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Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

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APR - 9 2010

RE: Docket NO. E-01345A-09-0338

DOCKETED BY [Signature]

Dear Commissioners:

Green Fuel Technologies LLC. ("Green Fuel") would like to thank you for the opportunity to address the Arizona Corporation Commission ("ACC") regarding ARIZONA PUBLIC SERVICE ("APS") COMPANY'S APPLICATION FOR MODIFICATION TO THE RESIDENTIAL DISTRIBUTED ENERGY INCENTIVE (DOCKET NO. E-01345A-09-0338)

Green Fuel Management and our 45 Arizona-based employees would like to thank the ACC and APS for their commitment and support of the Arizona Solar Industry, as well as the amazing achievements over the last couple of years. Green Fuel has been able to grow and employ more people each year due to the programs that the ACC and APS have provided the Arizona consumers. Since the inception of the Renewable Energy Standard ("RES") and its robust Distributed Renewable Energy Requirement, questions have persisted as to whether or not the residential market would support the ever-increasing levels of renewable energy capacity required to meet APS's compliance targets. APS's application indicates that customers are responding in dramatic fashion and that their 2010 residential compliance target is within reach. Green Fuel is proud to be a contributor to the overall success of the APS program and looking forward to growing our business and the Solar Industry for many years to come.

APS's request for lower residential incentives is something that Green Fuel expected and supports for the overall growth of the Solar Industry. The time has come to evaluate the incentive levels and the amount of projects that are fully executed each year. Green Fuel is in full support of the Commissions request for increased transparency of the APS program and the actual number of funded projects year to year. This application by APS came as a complete surprise and raises concerns that we hope APS and the ACC can address moving forward. Secondly, the ACC needs to keep in mind a healthy Solar Industry is the only way for APS to meet their RES standards in the next coming years. Increased pressure from APS and the ACC on lower installed prices of Solar Systems must be evaluated. Even though we saw dramatic reductions in module pricing in 2009 due to overstock at the manufacture level, we are seeing stabilization in equipment costs. Evaluating market pricing and creating a stabilized, profitable Arizona Solar industry is critical for APS to meet the RES in future years. Specifically, Green Fuel would like to see the following recommendations adopted by APS:

1. Addendum to the application to move the retroactive date from March 31st, 2010 to April 1st, 2010.
2. Improved communication to stakeholders through weekly program status updates published on the APS website.



- 3. Development of mechanisms that will minimize abrupt changes in APS's program in future years, including the establishment of compliance-based "trigger" mechanisms that can adjust incentive levels appropriately, transparently and without disruption to the market.

Green Fuel would like to emphasize the lack of stability in the Arizona Solar Industry only hurts the ability for Corporations to bring investments into Arizona and create more jobs. APS's program is essential to attaining future-year RES compliance targets and continual growth of the Solar Industry. Reduced incentive levels are inevitable, the developments of proper mechanisms are crucial to the stabilization of the Solar Industry for years to come. APS's 2011 compliance target is significant and we request that the ACC mechanisms for stabilizing APS's 2010 residential programs. Doing so will ensure that our company and others participating in the APS residential market will be at full strength when the time comes to contribute to the APS's 2011 compliance objectives.

Best Regards,

Dustin Hamby
President
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