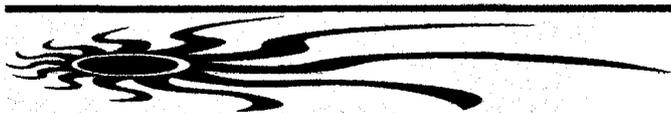


ORIGINAL

OPEN MEETING AGENDA ITEM

E-01575A-09-0429

ART of SOLAR



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Arizona Corporation Commission

2009 DEC 22 P 2:03

DOCKETED

TO: The Arizona Corporation Commission
FROM: Art of Solar Corporation, President, Heather Scholz
DATE: December 21, 2009
DOCKET # 'S': (E-01749A-09-0452,

AZ CORP COMMISSION
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GRAHAM COUNTY ELECTRIC COOPERATIVE Suggestions for Improvement

GRAHAM COUNTY ELECTRIC COOPERATIVE Compliments

1. The process of signing up coop members to the program is simple for the contractor and the member. The initial rebate enrollment form and invoice requirement are straight forward and are not cumbersome on the contractor, or the utility.

GRAHAM COUNTY ELECTRIC COOPERATIVE Suggestions for Improvement

BUDGET

1. AOS disagrees that the 2010 budget should not be limited to the suggested \$317,214 for GCEC, with the AEPCO Group administering nearly 1.6 million to the 2 other Cooperatives (Duncan Valley a very small coop, and Trico a moderately urban one.) With the current demand from customers to install renewable energy in Graham County, this budget would only approximately assist 10 residential customers for the entire year with the proposed 2010 10kw maximum at \$3.00/watt to install.

The rural residential customers have some of the most prime areas available to install solar and some of the greatest need. These budgetary limits will not allow for the development of important rural areas with areas of high solar irradiance. If this budget is imposed on Graham County Electric cooperative it will discourage progress in the renewable energy industry through out Graham County. The current waiting list in this county is longer than a couple years away for customers interested in purchasing solar systems if this proposed budget is implemented putting an unnecessary delay in the progression of the industry. AOS suggests that the coops act collectively to make funds available to all the customers and not segregate the coops separately.

PUBLIC ACCESS

1. A CENTRAL COMPUTERIZED REGISTRATION SYSTEM would allow customers and contractors to submit their rebate reservation to the Utility in real time and also allow the ability of the financing and construction to begin. This would help the entire industry progress as well as allow fairness to all companies and customers involved. If there were funds available from another utility on a quarterly basis it could allow the equal distribution of those funds to other communities statewide

2. AOS supports "MAYES PROPOSED AMENDMENT 1 for Docket # E-01575A-09-0429 (SSVEC) "Renewable Reporting". In this amendment Chairman Mayes suggests public disclosure on a quarterly basis to the public. We believe this should be implemented into GCEC Plan as well as all participating utilities Statewide.

FINANCING AND ASSIGNMENT OF REBATE

3. Another suggestion that could advance the industry in this coop is adopting a financing program for customers, or allowing the customer to assign the rebate in order to secure third party financing. For example a number of Manufacturer's have adopted short term financing to their customers who purchase their products, such as solar panels, in order progress the sale of their product and allow the contractor to begin construction of the system. Upon successful installation the customer would be

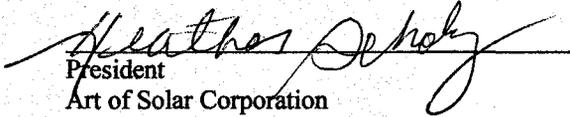
"Perfecting the Artistry of Green Electricity"

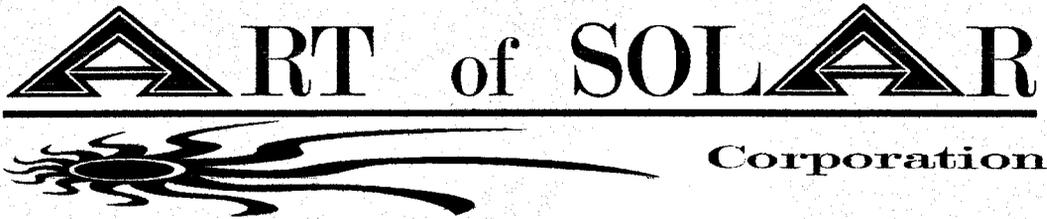
allowed to assign the rebate to the manufacturer, after the system has been paid for. These types of programs have already been adopted into APS Rest Program, and TEP. This type of a program has been suggested to Graham County Electric Coop.

We are thankful for the initiatives that have been mandated by Arizona Corporation Commission, and hope to see it progress more in the future. However if it is to succeed we can't let the lack of funding in some communities happen when other's are prospering.

Thank you for your time and efforts.

