

APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER


Secretary of State
1700 W. Washington Street, 7th Floor
Phoenix, AZ 85007

The undersigned intends to circulate and file an **INITIATIVE** or a **REFERENDUM** (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes ~~§ 19-411~~, attached hereto is the full text, in no less than eight point type, of the **MEASURE** or **CONSTITUTIONAL AMENDMENT** (circle appropriate word) intended to be **INITIATED** or **REFERRED** (circle appropriate word) at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

The Arizona Solar Energy Freedom Act guarantees electric utility customers the benefit of full retail net metering by requiring electric utilities regulated by the Arizona Corporation Commission to interconnect with customers that generate electricity with solar power. Those customers that deliver excess solar power back to the electric utility must be credited for that power at the same retail price the electric utility charges those customers. This Act prohibits discrimination against solar customers by prohibiting discriminatory rates, excessive fixed charges, new demand charges or other unfair terms of service that undermine the benefits of full retail net metering.

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SECRETARY OF STATE



Signature of Applicant
Kristin Mayes

Printed Name of Applicant
3030 N. 3rd St. Ste. 200

Address
Phoenix, Arizona 85012

City State Zip
602-241-8560

Telephone Number

Yes on AZ Solar

Name of Organization (if any)
740 S. Mill Ave. Ste. 200

Address
Tempe, Arizona 85281

City State Zip
480-303-7175

Telephone Number
Kristin Mayes, Chairman

Name of Officer and Title
3030 N. 3rd St. Ste. 200

Address
Phoenix, Arizona 85012

City State Zip
602-241-8560

Telephone Number
Christine Brown, Treasurer

Name of Officer and Title
740 S. Mill Ave. Ste. 200

Address
Tempe, Arizona 85281

City State Zip
480-303-7175

Telephone Number

Date of Application 4/15/2016
Signatures Required 225,963
Deadline for Filing 7/7/2016
Serial Number Issued C-09-2016
FOR OFFICE USE ONLY

Revised 11/92

CID: 201600537

ENACTING THE ARIZONA SOLAR ENERGY FREEDOM ACT, PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE XV OF THE CONSTITUTION OF ARIZONA, BY ADDING SECTION 3.1, RELATING TO THE ARIZONA CORPORATION COMMISSION

TEXT OF PROPOSED AMENDMENT

Be it enacted by the People of the State of Arizona:

Section 1. Title. This initiative amendment shall be known as the “The Arizona Solar Energy Freedom Act.”

Section 2. Findings.

Whereas, the voters of Arizona find that full retail net metering ensures that all consumers of electricity in Arizona, including Arizona’s families, have the freedom to choose solar energy without being charged unfairly or discriminated against by their electric utility, and;

Whereas, the voters of Arizona find that if the customer must pay a certain price for electric power from their electric utility, it’s only fair that the electric utility pay the customer the same price when buying solar electricity back from the customer, and;

Whereas, the voters of Arizona find that current net metering policies are creating jobs for our citizens. Solar power is one of Arizona’s fastest growing industries employing thousands of people in Arizona and anti-solar policies threaten these jobs, and;

Whereas, the voters of Arizona find that generating solar power reduces pollution coming from outdated fossil fuels such as coal and that reducing fossil fuel emissions lowers the rates of heart disease, asthma, respiratory disease, and even cancer, especially in children, and;

Whereas, the voters of Arizona find that full retail net metering allows customers to use solar power to save money on their electric bills and that ending full retail net metering would increase electricity costs for all customers.

Section 3. Purpose.

The Arizona Solar Energy Freedom Act guarantees electric utility customers the benefit of full retail net metering by requiring electric utilities regulated by the Arizona Corporation Commission to interconnect with customers that generate electricity with solar power. Those customers that deliver excess solar power back to the electric utility must be credited for that power at the same retail price the electric utility charges those customers. This Act prohibits discrimination against solar customers by prohibiting discriminatory rates, excessive fixed charges, new demand charges, or other unfair terms of service that undermine the benefits of full retail net metering.

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Section 4. Article XV, Constitution of Arizona, is amended by adding section 3.1, to read:

Section 3.1. THE ARIZONA SOLAR ENERGY FREEDOM ACT.

