

OPEN MEETING AGENDA ITEM ORIGINAL



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October 19, 2010

Chairman Mayes
Commissioners Pierce, Stump, Kennedy, and Newman
Arizona Corporation Commission
1200 W. Washington Street, 2nd Floor
Phoenix, AZ 85007

RE: Response to APS Comments Filed on October 12, 2010 on the Application for Approval of a Solar Electrical Supply Agreement

Docket No. E-01345A-10-0113

Dear Commissioners:

The Solar Alliance appreciates the opportunity to address the Arizona Corporation Commission (ACC) regarding Arizona Public Service Company's (APS) reply comments in response to questions raised at the September 22, 2010 open meeting regarding their "Application for Approval of a Solar Electrical Supply Agreement" filed in the above docket on March 29, 2010.

Members of the Solar Alliance discussed the issue at length with APS and other stakeholders after the September 22nd open meeting, and given the imperative of continuing regulatory certainty, we are amending our previous comments to reflect our support of the application, without adoption of Mayes Amendment #1 dated October 18, 2010.

The Solar Alliance appreciates the intent of the amendment, which is to continue the development of a robust distributed generation solar market in the state. However, we feel assured that the stakeholders in this process, including APS, are committed to supporting the growth in non-residential solar market, and that it is more appropriate to address policy choices in the REST plan docket. The Solar Alliance again commends APS for its intent to over-comply with its 2011 REST obligations, as stated in the APS Proposed 2011 REST plan. Moreover, we believe it is APS' intent going forward, based on language in APS' proposed 2011 REST plan, to count these larger projects separately from its smaller distributed energy obligations and budgets, under a new "Small Generator Standard Offer" program.

As in our original comments, the Solar Alliance still requests that the ACC undertake a review as soon as possible of third-party financing rules to spur new commercial projects and ensure a diversity of project growth in all market segments (see docket E-00000A-10-0368).

In conclusion, we appreciate the chance to provide comments on this request, and we support this project without the Mayes amendment.

Respectfully submitted,

Joy Butler
Joy Butler
Solar Alliance State Lead

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