Heather A. Scholz


President
Art of Solar Corporation



ART of SOLAR

Corporation

TO: The Arizona Corporation Commission

FROM: Art of Solar Corporation, President , Heather Scholz

DATE: December 21, 2009

DOCKET # 'S: (E-01749A-09-0452, E-01773A-09-0335, E-01703A-09-0447, E-01461A-09-0447, E-01575A-09-0429, E-01345A-09-0338,)

Art of Solar Corporation appreciates this opportunity to address to the AZ Corporation Commission regarding the matters of the following:

1. APPLICATION for APPROVAL OF RENEWABLE ENREGY STANDARD TARIFFS (REST PLAN) FOR GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. FOR CALENDAR YEAR 2010
2. APPLICATION for APPROVAL OF RENEWABLE ENREGY STANDARD TARIFFS (REST PLAN) FOR DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. FOR CALENDAR YEAR 2010
3. APPLICATION for APPROVAL OF RENEWABLE ENREGY STANDARD TARIFFS (REST PLAN) FOR SULPHUR SPRINGS ELECTRIC COOPERATIVE, INC. FOR CALENDAR YEAR 2010
4. APPLICATION for APPROVAL OF RENEWABLE ENREGY STANDARD TARIFFS (REST PLAN) FOR ARIZONA ELECTRIC POWER COOPERATIVE, INC. FOR CALENDAR YEAR 2010
5. APPLICATION for APPROVAL OF RENEWABLE ENREGY STANDARD TARIFFS (REST PLAN) FOR ARIZONA PUBLIC SERVICE, INC. FOR CALENDAR YEAR 2010
6. APPLICATION for APPROVAL OF RENEWABLE ENREGY STANDARD TARIFFS (REST PLAN) FOR TRICO ELECTRIC COOPERATIVE INC. FOR CALENDAR YEAR 2010

Art of Solar Corporation, (AOS) is a residential solar and renewable technology focused installation company serving primarily customers in rural southeastern Arizona communities. We primarily work with customers from the above mentioned electric cooperatives. Our company and our customers have been ~~diverted~~ ^{collected} due to these long waiting lists, insufficient funds, and lack of organization in order to communicate clearly the status of their rebate reservation

The loss of funds for the 2009 Sunwatts program that occurred in September, caused a loss of green industry employment in rural communities especially and statewide. It has hindered our companies ability to meet the demand of the rural citizens of AZ for renewable power and ultimately increased the countries dependency on foreign energy sources.

We believe there are solutions to keep up to the demand of the renewable energy industry, however we need the support of the State of Arizona Corporation Commission to continue progress for the renewable energy industry. .

THE BIG PICTURE

PROBLEM #1:

There is an excess of monies collected from some utilities from the REST TARIFF, and not enough money to support the demand in other utilities.

“Perfecting the Artistry of Green Electricity”

SOLUTION:

We suggest that other utility companies from across the state, that have excess money collected distribute this money that has not been distributed on a quarterly basis, should be allocated to other utilities that have customers on waiting lists. This would improve the productivity of the money collected from all the people statewide to fund more renewable energy projects. This would help put all the installation companies and associated employees back to work again in depressed areas that have waiting lists, and economically improve all other trickle down industries across the state.

PROBLEM #1

PUBLIC ACCESS AND ACCOUNTABILITY AND PROCESSING

Currently there is no way that the customer and contractor can verify their place in line, it leaves room for human error, and discrepancies as to who had the submitted the application first. There is no accountability as to the status of a rebate enrollment form, other than through the utility representative. There is no way for the contractor or customer to make any kind of financial plans because of this open endedness. In our case, some of our customers have been left to not purchase a home because of this delay with the utility rebate. It is causing delay to the economy.

AOS and other installation companies(American Solar) have expressed the concern for the need to simplify and be informed of the status of their customers.

SOLUTION

A CENTRAL COMPUTERIZED REGISTRATION SYSTEM would allow customers and contractors to submit their rebate reservation to the Utility in real time and also allow the ability of the financing and construction to begin. This would help the entire industry progress as well as allow fairness to all companies and customers involved.

If there were funds available from another utility on a quarterly basis it could allow the equal distribution of those funds to other communities statewide

PROBLEM #2

Customers are complaining about some utilities only offering back a credit on their renewable production at a WHOLESAL RATE and selling power to the customer at a RETAIL rate. This effectively makes the payback longer for the customer and discourages growth in the renewable industry sector.

SOLUTION

FEED IN TARIFF

As in Germany, and soon to be Oregon, Utilities are paying more money for renewable energy than what they are selling it for, leading to the development of a feed in tariff. Germany is at the forefront of the solar industry because of this profit driven incentive

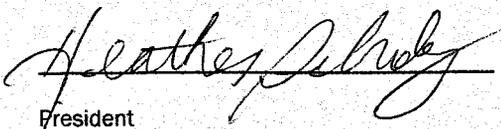
Here in Arizona, utility companies administrative costs are using up to 1/3 of the collected peoples money that has been set up for renewable energy. A different alternative needs to be explored.

These Problems are part of the State wide Picture That we believe needs to be explored if Arizona is to be Proactive as a the "SOLAR STATE".

We are thankful for the initiatives that have been mandated by Arizona Corporation Commission, and hope to see it progress more in the future. However if it is to succeed we can't let the lack of funding in some communities happen when other's are prospering.

Thank you for your time and efforts.

Heather A. Scholz



President

Art of Solar Corporation