(A) TO PRESERVE AND PROTECT THE RIGHTS OF CUSTOMERS TO USE CLEAN RENEWABLE SOLAR GENERATION AND TO GENERATE ALL OR A PORTION OF THEIR OWN ELECTRICITY, ELECTRIC UTILITIES REGULATED PURSUANT TO THIS ARTICLE SHALL INTERCONNECT WITH ANY CUSTOMER THAT CHOOSES TO IMPLEMENT SOLAR DISTRIBUTED GENERATION RESOURCES AND SUBMITS AN APPLICATION TO THE ELECTRIC UTILITY. ELECTRIC UTILITIES SHALL REVIEW AND APPROVE A SOLAR NET METERING CUSTOMER'S APPLICATION, AND THE RESULTING INTERCONNECTION SHALL TAKE PLACE AS FAST AS REASONABLY POSSIBLE. THE ARIZONA CORPORATION COMMISSION SHALL IMPLEMENT THIS SUBSECTION A BY RULE PROVIDED THAT SUCH RULES REQUIRE THAT INTERCONNECTION OCCUR WITHIN FORTY-FIVE DAYS OF AN APPLICATION, EXCEPT FOR GOOD CAUSE SHOWN AND SUCH GOOD CAUSE MUST BE ESTABLISHED AT AN EVIDENTIARY HEARING AT WHICH THE CUSTOMER APPLICANT SHALL BE MADE A PARTY AND AT WHICH THE ELECTRIC UTILITY BEARS THE BURDEN OF PROVING INTERCONNECTION IS NOT FEASIBLE WITHIN FORTY-FIVE DAYS.

(B) IN ORDER TO ENSURE THAT CURRENT AND FUTURE SOLAR NET METERING CUSTOMERS OF ELECTRIC UTILITIES REGULATED PURSUANT TO THIS ARTICLE ARE TREATED FAIRLY, THOSE CUSTOMERS SHALL BE PROVIDED WITH FULL RETAIL RATE NET METERING AS FOLLOWS:

1. THE ARIZONA CORPORATION COMMISSION SHALL NOT PERMIT INCREASES IN THE AMOUNT OF ANY FIXED CHARGE TO RESIDENTIAL CUSTOMERS. ANY NEW, OR INCREASES TO EXISTING CHARGES, RATES, OR BILLING ELEMENTS OF ANY KIND MUST ONLY BE CALCULATED AND BILLED THROUGH A VOLUMETRIC CHARGE BASED SOLELY ON THE NUMBER OF KILOWATT-HOURS THE CUSTOMER TAKES FROM THE UTILITY DURING THE BILLING PERIOD.

2. CUSTOMERS THAT ARE NOT SUBJECT TO A DEMAND CHARGE AS OF JANUARY 1, 2016 SHALL NOT BE SUBJECT TO ANY DEMAND CHARGES, UNLESS THE CUSTOMER VOLUNTARILY AGREES TO PAY A DEMAND CHARGE.

3. THE SOLAR NET METERING CUSTOMER SHALL BE PERMITTED TO STAY ON THE RATE PLAN THAT THE CUSTOMER HAD IN PLACE IMMEDIATELY PRIOR TO APPLYING FOR AND OBTAINING INTERCONNECTION AND MAY CHOOSE ANY OF THE RATE PLANS AVAILABLE TO ANY OTHER SIMILARLY CLASSIFIED CUSTOMER WITHOUT NET METERING.

4. THE BILLING PERIOD FOR THE SOLAR NET METERING CUSTOMER WILL BE THE SAME AS THE BILLING PERIOD UNDER THE CUSTOMER'S APPLICABLE STANDARD RATE SCHEDULE.

5. IF THE KILOWATT-HOURS OF ELECTRICITY SUPPLIED BY THE ELECTRIC UTILITY TO THE SOLAR NET METERING CUSTOMER EXCEED THE KILOWATT-HOURS OF ELECTRICITY THAT ARE GENERATED BY THE SOLAR DISTRIBUTED GENERATION RESOURCE AND DELIVERED BACK TO THE ELECTRIC UTILITY DURING THE BILLING PERIOD, THE CUSTOMER SHALL BE BILLED FOR THE NET KILOWATT-HOURS SUPPLIED BY THE ELECTRIC UTILITY IN ACCORDANCE WITH THE RATES AND CHARGES UNDER THE CUSTOMER'S STANDARD RATE SCHEDULE.

6. IF THE KILOWATT-HOURS OF ELECTRICITY GENERATED BY THE SOLAR DISTRIBUTED GENERATION RESOURCE EXCEEDS THE KILOWATT-HOURS OF ELECTRICITY SUPPLIED BY THE ELECTRIC UTILITY IN THE BILLING PERIOD, THE SOLAR NET METERING CUSTOMER SHALL BE CREDITED DURING THE NEXT BILLING PERIOD FOR THE EXCESS KILOWATT-HOURS GENERATED.

