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AZ CORP COMMISSION
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Arizona Corporation Commission
Chairman Carl J. Kunasek
Commissioner Jim Irvin
Commissioner William A. Mundell
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

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Subject: Proposed Environmental Portfolio Standard ("EPS") Rule 14-2-1618 Docket
No. RE-00000C-00-0377

Dear Chairman Kunasek, Commissioner Irvin and Commissioner Mundell:

Global Solar Energy, Inc. is respectfully submitting this request for the Chairman and Commissioners to encourage the Chief Administrative Law Judge to take the necessary steps for implementing the subject Environmental Portfolio Standard Rule (EPS Rule) by January 1, 2001.

The November 9, 2000 Public Hearing held on the EPS Rule received public comments from the Utilities Division Staff and Interested Parties demonstrating that most participants believe the proposed EPS Rule will achieve the Commission's objectives without risk to the affected utilities or ratepayers. The following points summarize the public comments.

1. The EPS Rulemaking was authorized May 2000 in Commission Decision No. 62506 with an effective date of January 1, 2001. In anticipation of the January 1, 2001 start date, the Arizona utilities and solar and renewable energy industry alike have begun to make investments and commit resources to respond to the requirements of the EPS Rule. Momentum and literally years of analysis and public participation are in favor of completing the Rulemaking. To slow the process now, would cause a serious disruption of planning and implementation of the EPS by many participants.
2. There are adequate funds in the proposed surcharge to make a significant contribution to the EPS until at least 2004. In addition, costs for solar electric (PV) and other renewable technologies are coming down, and we believe these costs will continue to decrease.

3. The EPS surcharge is intended to be an "interim" rate for a new service, i.e., "environmentally friendly" power service. Thus any difficulties caused by a mismatch of funds for the utilities to meet the EPS requirements will be reviewed or addressed in a future rate case or other applicable proceeding. For instance, the proposed EPS Rule includes a built-in Cost/Benefit Analysis action in 2003 to determine if the EPS costs are providing sufficient benefit to ratepayers.

Based on these considerations, we urge the Chairman and Commissioners to direct the Hearing Officer to proceed on the following schedule.

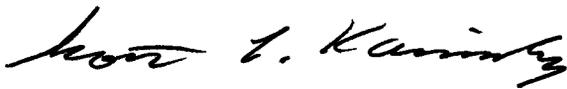
- November 22, 2000 – Hearing Division docket the Proposed Order for interested parties to review.
- December 6 or 7, 2000 – Commission considers the Rule at a Special Open Meeting and orders implementation of the EPS Rule on January 1, 2001, and signs the Order.
- By December 28 or 29, 2000, the Commission considers and acts on any Requests for Reconsideration.
- January 1, 2001 - Commission Staff is directed to take all necessary steps to implement the EPS Rule.

No interested party at the hearing denied that the EPS Rule would achieve the Commissioners' objectives to catalyze economic development, provide environmental benefits to Arizona citizens, and provide greater diversity in the mix of electrical generation available in the State. The fact that the EPS is "interim", is capped, has sufficient flexibility, and has stages of review will preclude impacts as experienced under the State's alternative fuels program. The utilities and industry can work together to make the Environmental Portfolio Standard a success in Arizona and make it likely that other states will follow Arizona's lead.

Please continue the leadership you have shown in development of this Environmental Portfolio Standard and ensure that the EPS becomes effective January 1, 2001 as you ordered in Decision No. 62506.

Thank you for your efforts.

Sincerely,



Scott L. Kaminky
Director of Business Development

cc: Commissioner-Elect Mark Spitzer