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**Jennifer Ybarra**

**From:** Robby Richards [robby@copernicusenergy.com]  
**Sent:** Tuesday, August 10, 2010 4:48 AM  
**To:** solarpower-list@meetup.com  
**Cc:** Newman-Web Arizona Corporation Commission  
**Subject:** Re: Solar Feed-in Tariff Special Meeting

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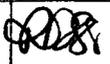
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**Importance:** High

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AZ CORP COMMISSION  
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Robert,

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I don't know if you are going to the FIT hearing or not, but if you are, could you please read the statement on my behalf. I am unable to attend the hearing tomorrow as I am currently in Puerto Rico for meetings for the rest of the week.

Chairwoman Mayes and Commissioners,

I am asking Mr. Robert Hoskins to deliver my comments at the hearing and to enter my testimony into the official record on my behalf since I am unable to attend the hearing in person. My name is Robby Richards, and I am the founder and owner of Copernicus Energy, Inc. I am presently on an extended business trip in an effort to attempt to find sources of investment capital for my solar energy business. I have previously appeared before the commission at several hearings in Sierra Vista, Tucson and Phoenix in an effort to show my support for renewable energy development within the State of Arizona. I would like to express my strong support for the establishment of a feed in tariff in Arizona, and I implore the commission to pass a ruling in support of this issue at their earliest convenience.

The Federal Stimulus Legislation of 2009 and the resulting federal investment tax credit grant program has afforded the renewable energy industry perhaps the very best opportunity in its entire history to grow our industry. Sadly, much of the tremendous impact that could have been achieved with this federal government cash grant has been irrevocably lost due to the ongoing economic malaise affecting the US economy and more specifically, the ongoing lack of support from the banking and finance sector. Indeed, despite the thirty percent cash grant available for the installation of renewable energy system, a great many renewable energy projects are failing to be implemented due to a complete lack of financing and working capital available for small businesses and consumers. Speaking from personal experience over the past eighteen months, I have personally contacted and had interaction with dozens of different financial institutions across the world. Unfortunately for me and my business, none of the banking and finance companies that I contacted were interested in participating in small and medium scale renewable energy projects.

This lack of financing from banking and other finance sources is frustrating, but actually quite logical given the constantly changing incentive programs being offered and then amended and/or suspended by utility companies across the United States. Despite the availability of the federal cash grant of 30% of the renewable energy project, neither the banks, nor my company can count on the utility companies to adhere to their published incentive programs over a long term. No sane investor is going to put out their money at any interest rate if they have a constantly changing

risk profile on the repayment of their investment. Since we renewable energy sales firms and our customers have no idea if the current utility company incentive program being offered is going to be in place and solvent six months in the future, there simply isn't any financial mechanism that will function in this environment. A strong feed in tariff without a ridiculously small program cap as proposed by the Arizona utilities in their recent filings with the ACC would go a long way towards improving the availability from the banking sector to provide capital for renewable energy development. A strong FIT program without a small volume cap would allow my firm to demonstrate to a bank that we have a guaranteed source of long term repayment. When investors and bank see stability and profitability, then the risk profile meets their needs and they will lend capital. Without a reasonable amount of stability, no amount of potential profit will make the banks loan money to small and medium businesses.

It should be very clear to the commission that if we citizens of the State of Arizona decide that we want to incentivize renewable energy development, there is really one very clear cut system that has shown to be exceptionally effective, and that is the German feed in tariff system. It has been reported in several solar industry trade journals that Germany installed more solar systems in the **last year** than the United States solar industry has installed since its inception over three decades ago. Obviously, their system of incentives works and it works very well to support new business development, job creation and fair utility pricing for all German citizens. I just left Germany approximately two weeks ago on the start of this extended business trip. I went to Germany to learn more about their solar industry and to network with potential finance sources for my small business.

While Germany has established a sizable market lead, it is very clear to me that the United States can become a world leader in renewable energy technology if we have the courage and perseverance to make the correct choices to invest in this industry over the long term, and to support renewable energy growth through an exceptionally clear, long term set of rules that businesses like mine can follow. We have the market demand from consumers, we have the technology, and we business owners are anxious to serve our customers. However, we can't grow an industry without effective regulatory rules that are clear and constant. I implore the commission to immediately pass a FIT for Arizona without a small cap on program participation.

Respectfully submitted by,

Robby Richards  
Chief Financial Officer  
Copernicus Energy, Inc.