



**Ariseia**

Arizona Solar Energy  
Industries Association

RECEIVED

2009 JUN 18 P 1:47

AZ COM. COM. Docket #  
DOCKET CONTROL



0000099545

111 West Renee Dr.  
Phoenix, AZ 85027  
Tel: 623-587-6432  
Cell 602-708-1497

June 18, 2009

Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Arizona Corporation Commission  
DOCKETED

DOCKETED BY	
-------------	--

Dear Commissioner:

We are writing this letter in support of the Solar Alliance's application for a declaratory order that providers of Solar Service Agreements should not be considered Public Service Corporations (Docket No. E-20633A-08-0513).

The Solar Services Agreement model, also known as a Power Purchase Agreement ("PPA") is a valuable tool for the development of solar energy in Arizona. In fact, across the nation, SSAs have been used as the funding mechanism for a significant number of commercial photovoltaic system installations. The SSA model permits companies and other organizations, who are interested in adopting solar to do so without having to invest the upfront capital required to build a system.

The Arizona Solar Energy Industries Association, a solar industry trade association, and a chapter of the Solar Energy Industries Association has long supported the sustainable growth of Arizona's solar industry. Our members include solar companies from manufactures to contractors, as well as other related businesses interested in the development of solar energy.

From the federal to municipal level, public policy has promoted greater use of solar and renewable energy. Unfortunately, many organizations who do not have a tax load, cannot take advantage of many of the tax credits that are in place. The use of a Solar Service Agreement allows those entities to install solar electric systems. Without the SSA, a significant portion of the community will not be able to take advantage of the benefits that solar energy can provide. In most cases, the SSA is the only viable option for non-tax paying entities, such as government facilities, universities and school districts, churches and other non-profit organizations to install solar.

Companies that install solar electric systems through the use of Solar Service Agreements should not be considered Public Service Corporations. Unlike a Public Service Corporation, the power goes to a single user and they are a distributed resource. In fact, SSA's share some characteristics with leases and performance contracts but differ from a legal and tax standpoint. The SSA is simply a financing mechanism that enables commercial solar projects to be developed. Also, a company that provides electricity through a SSA does not have a set rate structure for all customers or replace the Public Service Corporation that remains the primary provider of electricity.

Congress has promoted public policy that is designed to repower our nation with clean renewable energy. Long before Congress took action, Arizona put in place similar policies at all levels of state government that was designed to promote greater use of solar and renewable energy technologies in our state. Without the ability to use the SSA model, a large part of the solar energy market in Arizona is lost.

Solar Service Agreements (SSAs) are necessary for the growth of the solar industry and to allow Arizona's utilities to meet their Renewable Energy Standard and Tariff REST goals. If SSA providers are to be regulated as public utilities, Arizona will be placed at a competitive disadvantage and it would discourage solar SSA providers from operating in this state. Already, projects have been put on hold until this issue is settled.

We urge the Commission to settle this issue as soon as possible and rule in favor of the Solar Alliance's application for a declaratory order that providers of Solar Service Agreements should not be considered Public Service Corporations (Docket No. E-20633A-08-0513).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Neary". The signature is fluid and cursive, with the first name "Michael" being more prominent than the last name "Neary".

Michael Neary  
President  
Arizona Solar Energy Industries Association