

State Regulators Back TEP's Plan to Expand Solar Energy Resources

TUCSON, Ariz., Apr 02, 2010 (BUSINESS WIRE) -- The Arizona Corporation Commission (ACC) has expressed its support for Tucson Electric Power's plan to add more than 33 megawatts (MW) of solar generating capacity to its portfolio through power purchase contracts and new company-owned resources.

TEP had asked the ACC to review its plan to purchase energy from a new 25-MW photovoltaic (PV) array northwest of Tucson and a 5-MW concentrating solar power (CSP) plant planned for the University of Arizona Science and Technology Park. Both privately owned and operated systems are expected to be completed by January 2012.

In an April 1 vote, the ACC concluded that those agreements and TEP's plan to build 3.4 MW of new, company-owned PV systems this year were "an appropriate component" of its efforts to comply with Arizona's Renewable Energy Standard (RES). The RES calls on utilities to increase their use of renewable power each year until it represents 15 percent of their power in 2025.

"With the ACC's support, we can forge ahead with partnerships that support the development of what will become Southern Arizona's largest solar energy resources," said Paul Bonavia, Chairman, President and CEO of TEP and its parent company, UniSource Energy (NYSE: UNS). "We also can add to our own solar resources in ways that will ultimately make solar energy more accessible and affordable for our customers."

The 25-MW PV array, which will be owned and operated by Fotowatio Renewable Ventures, will feature ground-mounted solar panels that rotate along a single axis to track the sun's movement through the sky. The array, which will be built on 305 acres of Avra Valley land leased from Tucson Water, is expected to produce enough energy to power more than 4,600 typical Tucson homes.

The 5-MW CSP plant, which will be owned and operated by Bell Independent Power Corp. (BIPC), represents the first system of its kind in the Tucson area. The facility will use rows of parabolic troughs and a heat-transfer and storage system to create pressurized vapor that will be used to drive a turbine. The system is expected to produce enough energy to power more than 1,500 typical Tucson homes.

"The development of these local renewable resources is exactly what the Arizona Corporation Commission hoped to encourage through the Renewable Energy Standard," said ACC Chairwoman Kris Mayes. "I'm pleased to see that TEP will be moving forward with such significant solar projects."

Before those systems come online, TEP will add 1.8 MW of capacity this year to its 4.6-MW Springerville Generating Station Solar System, which already is one of the largest grid-tied PV arrays in the United States. The expanded array will generate enough energy to power more than 1,000 Tucson homes.

TEP also is planning to build a 1.6-MW single axis tracking array in the Tucson area later this year to support its proposed Bright Tucson Community Solar program. Under the program, customers could purchase 150 kilowatt-hour (kWh) "blocks" of solar energy from local solar arrays.

Each block of energy purchased through the program would add about \$3 to monthly bills, and customers could purchase enough blocks to cover all of their electric use. The initial array would generate enough power to meet the total electric needs of more than 275 homes, and TEP would build additional systems as needed to meet customers' demand for the program.

The ACC has not yet acted on TEP's request for approval of the Bright Tucson Community Solar Program. The commission is expected to take up that matter later this month along with the company's proposed financing for the local 1.6 MW system and the 1.8 MW expansion of its Springerville array.

The systems addressed by the ACC today will represent a significant addition to TEP's growing renewable energy resources. With funding provided by customers, TEP has developed nearly 10 MW of company-owned renewable energy generating capacity along with more than 6 MW of customer-sited systems subsidized by the company's popular SunShare rebates.

Tucson Electric Power provides safe, reliable power to more than 400,000 customers in southern Arizona. For more information, visit tep.com. For more information about UniSource Energy, TEP's parent company, visit uns.com.

SOURCE: Tucson Electric Power

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