summer we will be holding a workshop(s) dedicated to discussing Retail Electric Competition. At this workshop I would like the following (at a minimum) to be discussed:

1. Community Choice Aggregation ("CCA"). It seems that in parts of the country where CCA is allowed, it is limited to political subdivisions. I would like to explore possibly making CCA available to a much larger group, such as Homeowners Associations ("HOA"), developments without HOAs, neighborhood community groups, special districts, etc. In other words, I would like to open this up to almost any group of individuals and/or businesses (even if the individuals and/or businesses are not contiguous geographically) that could comply with whatever rules the Arizona Corporation Commission ("ACC") requires in order to ensure reliable and safe electric service.
2. Microgrids. I envision microgrids as being able to operate independently of the interconnected grid in the event of an outage (accidental, planned, or natural disaster) on the interconnected grid. I would like to ensure that whatever electric competition rules the ACC develops, that those rules allow for the safe, reliable, and economic operation of not only the microgrid itself, but also the interconnected grid.

A possible issue that may arise between the two ideas above is – How are the two above different, i.e., is a CCA situation a microgrid and/or is a microgrid a form of CCA? In my mind a CCA situation could also be a microgrid and vice versa, but not necessarily. While the two may be similar or related, they are different and should probably have different rules associated with them.



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In addition to the discussion of the above, I would also like all the electric utilities and any other interested parties to describe, in as much detail as possible, what they believe retail competition should look like in Arizona, e.g., would there need to be some type of Independent System Operator/Regional Transmission Organization, would today's regulated utilities be allowed to own generation or be wires-only, should it be full retail competition or certain customer classes only, how would the system physically operate, how would reliability and resiliency be ensured, etc. (this is by no means an exhaustive list). For this exercise, I am not looking for a discussion of the legal impediments that may or may not exist, nor I am wanting the answer to be – "retail competition in Arizona is a bad idea". All these type issues will be and must be discussed, but not for this exercise. For this exercise, I am asking all responding parties to assume that electric retail competition is legal and that it will occur, therefore, what should it look like in Arizona. For the electric utilities, I would also request that they be prepared to discuss how they plan to transition to the retail electric competition model they envision for this exercise.

I look forward to a thorough and robust (and most likely very interesting) discussion of the above issues at the workshop.

Sincerely,

Bob Burns
Chairman