

Hello All!

This is the Arizona Solar Energy Association's November e-newsletter.

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## **1. ASEA Board of Directors Nomination Meeting:**

ASEA statewide is having its annual election for a new board of directors. Nominations can be submitted to this email address, or at the nomination meeting:

Sun. Dec. 4, 12 pm | The Painted Horse Cafe ---special after meeting tour of the Hydrogen House

The Painted Horse Café.  
10989 E. Dynamite Suite 103  
(480) 585-8499

This will be the last day for nominations. Positions up for grab are:

Chair  
Vice-Chair  
Secretary  
Treasurer  
Northern Region Director (2 year term)  
Central Region Director (2 year term)  
Southern Region Director (2 year term)  
3 Director at Large Positions

**The Chairperson** will nominally act as Chairman of the Board but will have voting power only in the case of a tie vote of the Board. The Chairperson shall preside at all general meetings of this organization; be ex-officio member of all committees; communicate to the Association such matters and such suggestions as may tend to promote the welfare of the Association; supervise any and all employees and contractors of the Association; and transact business in behalf of the Association or the Association Board, acting at the direction of the Board.

**The Vice-Chairperson** shall perform such functions as may be delegated by the Chairperson and to act in the place of the Chairperson in the event of his inability to act.

**The Secretary** shall perform such administrative duties as the Board may delegate and shall be responsible for correspondence and membership maintenance of the Association. The Secretary shall work with the Treasurer to manage the routine business of the Association Headquarters.

**The Treasurer** shall work with the Secretary to manage and administer the procedures and finances. The Treasurer shall have custody of Association funds and shall keep full and accurate accounts of receipts and disbursements. The Treasurer may be asked by the Board to furnish a surety bond in an amount determined by the Board, the premium for which shall be paid by the Association.

**The regional directors** will be the conduit from ASEA statewide to their local chapter(s). There are 6 regional directors in total, with three being elected every year, and terms being 2 years in length.

**The directors at large** help.

This is a very important event, as it will shape the way ASEA is run for the next year.

The after meeting tour of the Hydrogen House is for members only (you can sign up at the meeting, which, as always, is open to the public).

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## **2. Chapter news**

**The Rio Salado (Phx metro) Chapter:** 2 events this month!

**1.** "The Current and Future States of the Conventional and Renewable Energy Industries," Featuring Glenn Hamer and Geoff Sutton.

Mon. Nov. 14. 4 pm | Thunderbird International School of Business on the SE corner of 59th Ave. and Greenway. (directions below)

Glenn Hamer is Director of Government Affairs & Business Development for First Solar, LLC, a leading thin films photovoltaics manufacturer.

Hamer is a member of the Western Governors' Association's 30 GW Clean and Diversified Energy Advisory Council and is the Chair of the Solar Task Force. He has been appointed by Arizona Governor Janet Napolitano to the state's Solar Energy Advisory Council. From 2001-04, he worked as Executive Director of the Solar Energy Industries Association (SEIA) in Washington, DC.

Geoff Sutton is an energy industry venture capitalist and investor of ten years. He recently joined the renewable energy industry this year. He has one of the most comprehensive lectures on the current state of the

oil and natural gas industries, with an emphasis on peak oil.

The Thunderbird International School of Business is on the SE corner of 59th Ave. and Greenway. From the 101 and 59th Ave. go south. Make your first left after passing Greenway. Go 200 yards past the main gate, and park in the dirt lot on the right. The lecture is in the Snell Building room #21. People and signs will be there to guide you. There will be refreshments. After the lecture, a free tour of the campus will be provided.

ASEA proudly presents the aforementioned event in collaboration with the Thunderbird Energy Club, International Development Association, and Student Government.

**2. The Living with the Sun lecture series continues. THIS IS THE LAST LECTURE OF THIS SERIES UNTIL FEBRUARY, 2006!**

Thurs. Nov. 17 | The City of Scottsdale Community Design Studio, 7506 E. Indian School Rd. NE corner of 75th st. & Indian School Rd.

Free, 7-9pm

“Arizona Visions- Living with the Sun”

A variety of projections and designs for Arizona application. A future of energy security, independence, resource efficiency, and environmental appropriateness. Ideas, ideals, dreams, whimsy, and joy. A light-hearted look at the future.

### **Sedona Chapter:**

No events until January.

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### **3. 2005 ASEA Living With the Sun Solar and Sustainability Tours**

Report - daniel peter aiello - Statewide Coordinator ASEA Tours Program

In keeping with the ASES 2005 National Tour of Solar Buildings, Arizona launched its' own particular version by providing, partnering and supporting a series of tours throughout the month of October. While the national organization focused on one day in October, the Arizona Tours occurred each and every weekend in various communities throughout the State, from the northeast part of the State to the Yuma area.

