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The Arizona Solar Center, Inc. (AzSC) with its partners sent out a questionnaire to the following candidates running for the Arizona Corporation Commission. Below are the Candidates unmodified responses. You have permission to use this questionnaire for public dissemination if it is:

- Published as is, and not modified in any manner.
- Is published as a complete document.
- That the Arizona Solar Center is sourced as the originator.

If you have any questions or comments feel free to contact me.

Regards

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## **Arizona Solar Center (AzSC)** **Arizona Corporation Commission Candidates** **Responses to Summer 2010 Questionnaire**

1.a. Do you support the Goldwater Institute position that the Arizona Corporation Commission has exceeded its authority with respect to the renewable energy portfolio requirements?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** No

**Fowlkes:** Support

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Reject

The Arizona Constitution gives exclusive jurisdiction to the ACC to make reasonable classifications and determine rates on public service corporations. Rates are determined by what gets built.

**Pierce:** Reject

**Wong:** Reject

1.b. What legal authority do you see the Arizona Corporation Commission holding vs the State Legislature?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** The Commission has exclusive authority over ratemaking. Some other areas are shared jurisdiction.

**Fowlkes:** The ACC has been called the fourth branch of government in Arizona. The ACC provides “checks and balances” that help to keep government fair and responsive to the needs of the citizens of the state.



**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** The ACC authority to set rates is plenary and exclusive. The Legislature can give tax and other advantages to industries it might want to promote. The Legislature cannot interfere with the Constitutional mandate of the ACC to set just and reasonable rates. In the ideal world, the public policy of the State should be in harmony.

**Pierce:** The Arizona Corporation Commission is given two types of authority in Article 15, Section 3 of the Arizona Constitution. The Commission is first given exclusive ratemaking authority in Arizona. Next, the Commission is given permissive authority to establish rules and regulations to preserve the “convenience, comfort, and safety and the preservation of health” of employees and patrons of utility companies in Arizona. The Commission shares its permissive authority concurrently with the legislature, but its ratemaking authority is exclusive.

**Wong:** The Corporation Commission’s authority to establish the Renewable Energy Standard (RES) is derived from the Arizona Constitution which expressly states that the Arizona Corporation Commission has ratemaking authority.

## 2. Do you support a specific percentage set-aside for distributed energy applications in the Arizona Corporation Commission’s RES?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** Yes

**Fowlkes:** No

Distributed energy applications should be encouraged, but not mandated.

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Yes

The set aside encourages a portfolio of applications that address opportunities to build a more resilient robust network. It builds on the existing utility backbone services and makes the local grid bidirectional. It facilitates non-utility investment on the customer side of the meter and diminishes overall future risks related to fuels, finance or other technologies.

**Pierce:** Yes

**Wong:** Yes

The RES specifically delineates a specific percentage set-aside.



### 3.a. Do you support the RES?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** Yes

**Fowlkes:** No

The RES is a “one size fits all solution” that does not fit for all of the utility companies in Arizona. Government mandates do a disservice to the rate payers, especially in a monopoly system where utility companies are not even motivated to choose the most cost effective RE solutions.

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Yes

It is an effective mechanism to increase the amount of solar energy into the resource mix.

**Pierce:** Yes

**Wong:** Yes

During my brief service on the Corporation Commission, appointed by the Governor to complete the term of office of another Republican commissioner who had resigned, I was one of the key votes establishing the RES. It was the right decision then as it is now to retain and maintain the RES.

### b. Do you believe that there should be changes to the RES?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** No. The ACC needs to respond to needed changes in implementation (as they have already done), listening to stakeholders and doing what it can to provide regulatory certainty.

**Fowlkes:** Yes. It should be abolished.

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Probably in terms of greater transparency and weeding out the reservations that can't get financing and are preventing ready to go projects from going forward. The Commission should require the utilities to sufficiently fund and inform all would-be participants of availability of funds so as there are no more boom and bust problems that wreak havoc on the industry.

**Pierce:** No.

**Wong:** NO changes in mind

I am not aware of any need to change the RES as adopted in 2006. However, any changes, if justified, should not remove or disturb the essential elements of the RES as I voted for in 2006.



4.a. Every candidate but one in the race this year has been a State Legislator. As a Legislator, did you ever sponsor specifically pro-solar legislation?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** *Editor see response below.*

**Fowlkes:** *Editor Note, Not Applicable*

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Yes

**Pierce:** *Editor see response below.*

**Wong:** Yes

b. If you did sponsor solar legislation, were you a prime sponsor or a co-sponsor?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** I was very glad you asked this question. It gave me an opportunity to do some research and a number of interesting things were brought to recollection/discovery, a couple of which I will mention here.

First, While I don't recall whether I 'sponsored' any bills in my 16 years at the legislature, I found several pro solar bills on which I had the opportunity to vote while in the Senate and was not surprised to confirm that I was a YES vote on each one of them.

