Issues Facing DERs in Arizona

1. Uncertainty
   - Near term policy
   - Long-term economics
   - Customer adoption

2. Visibility, control, and pace

3. Economies of scale

4. Access

5. Customer and stakeholder understanding

6. Price Signals

7. Regulatory process

8. Technical maturity
Discussion

Uncertainty

- High customer acquisition costs
- Nascent technology
- Confused customers

- Push for bundled product
- Savings guarantee
- Stable rate plans
Discussion

Economies of scale
- Capturing deep distribution benefits
- Ensuring a good deal for all ratepayers
- System resiliency benefits
- Dispatchability
- Aggregators
- Community scale assets
Discussion

Information and expertise asymmetry

- Competitive pay
- Modeling
- Third party tools
- ASU
- Stakeholder input
- Grants