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BEFORE THE ARIZONA CORPORATION COMMISSION 2: 57

CARL J. KUNASEK
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Commissioner
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Commissioner

Arizona Corporation Commission

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AZ CORP COMMISSION
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SEP 08 1999

DOCKETED BY *[Signature]*

IN THE MATTER OF THE GENERIC DOCKET NO. E-00000A-99-0205
INVESTIGATION OF THE DEVELOPMENT OF A)
RENEWABLE PORTFOLIO STANDARD AS A)
POTENTIAL PART OF THE RETAIL ELECTRIC)
COMPETITION RULES.)
NOTICE OF LATE FILED
ATTACHMENT TO
REBUTTAL TESTIMONY

The Arizona Clean Energy Industries Alliance ("ACEIA"), as indicated in rebuttal testimony, hereby files a late filed Attachment to the rebuttal testimony of Robert H. Annan.

RESPECTFULLY SUBMITTED this 8th day of September, 1999.

MARTINEZ & CURTIS, P.C.

By *Paul R. Michaud*
Paul R. Michaud
2712 North Seventh Street
Phoenix, Arizona 85006-1090
Attorneys for the Arizona Clean
Energy Industries Alliance ("ACEIA").

The original and ten (10) copies of the foregoing are filed this 8th day of September, 1999 with:

DOCKET CONTROL
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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**A copy of the foregoing is mailed
this 8th day of September, 1999 to:**

Service List for Docket No. E-00000A-99-0205

By Sherry E. Day



August 30, 1999

Attention Robert Annan

Re: Arizona Proposed Environmental Portfolio Standard

Dear Bud,

In response to implementation of a Proposed Environmental Portfolio Standard as described, PVI would almost certainly alter its current plans to locate a new production facility in the eastern US, and locate the facility in Arizona instead. We expect that the Proposed Portfolio Standard would result in firm contracts for supply of at least 2 MW of new PV capacity, in the first year the standard is in place. Subsequent years would have higher estimated annual requirements for our product. This is in contrast to the mechanism suggested by APS and SRP.

The facility to be located in Arizona by PVI would fabricate our concentrator modules from components supplied by sister facilities. This would require a semi-skilled work force of 50 workers initially, and this number would increase as future capacity increments were required under the program. The plant would require an initial investment of \$2 to 5 million, and would increase local demand for ancillary services, especially packaging and transportation.

The plant would have annual revenues in the \$50 million range, a substantial portion of which would be local value added."

Typically we would expect the local content to approximate to \$2-3/watt installed - so if we look at installing 2Mw annually at the start of the program we would be looking at \$4-6Million of local content in addition to the local content of building and equipping the plant both in terms of materials, contractors and direct labor.

We would estimate that it would take approximately 18 months from identifying that the Portfolio Standard was to be established to being able to supply product locally at the rate of 2Mw per annum. The PVI technology is particularly suited to scale up requiring only modest additional capital equipment to achieve substantial production capacity and a very cost competitive product.

Sincerely

Chris Sherring
President

A handwritten signature in black ink, appearing to read "Chris Sherring", written over a large, hand-drawn oval shape.