1999

2093 Solar Advisory Council; Continuation

2000

2287 Renewable Energy, Tax Incentive

2001

2622 Sales Tax; Contractors Solar Exemption

2002

2457 Sales Tax; Contractors Solar Exemption

2693 Renewable Resource Study Committee



Second. In looking at some of the previous solar bills I was reminded that a legislator can sponsor multitudes of bills, but if ineffective – can rarely get one passed.

**Fowlkes:** *Editors note, Not Applicable*

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Yes

I conceived and was prime sponsor of the legislation which funded a statewide assessment of Arizona's solar potential. The 3 universities each took a piece. The UofA assessed solar thermal electricity, ASU photovoltaics and NAU biomass. The legislation was in the early 80's and my cosponsors were Burton Barr and Jim Kolbe.

I was prime sponsor of a State PURPA bill modeled after the federal legislation that required utilities to buy power from independent power producers. The legislation was scuttled by utility lobbyists.

I also sponsored legislation mandating the consideration of solar in state buildings.

**Pierce:** I do not remember specifics. While in leadership in 2005, we created a special committee for Representative Lucy Mason to cover these issues and I sat on it. Matt Salmon brought me several bills to sponsor on solar and since I was in leadership (where we rarely sponsored legislation), I had him talk to Rep. Mason.

**Wong:** During my service as a State Representative I was the leading sponsor and advocate for solar legislation. I was the champion of each bill in collaboration with my co-sponsor who championed the bill in the minority caucus. Examples of bills I had introduced:

- tax credits, deductions and other market-based incentives for consumers—residential, commercial and industrial—to install solar products, and for electric utilities to generate electricity from solar and other renewables
- tax credits and other incentives for builders to incorporate essential elements for solar installations later, for example stub outs on roofs for solar water heater applications
- Lessen Solar Impediment by Homeowners Associations: to clarify existing law prohibiting homeowners associations from denying homeowners the right to install solar on rooftops; unfortunately, this bill-at two different times, after I moved it passed the House of Representatives it was always held up in the Senate where the homebuilders trade association was consistently successful in getting it stopped from getting heard (one of my competitors was president of that body at the time).

b. PRIME SPONSOR of each bill



c. If you did sponsor solar legislation, please describe the bill and your level of involvement.

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** *Editor see response above.*

**Fowlkes:** *Editor note, Not Applicable*

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** *Editor see response above.*

**Pierce:** *Editor see response above.*

**Wong:** *Editor see response above.*

5. What is your position on a Feed-In Tariff for Solar?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** I know that the Commission has been having some discussions on a possible FIT but I do not know the status of those discussions. I would not prejudge in either direction. I would need to know the structure, the cost, how it interrelates with the RES, and whether it provides long term sustainability.

**Fowlkes:** I am opposed to them.

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** It is another useful mechanism for encouraging solar that can function independently or as a complement to the RES. It could be targeted to strategic investments at wholesale distributed generation locations from say 1 to 20 MWs.

**Pierce:** I support solar energy and efforts to deploy and deliver solar energy to customers in the least costly manner. FITs have certainly demonstrated their ability to expand solar deployment in Germany and Spain, and I believe an FIT may be able to help Arizona too.

**Wong:** SUPPORTIVE but will need to learn more about the concept, specific proposals and cost implications of Solar Feed-In Tariffs.

6. Would you support a nation-wide FIT or REC trading for Arizona?



**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** What would such a program look like? Would this mean that Arizona ratepayers would be paying for energy used in other states?

**Fowlkes:** I am opposed to a nation- wide FIT. I support REC trading for Arizona companies.

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Jennings: Not sure about a nationwide FIT. If the FIT were well designed and prices reasonable, I could support it. Would N. Dakota solar get the same price as Arizona's? I am not sure that would make sense. But if there were a range of technologies in the mix and states can utilize their native resources in combination or as their best FIT fit, it might be workable. I would want to know more. With respect to REC trading for Arizona, the RECs are designed not to have their attributes split. In other words, the REC has 3 elements: externalities, renewable and kWhs. The utility holding the REC now can only meet its portfolio obligation if it retires the RECs and all their attributes. So I don't understand the concept of trading the RECs in this present context. If Congress puts a price on carbon then my answer could change, then REC's may be sold and the proceeds could be flowed back to the utility program.

**Pierce:** I'd need to know more about the proposal before commenting, but one question I would have would be whether Arizonan's would be asked to pay for systems installed in New Jersey, for example. I would not support asking Arizonan's to pay for systems installed in New Jersey because Arizonan's won't benefit from that energy, and they won't get any benefits of reduced generation, transmission, or distribution requirements either.

**Wong:** I do not support "Cap and Trade" proposals on the national or state levels. I am not knowledgeable enough on either proposals for a nationwide FIT or REC trading in Arizona to provide a specific response.

## 7. What is your position with the utilities holding the money for incentives collected from the rate-payers, and keeping the REC's?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** Perhaps I don't fully understand the question. If there is another way to work the incentives I'm open to hearing about it, but I'm not sure what it would be.