7. SOLAR NET METERING CUSTOMERS TAKING SERVICE UNDER TIME-OF-USE RATES WHO ARE TO RECEIVE CREDIT IN A SUBSEQUENT BILLING PERIOD FOR EXCESS KILOWATT-HOURS

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GENERATED SHALL RECEIVE SUCH CREDIT DURING THE NEXT BILLING PERIOD DURING THE ON- OR OFF-PEAK PERIODS CORRESPONDING TO THE ON- OR OFF-PEAK PERIODS IN WHICH THE KILOWATT-HOURS WERE GENERATED.

8. ONCE, AND ONLY ONCE, EACH CALENDAR YEAR THE ELECTRIC UTILITY SHALL ISSUE A CHECK OR BILLING CREDIT TO THE SOLAR NET METERING CUSTOMER FOR THE BALANCE OF ANY CREDIT DUE IN EXCESS OF AMOUNTS OWED BY THE CUSTOMER TO THE ELECTRIC UTILITY. THE PAYMENT FOR ANY REMAINING CREDITS SHALL BE AT THE ELECTRIC UTILITY'S AVOIDED COST. THAT AVOIDED COST SHALL BE CLEARLY IDENTIFIED IN THE ELECTRIC UTILITY NET METERING TARIFF.

9. PARAGRAPHS 1 THROUGH 9 OF THIS SUBSECTION B, ARE REPEALED, VOID, AND NO LONGER EFFECTIVE AT 12:01 A.M., JANUARY 1, 2023.

10. ANY SOLAR DISTRIBUTED GENERATION RESOURCE IN USE BY A SOLAR NET METERING CUSTOMER AS OF 12:01 A.M., JANUARY 1, 2023 SHALL CONTINUE TO ENJOY THE BENEFITS OF FULL RETAIL NET METERING AS DESCRIBED IN SUBSECTION B, PARAGRAPHS 1 THROUGH 8 FOR AS LONG AS THE SOLAR DISTRIBUTED GENERATION RESOURCE REMAINS IN USE.

(C) IN ORDER TO ENSURE THAT SOLAR NET METERING CUSTOMERS ARE TREATED THE SAME AS OTHER MEMBERS OF THE SAME CUSTOMER CLASS WHO ARE NOT SOLAR NET METERING CUSTOMERS, THE FOLLOWING NON-DISCRIMINATION POLICIES SHALL APPLY:

1. THE ARIZONA CORPORATION COMMISSION WILL NOT PERMIT AND NO ELECTRIC UTILITY WILL IMPOSE ON ANY SOLAR NET METERING CUSTOMER ANY RATE, CLASSIFICATION, FIXED CHARGE, DEMAND CHARGE, TIME OF USE BILLING PERIODS, TARIFFS, PROCEDURES, OR POLICIES THAT ARE NOT EQUALLY APPLIED TO OR CHARGED TO OTHER MEMBERS OF THE SAME CUSTOMER CLASS WHO ARE NOT SOLAR NET METERING CUSTOMERS OR THAT ARE OTHERWISE INTENDED TO OR THAT HAVE THE EFFECT OF DIMINISHING THE BENEFITS THIS ACT PROVIDES SOLAR NET METERING CUSTOMERS.

2. THE ARIZONA CORPORATION COMMISSION WILL NOT PERMIT AND NO ELECTRIC UTILITY WILL IMPOSE ANY CHANGE, ALTERATION OR DIMINISHMENT OF SERVICES OR QUALITY OF SERVICES INTENDED TO OR THAT HAVE THE EFFECT OF DIMINISHING THE BENEFITS THIS ACT PROVIDES SOLAR NET METERING CUSTOMERS.

3. ANY CUSTOMER THAT BELIEVES ANY ELECTRIC UTILITY SUBJECT TO THIS ACT HAS VIOLATED THE PROVISIONS OF THIS ACT MAY FILE A VERIFIED COMPLAINT SETTING FORTH THE BASIS OF THE CHARGE WITH THE ARIZONA CORPORATION COMMISSION, AND THE COMMISSION SHALL HOLD AN EVIDENTIARY HEARING ON THE COMPLAINT AT WHICH THE CUSTOMER COMPLAINANT SHALL BE MADE A PARTY AND AT WHICH THE ELECTRIC UTILITY BEARS THE BURDEN OF PROVING IT IS NOT IN VIOLATION OF THIS ACT.

(D) AN ELECTRIC UTILITY WITH RATES, TARIFFS, PROCEDURES OR POLICIES THAT ARE NOT IN COMPLIANCE WITH THIS ACT ON THE DAY IT IS CERTIFIED INTO LAW HAS NINETY DAYS FROM THAT DATE TO COME INTO FULL COMPLIANCE HERewith. THE ARIZONA CORPORATION COMMISSION SHALL TAKE ACTION TO BRING ALL ELECTRIC UTILITIES INTO COMPLIANCE WITH ALL PROVISIONS OF THIS ACT WITHIN NINETY DAYS OF IT BEING CERTIFIED INTO LAW.

