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OPEN MEETING AGENDA ITEM

Sheila Stoeller

From: Gary Marks [gmarks@pvedf.com]
Sent: Friday, November 19, 2010 3:53 PM
To: Mayes-WebEmail
Subject: FW: APS Energy Program Letter 11-19-10

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ORIGINAL



HUMBOLDT UNIFIED SCHOOL DISTRICT #22

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November 19, 2010

Kristin K. Mayes, Chairman
Arizona Corporation Commission
Commissioners Wing
1200 W. Washington – 2nd Floor
Phoenix, Arizona 85007

Arizona Corporation Commission
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Dear Chairman Mayes:

The purpose of this letter is to ask the Commission to approve the “Schools and Government Renewable Program” being presented by Arizona Public Service Company. The options provided afford schools some very innovative options to forward their energy smart planning. The proposed APS program would provide schools an important tool to capture energy savings with long-term price stability. This is a critical factor for education in Arizona today and will be for years to come.

Most school districts in Arizona are dealing with declining budgets and enrollment shifts. The APS program can provide districts an opportunity to plan for M&O cost with a greater degree of certainty. Energy conservation and price stability have become key factors for budget planning.

There are a number of benefits that I can see with the APS-owned solar electric systems:

1. Having the design, engineering, installation, and maintenance and operation (M&O) provided by APS will provide school districts tremendous cost saving opportunities along with a great sense of confidence that people with experience and expertise are doing the work, and who share a community goal of affordable renewable energy for our schools.

2. The term of the agreement is twenty (20) years. This provides a predictable cost to M&O on a more stable basis. Providing schools the ability to benchmark, monitor and plan for future adjustments.
3. The non-classroom expertise needed to proceed with an APS-owned system is much less than the costly expertise required evaluating a third-party or private developer. With limited budgets, putting dollars into the classrooms is essential.
4. Capital constraints would not restrict the system size. With the APS program, the maximum system allowed under the rider schedule would be allowed, providing the greatest savings to schools. Our district has experienced this limitation with a third party contractor in the past.
5. We strongly believe with the APS ownership plan there would be fewer legal requirements; another cost saving opportunity with rapid deployment.
6. Finally, the long-term school and community relationships and credibility with APS allows schools a greater comfort level. The confidence that APS has been here, and will continue to be here for years to come is a great value.

Again, I would ask the Commission to support the APS School and Government Solar Program as it moves forward through your process. I would be happy to personally appear with testimony at your will.

Respectfully,

Gary Marks, Board Chair

cc: Commissioner Paul Newman
Commissioner Sandra D. Kenny
Commissioner Gary Pierce
Commissioner Bob Stump