**Fowlkes:** Undecided.

**Garcia:** *Editors note, did not respond to questionnaire.*





**Jennings:** Utilities will no longer be holding as much money as the demand for distributed solar has increased and the money will go out the door faster. The utilities should have little incentive to hold the RECs as the value of them should go down as incentives are reduced.

**Pierce:** I support the system for REC acquisition and retirement that has developed under the Commission's REST rules.

**Wong:** I do not have a position on utilities holding incentive funds collected from ratepayers and keeping RECs. If there is a problem with the current system and method then I am willing to listen and address potential solutions.

### 8. The current incentives create an on/off business environment – how would you stabilize the RE industry, to allow a healthy business environment?

**Bradley:** *Editors note, did not respond to questionnaire.*

**Burns:** I know that some in the solar industry have suggested automatically declining incentives. That might be a good approach. I am interested in hearing from all stakeholders.

**Fowlkes:** I would try to open up energy markets to more providers, including RE providers. I would work to eliminate barriers so that more providers could enter the market place.

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** I would tweak the incentive structure to be more transparent, predictable with known triggers that allow for steady and reasonable decreases in the incentives.

**Pierce:** This is a serious and vexing question, but we should remember that it is caused by rapid deployment of solar energy in Arizona, which is great news! The Solar Alliance and others have suggested that the Commission step-down incentive levels gradually, based on number of systems installed, so that funding is more carefully rationed throughout the year. These proposals make sense to me and I look forward to working with stakeholders and my fellow Commissioners to address this issue later this year.

**Wong:** If the current system of incentives level needs to be reviewed because of impacts to the business environment for installers and similar providers, then I am open to listening to the problem and proposed solutions.

### 9. What motivates you to run for this position, and what impacts do you think you can bring to the Arizona Corporation Commission?

**Bradley:** *Editors note, did not respond to questionnaire.*



**Burns:** My experience raising a family in Arizona as well as being a business owner and manager rooted me in the knowledge that the actions of government have impacts on the ability of businesses to succeed and provide needed jobs.

Protecting the taxpayer was my theme at the state legislator and I would like to take that experience to the ACC to 'protect the ratepayer'. I understand the importance that a pro-business climate plays towards the goal.

It is important that we reduce regulatory lag and streamline and update processes at the Commission. I was successful in Regulatory Reform at the state legislature and was given an award by the Small Business Administration as "a leader in regulatory reform" for my efforts and success.

A statewide vision for getting our economy on track is important. I intend to work with the legislature in developing that vision for a certain and stable climate for those industries regulated by the Commission.

**Fowlkes:** My top priority as a Corporation Commissioner would be to end the monopoly system for the electric power industry in Arizona. I believe this could be accomplished by expanding the boundaries for the present companies so that they compete for the customer's business. We need to let the boundaries of their service areas overlap. We need to help the companies to work out agreements to share the use and cost of maintaining the distribution network. The distribution network needs to be available to new providers as well, large and small. By giving consumers more than one choice for their electric service provider, utility companies would be forced to become more efficient and to provide the best possible service at the lowest cost. In the long run, I believe that a similar system could be developed in the water resources industry as well.

I am a registered professional structural engineer with over 40 years of experience. I have been the lead structural engineer on projects in the industries that the ACC regulates, including the design of power generating stations (oil, coal, and natural gas fired), water treatment structures, and railroad structures. In recent years I have provided structural engineering for dozens of projects in the solar energy industry. In addition to my civil engineering degree, I also have an MBA from ASU. I am a former vice president for three different engineering firms in the Phoenix area. I have been president of my own consulting engineering business in Mesa, since 1983. I have engineering experience and business experience. I believe that my experience and knowledge would be valuable to the ACC in making the decisions and choices required to carry out the work of the ACC. Please visit my website [www.rfowlkes.com](http://www.rfowlkes.com) to learn more.

**Garcia:** *Editors note, did not respond to questionnaire.*

**Jennings:** Jennings: In 1996, I initiated the first Solar Portfolio Standard in the U.S. Now called the RES, it is at risk either from ideologues outside the Commission, or from half hearted supporters at the Commission, or from inexperienced candidates wanting to be on the Commission. The ACC is considered the most complex office in state government. With the most senior member of the ACC leaving due to term limits, the Commission will need a seasoned leader who



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can step in and drive the important renewable agenda forward. With a significant familiarity of most issues facing the ACC, I can hit the ground running.

**Pierce:** My main motivation on the Commission has been, and will continue to be, keeping utility rates stable, balanced and as low as reasonably possible for Arizona ratepayers. This objective is furthered by bringing down the cost and expanding our utilization of solar energy in Arizona.

It has become apparent that my legislative leadership skills are needed in building positive relationships with legislators because they trust my judgment and advice on ACC issues.

**Wong:** I am running for ACC because I have the knowledge and experience to address the critical issues before the ACC. My service on the ACC in 2006 gave me the scope and depth of knowledge about the critical issues facing the state from the ACC's perspective, that being:

Energy, Rates and Water. I was a key vote creating RES and understand the need to preserve and advance it. My public service and private sector experience in law, accounting, business and finance provides me the foundation to be a committed commissioner on the ACC.