(E) THIS ACT APPLIES TO ALL MATTERS PENDING BEFORE THE ARIZONA CORPORATION COMMISSION OR IN ANY COURT AT THE TIME THIS ACT IS CERTIFIED INTO LAW.

(F) FOR PURPOSES OF THIS ACT, ALL OF THE FOLLOWING DEFINITIONS SHALL APPLY:

1. "APPLICATION" MEANS A REQUEST TO THE ELECTRIC UTILITY FOR INTERCONNECTION

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AND NET METERING, AS DISTINGUISHED FROM AN INQUIRY AS TO THE AVAILABILITY OR CHARGES FOR SUCH SERVICE.

2. "AVOIDED COSTS" MEANS THE INCREMENTAL COSTS TO AN ELECTRIC UTILITY FOR ELECTRIC ENERGY OR CAPACITY OR BOTH WHICH, BUT FOR THE PURCHASE FROM THE SOLAR DISTRIBUTED GENERATION RESOURCE, SUCH UTILITY WOULD GENERATE ITSELF OR PURCHASE FROM ANOTHER SOURCE.

3. "CUSTOMER" MEANS THE PERSON OR ENTITY IN WHOSE NAME SERVICE FROM AN ELECTRIC UTILITY IS RENDERED.

4. "DEMAND CHARGE" MEANS ANY CHARGE THAT IS IMPOSED FOR DEMAND, WHICH IS THE RATE AT WHICH POWER IS DELIVERED DURING ANY SPECIFIED PERIOD OF TIME. DEMAND MAY BE EXPRESSED IN KILOWATTS, KILOVOLT-AMPERES, OR OTHER SUITABLE UNITS.

5. "ELECTRIC UTILITY" MEANS PUBLIC SERVICE CORPORATIONS, REGULATED PURSUANT TO THIS ARTICLE, THAT PROVIDE ELECTRICITY TO CUSTOMERS.

6. "FIXED CHARGE" MEANS ANY CHARGES ON A CUSTOMER'S BILL FROM AN ELECTRIC UTILITY THAT DO NOT FLUCTUATE AND THAT THE CUSTOMER IS UNABLE TO TAKE ANY ACTION TO REDUCE.

7. "INTERCONNECTION" MEANS PHYSICALLY CONNECTING A SOLAR DISTRIBUTED GENERATION RESOURCE TO THE ELECTRIC POWER SYSTEM OPERATED BY AN ELECTRIC UTILITY.

8. "NET METERING" MEANS SERVICE TO A CUSTOMER UNDER WHICH ELECTRIC ENERGY GENERATED BY OR ON BEHALF OF THAT CUSTOMER FROM A SOLAR DISTRIBUTED GENERATION RESOURCE AND DELIVERED TO THE ELECTRIC UTILITY'S LOCAL DISTRIBUTION FACILITIES MAY BE USED TO OFFSET ELECTRIC ENERGY SERVICES PROVIDED BY THE ELECTRIC UTILITY TO THE CUSTOMER DURING THE APPLICABLE BILLING PERIOD.

9. "SOLAR" MEANS RADIATION OR HEAT FROM THE EARTH'S SUN THAT PRODUCES ELECTRICITY FROM A DEVICE OR SYSTEM DESIGNED FOR THAT PURPOSE.

10. "SOLAR DISTRIBUTED GENERATION RESOURCE" MEANS RESOURCES THAT USE SUNLIGHT TO GENERATE ELECTRICITY EITHER BY PHOTOVOLTAIC DEVICES OR SOLAR THERMAL ELECTRIC RESOURCES AND THAT ARE LOCATED AT A CUSTOMER'S PREMISES AND THAT DISPLACE CONVENTIONAL ENERGY RESOURCES THAT WOULD OTHERWISE BE USED TO PROVIDE ELECTRICITY TO CUSTOMERS.

11. "SOLAR NET METERING CUSTOMER" MEANS A CUSTOMER WHO APPLIES FOR AND/OR OBTAINS INTERCONNECTION AND NET METERING.

Section 5. Severability.

If any provision of this amendment is held invalid for any reason, the remaining portions of this amendment will be severed from the void portion and given the fullest possible force and application. The people of Arizona declare their intention that the provisions of this amendment are severable.

Section 6. Submission to voters.

The Secretary of State shall submit this proposition to the voters at the next general election as provided by Article XXI, Section 1, Constitution of Arizona.