We were again successful, thanks to Jim Arwood and the Az. Energy Office, in getting the Governor to create a Proclamation announcing October as Solar and Sustainability month, and in getting some Mayors

to repeat the proclamation at a local level. Additionally, the sponsorship of ASEA, the Az. Dept. of Commerce Energy Office, APS and SRP, and the Az. Solar Center helped make the ASEA 2005 Tours a success.

Tour communities and areas included Williams, Lake Havasu, Sedona/Verde Valley the Valley of the Sun (Phoenix Metro Area), Tucson, and Yuma. Some tours were small (2-3 buildings) and some were so large as to require the entire weekend (Tucson had the most extensive tour both in size and in time). In some areas there were Open Houses in locations where a full blown Tour was not feasible. These Open Houses afforded local residents the opportunity to see solar and sustainability in action and to meet the folks who live in them.

While the Flagstaff Tour did not occur as planned, the Willow Bend Environmental Center was, as usual, open to the public and gave people the experience of passive solar/Green Building design and construction. Open houses in Williams and off Highway 80 were visited as were 2 houses in Lake Havasu.

The Valley of the Sun - Solar and Sustainability Tour had well over 500 tour participants visiting 11 tour sites from the APS STAR Center, to Barry Fuller's paper-crete demonstrations, to the Baron Green Building Remodel, to the Lee residence (an architect's sustainable residence), to the Titmus Permaculture demonstration, to the Hydrogen House. Local partnership with the Az. Solar Center and the City of Scottsdale Green Building Program, and the sponsorship of APS and SRP, as well as the Energy Office made this the best year ever for the Valley Tours.

Tucson's Tour of Innovative Buildings covered the entire metropolitan area and was so extensive in scale and scope that 2 days were required. There too was a variety - from individual residences to co-housing communities, from new buildings in the desert to new buildings in town, from designing for the physically impaired to reuse/remodeling of existing buildings.

Yuma's Open Houses included an historic building and a desert roof pond residence, and had a good amount of visitors in a steady stream throughout the day.

All in all, the guesstimate of Arizona solar and sustainability Tourists is somewhere around 2000 and 2500 people.

Thanks to all who participated in creating the opportunity for the public to see solar and sustainability in action - the building owners for their graciousness, time and energy; ASEA members and other volunteers who assisted in the planning and execution of the Statewide program as well as the local tours and open houses; the media who put out the word about the tours; Brandon Vogt the AzSolarCenter webmaster who

continually posted important information about various tours; and especially to the energy and joy of the solar/sustainability tourists.

With the successful implementation of the October tour, there is now heightened enthusiasm, in the Phoenix area for a Solar Spring Tour in April. APS has already expressed interest in participating in the event with another STAR Center Open House. It would be great if ASEA could marshal another month long endeavor, with various communities doing a Solar Spring event each and every weekend in April.

daniel peter aiello - ASEA 2005 Tours Coordinator

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#### **4. Electricity Rate Hikes for APS and SRP**

APS increase request of 20% - Nov. 4!!!

SRP raises rates 4% - Nov. 1!

TEP's contemplates a 16% increase - June.

##### **APS**

20%, need I say more. Well, yes, actually. Between April 2005 and April 2006 we're looking at over a 30% increase!

In April they requested a 10% increase that was reduced to slightly over 4% by the ACC (the part of government that regulates APS' rates). They put in another request (still pending) for an additional 1.7% raise. On Friday they requested a whopping additional 20% rate increase, stating that they will be requesting YET ANOTHER increase of up to 5% in April 2006. Add it all up, and we're looking at a potential increases of over 30% increase in 12 months!!!!

What's more is that in April of this year they were approved for a "power supply adjuster." This allows them to raise rates when the price for fuel and purchased power for them increases...without having to ask the ACC permission. Although they haven't utilized it just yet, it is not far off. And if something happens to fuel prices, there's no government to protect rate payers.

##### **SRP**

SRP started raising rates in May of this year. Summer 2005 rates were 7% higher than summer 2004 rates. On Tuesday, overall rates increased 3.9% more. The interesting thing here is how this was divided.

