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To Commissioner Marc Spitzer
Arizona Corporation Commission

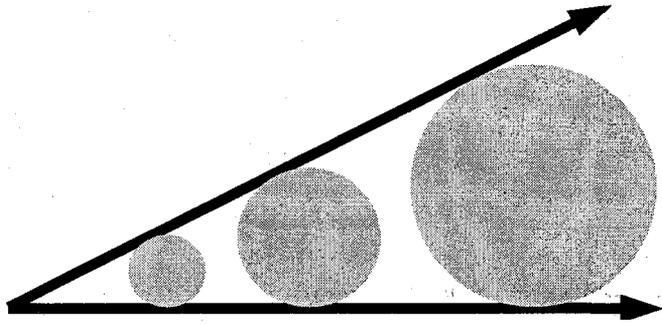
DOCKET NO. RE-00000C-00-0377

From; Jim Cooley
President , Progressive Solar Inc.

I feel compelled to write this letter to you to express my frustration with the current status of Tucson Electric Power (TEP) as a direct competitor to my business here in Tucson. I have been involved in the alternative energy industry for 3 decades in southern Arizona, my business has 3 current contracting licenses and my employees and myself have installed and serviced literally thousands of systems over the years, ranging from water heating, wind and solar power generation and water pumping units. I have remained in this field of work through the good and bad times, so simple competition is and has not been an issue. However, at this time, under the present EPS guidelines and TEP's application of this program, I feel I, and other private AE (alternative energy) companies in TEP's service area are being wrongly served by their direct program of selling what amounts to a state mandated subsidy of products that compete unfairly with business's like mine.

Let me explain. A ratepayer in Tucson is billed on a monthly basis for the EPS surcharge. This mandated money is then used by the utility (TEP) to purchase equipment for resale to the interested parties who wish to purchase a solar electric system for their building. On the surface, this is a good way of furthering the use of photovoltaic power generators, as the more society embraces this technology, the better off we, and our children are. However, as a private business, I can not compete with this application, as I don't have access to any of these mandated funds. I cannot compete, and believe me I have tried. The State of Arizona has

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essentially created a mega-business to compete with my private small business, using state mandated funds to push me, and others like me, out of the grid-tie market. This is unethical, unfair and not in the best interest of the system of capitalism that has served us all so well for such a long time. I want a level playing field, with the same rules applicable to all sides. As I understand it, the other utilities in this state are complying with the EPS mandate, but doing so without direct and unfair competition with the AE vendors in their area.

I applaud your support and commitment to the EPS that are just the beginning of the future of a viable clean energy mix for our state. I have 30 years of involvement in this too. I ask that you examine this application as I have mentioned and adjust this inequity in order to preserve the balance of small corporations and large corporations. Bottom line, no business should have a state supported advantage over other similar business's that have no state support.
Thank you for your time and dedication.

sincerely, Jim Cooley psi