

Antonio Gill



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E-20690A - 09-0346

From: Clayton Wagner [cwagner@adairplumbing.com]
Sent: Wednesday, June 16, 2010 12:41 PM
To: John LeSueur
Subject: FW: [solarpower] AZCC Seeks Solar Industry Feedback on Solar Service Agreements

RECEIVED

Arizona Corporation Commission
Service Agreements

ORIGINAL

2010 JUN 17 P 2:03

DOCKETED

I just got this from an association we are a member of. Take a look.

Thanks, Clay

OPEN MEETING AGENDA ITEM

JUN 17 2010

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	
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From: solarpower-announce@meetup.com [mailto:solarpower-announce@meetup.com] **On Behalf Of** Robert H.
Sent: Wednesday, June 16, 2010 12:13 PM
To: solarpower-announce@meetup.com
Subject: [solarpower] AZCC Seeks Solar Industry Feedback on Solar Service Agreements

All,

A very important case is being reviewed at the Arizona Corporation Commission (AZCC) that will decide whether businesses that provide power purchase agreements also know as solar service agreements should be classified as Arizona Public Service corporations. The outcome of this case has the potential to impact the solar industry many years.

We need a minimum of 20-30 companies to respond to this case in order to provide the AZCC with wise recommendations on how this case should be decided.

On May 28, 2010, the Judge Rodda issued a ROO stating that staff had reviewed the facts and recommended that Solar City be considered a Arizona public service corporation because they do indeed install and build infrastructure with the sole purpose of providing electricity to the customer for a profit.

Please read through Judge Rodda's ROO and Commissioner Pierce's suggested amendments. Pierce specifically requests feedback from the solar industry on this matter so that the commission has enough viewpoints and facts to make a fair ruling on whether or not large solar lease companies should be allowed to take monopoly control of Arizona's rooftops.

It has been said that customers who sign a solar lease are basically replacing one utility company for another. We agree with that statement. We also think that allowing solar lease companies to make a profit off of a legal loophole should not be allowed.

Solar lease companies make money immediately off the incentives, resell the renewable energy credits for even more money, and effectively put in a place a contract to sell electricity for a profit. Regardless of how you try to twist the argument. The primary function of a solar lease company is build infrastructure that produces electricity with the sole intent of selling it to customers for a profit.

We believe this business arrangement is bad for the customer and bad for the solar industry. This is no different than a utility company installing a solar system on a rooftop in order to qualify for a small discount on electricity. The utility company gains all the benefits and the rooftop owner receives very little benefit. In fact, utility companies like Sulphur Spring Valley Electric Cooperative have already used REST money to build out their own utility-owned solar farms on school property. REST money was intended to provide incentives to business and residential homes to install solar, not provide money to utility companies for capital expenses

associated with utility grid expansion.

Instead, we think that any customer that provides access to their rooftops **should be provided with free or deeply discounted electricity**. That is the purpose of installing solar - to reduce or eliminate your electricity bill. The only profit that should be allowed is a fair profit on the equipment and installation and a maintenance contract.

Staff was very specific when they said that any company that builds solar power arrays on their own premises and provides solar electricity to their tenants within their own property lines will not be considered an Arizona Public Service Company. This will encourage building owners to install solar, provide cheaper, cleaner electricity to their tenants and provide their buildings with protection from future rate hikes, which in the end will provide them a huge competitive advantage.

In our humble opinion, we think that the **problem of schools, government buildings and non-profits not being able to take advantage of tax credits** should be solved instead by **passing an Arizona Solar Feed-in Tariff**. A solar feed-in tariff doesn't require rate cases, REST implementation plans, nor any type of regulatory management other than managing solar adoption through price adjustments. It also eliminates a utility company's monopoly position that allows it to manipulate the solar industry by suddenly eliminating incentive programs or purposely not paying solar reservation form in order to drive small companies out of business.

And even though we agree with staff on requiring lease companies to be regulated, we see a problem with the AZCC being required to regulate hundreds of new solar power utility companies. The AZCC simply does not have the bandwidth to manage the workload.

We plan to file comments with the AZCC on this matter. We urge all of our members to read through the documents below and email your comments back to me. You are welcome to argue pro or con. We will try to include everyone's viewpoint in the document we file with the AZCC. Just provide your comments to me via email and we will file the final document.

Or if you want, file your own comments under docket number: E-20690A-09-0346.

Short Verion:

<http://images.edocket.azcc.gov/docketpdf/0000113003.pdf>

Long Version:

<http://images.edocket.azcc.gov/docketpdf/0000113002.pdf>

Judge Rodda's ROO on May 28, 2010, not 2009:

<http://images.edocket.azcc.gov/docketpdf/0000112024.pdf>

Please call with questions or comments.

Best Regards,
Robert Hoskins
Executive Director
Arizona Solar Power Society
Direct: (602) 326-0940

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Please Note: If you hit "**REPLY**", your message will be sent to **everyone** on this mailing list (solarpower-list@meetup.com)

This message was sent by Robert H. (rhoskins@frontpagepr.com) from [Arizona Solar Power Society™](#) - [Become a Solar Advocate Today](#).

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