



0000113528

RECEIVED

City of Phoenix

OFFICE OF THE MAYOR

2010 JUN 24 P 2: 06



AZ CORP COMMISSION  
DOCKET CONTROL  
MAYOR PHIL GORDON

June 22, 2010

ORIGINAL

Chairman Kristin Mayes:  
Commissioners Pierce, Stump, Kennedy and Newman  
Arizona Corporation Commission  
1200 W. Washington St., 2<sup>nd</sup> Floor  
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

JUN 24 2010

Re: SolarCity SSA Regulation: Docket: E-20690A-09-0346

DOCKETED BY

Honorable Chairwoman Mayes and Commissioners;

I am writing today regarding the above reference case to strongly encourage the Commission not to regulate providers of Solar Services Agreement ("SSA") when they contract with schools, non-profits, and governmental entities. As you are likely aware, the City of Phoenix has made great efforts to encourage adoption of renewable energy and in particular solar energy. As an example, the City recently lowered and capped our solar permit fees in an effort to reduce costs and encourage solar installations. In addition, the City has partnered with the National Bank of Arizona and Solar City to long-term lease new solar units to individual residential owners for no upfront money to date. Over 500 units have been requested and/or installed in less than 12 months. However, I am very concerned that our efforts on these fronts would be severely hampered by a Commission decision to regulate SSA providers as Public Service Corporation.

In addition as you know, the SSA financing arrangement allows governmental entities like the City to adopt solar systems with zero up-front capital expenditures. The SSA financing arrangements is truly win-win solution and is the only practical way for the City to adopt solar systems; leasing and purchases are not economically viable for non-profit, non-taxable entities. Therefore, to regulate only SSAs (and not leases or purchases) would be placing the City and other governmental entities at a competitive disadvantage for adopting solar; and without SSA financing, significant solar adoption for the City will remain a dream instead of a reality.

The City is thankful to the Commission for the leadership it has provided thus far on renewable energy. We are cognizant of the fact that our efforts to build a greener Phoenix would be for naught without the innovative policies and programs that the Commission has developed. However, the job is far from over and we must continue to work together to create a brighter, cleaner future for our residents, It would be counterintuitive and counterproductive to reduce the costs of solar with one hand only to increase them with other. After a careful consideration of the issues in this case, I strongly believe that regulations of SSA providers would serve no purpose other than to increase costs. In fact, I believe that in this case the public interest demands the opposite result.

RECEIVED  
JUN 24 2010  
By

I am hopeful that after a full review of the issue in this case the Commission will conclude that SSA regulation is unnecessarily burdensome and discriminatory to non-profit and government entities. Let's continue to implement polices that drive solar adoption and not inhibit it.

Sincerely,

  
Mayor