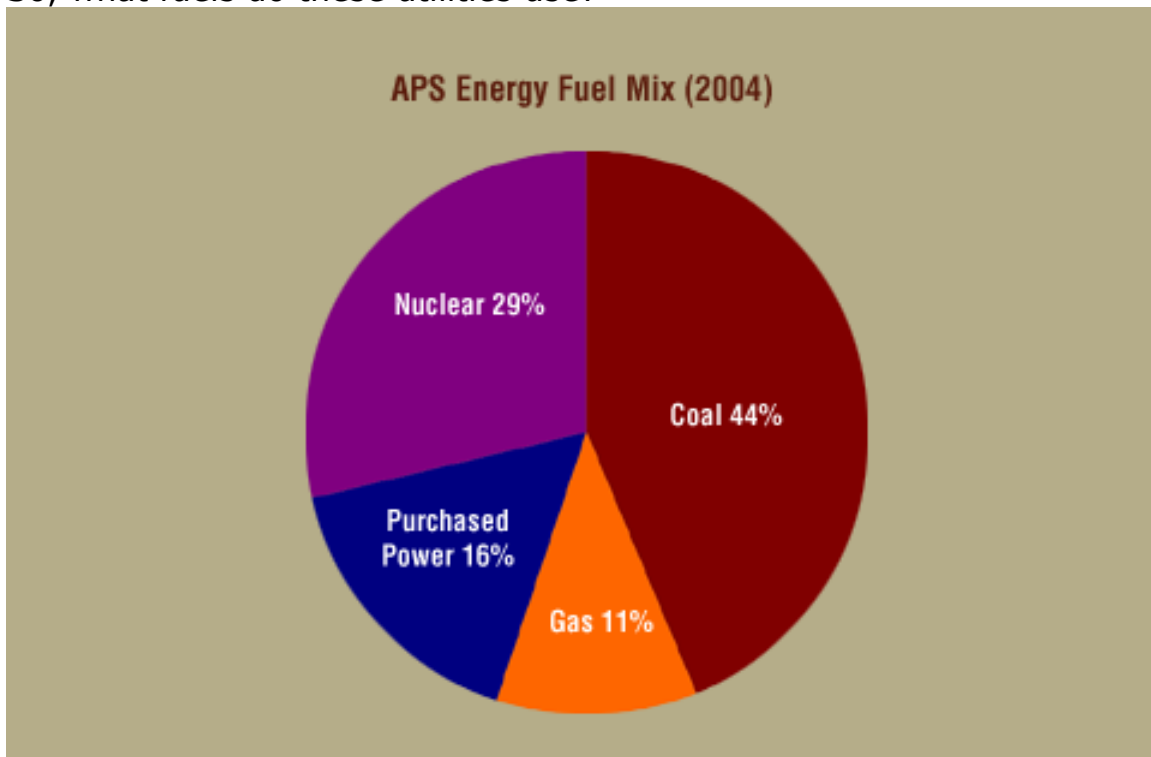
In May they raised summer rates, but they also simultaneously lowered their winter rates (in the summer). When winter came around (Nov.1) they raised winter rates to slightly higher than what they were before May. Therefore, SRP's winter rates are actually very similar to what you

paid last year, except the monthly surcharge increased 27% (\$2 / month).

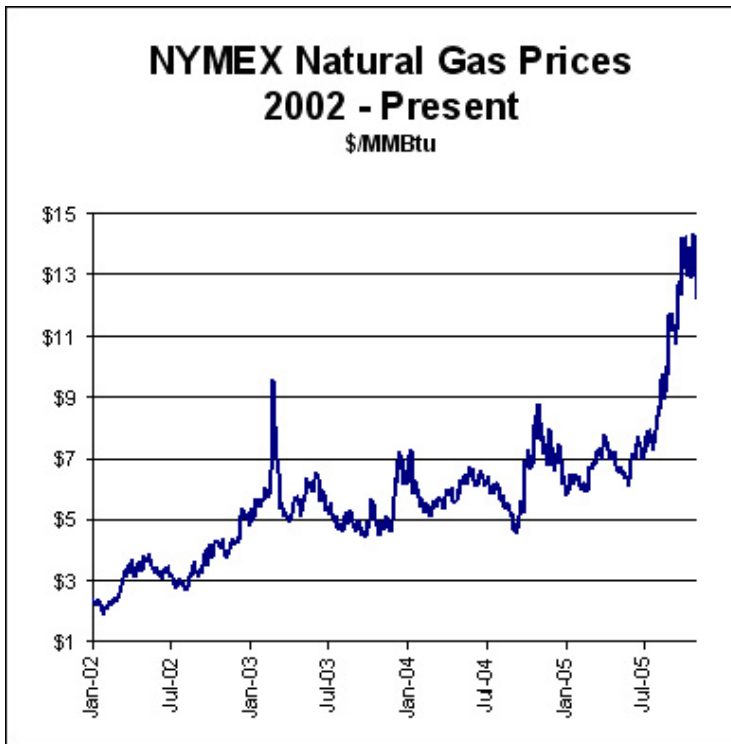
The big changes they made on Nov. 1 were really for summer rates. Even though everyone is on winter rates now, summer rates increased 6.7%. If they don't increase rates in May (they most likely will--see next paragraph), that means that summer 2005 saw a 7% increase, and summer 2006 will see a 6.7% increase, with an additional \$2 increase in the monthly service charge.

What's more is that now there is a "fuel and purchased power adjuster," which makes it easier for them to increase rates when the cost of fuel and purchased power increase on their end, similar to the "power supply adjuster" APS has.

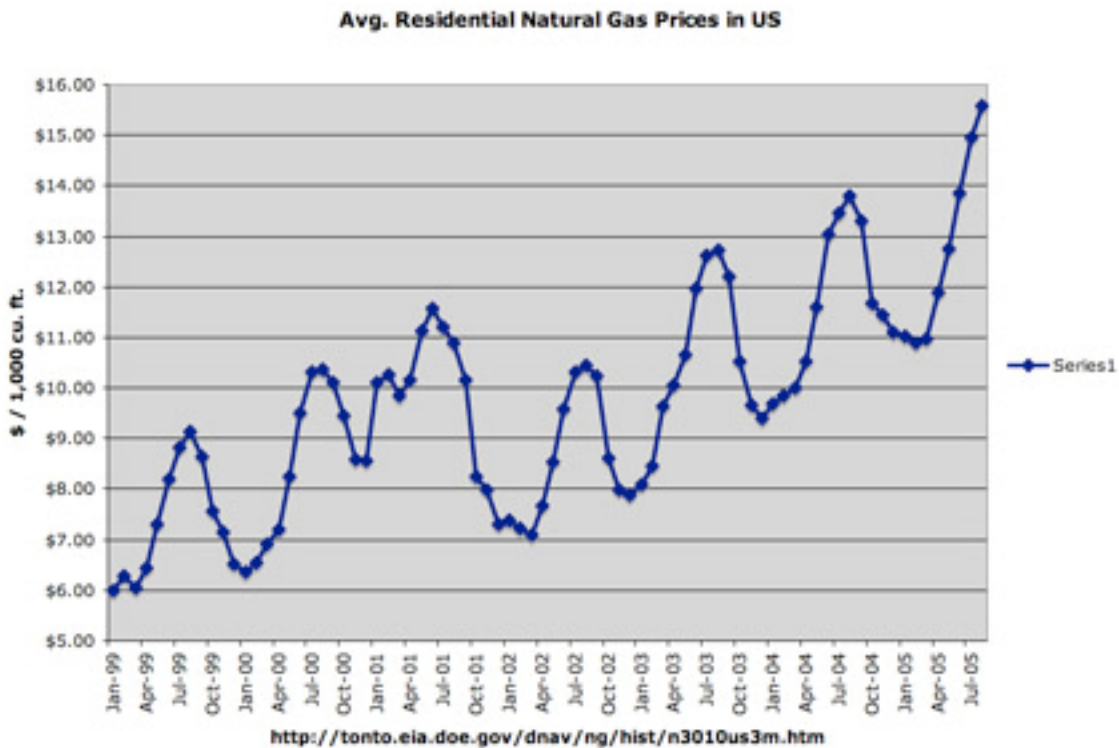
So, what fuels do these utilities use?



As you can see, natural gas is 11% for APS. It's about 12% for SRP. However, RUCO (Residential Utility Consumer Office) Director Stephen Ahearn said that natural gas makes up about 30% of APS' portfolio nowadays (<http://www.azstarnet.com/dailystar/relatedarticles/78651.php>). Most of this is used in the summer to help accommodate everyone's air conditioners. Here's what natural gas prices have done in the last 3 years:



As you can see, in less than 4 years the price has increased more than 6 fold. Residential rates have trended this way:



Notice how these compare:

Jan 2002: \$2 Nymex | \$7 residential

July 2005: \$14 Nymex | \$16 residential

Nymex increase ~700% | residential increase ~229%

This means that residential prices have a lot of catching up to do.

Currently they are lower because this industry is heavily regulated (for example, APS and SRP until recently had to ask permission to raise prices to consumers). Also, many companies have hedged by buying futures and locking in a price much lower than market price. As regulation diminishes, rate cases made by utilities get heard, and time catches up with hedging, we will see more increases.

### **TEP**

TEP's rates are frozen until 2009. Nonetheless, they requested that they be able to request a 16% increase in June of 2004

(<http://www.tucsonelectric.com/docs/NoticeOfFiling.pdf>), being that their rate freeze is causing them to lose hundreds of millions of dollars, supposedly.

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That's it for this month. Again, if you are receiving multiple copies of this email, no longer wish to receive it, have comments, suggestions, questions, etc., respond to this email.

Ben Marcus  
ASEA