

DOCKET # E-01345A-10-0262
E-01345A-10-0166



0000121695

CarbonFree

ORIGINAL

RECEIVED

2010 DEC 30 P 2: 5b

AZ CORP COMMISSION
DOCKET CONTROL

December 30, 2010

To the Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Re: Questions/ Concerns Regarding APS Ownership of Solar Assets Under 2011 Schools & Governments Program

Dear Commissioners:

Pursuant to the Commission's recent ruling to allow APS ownership of solar assets under the Schools & Governments Program as part of the 2011 RES Implementation Plan, we would like to express our concerns over APS being allowed to compete against the private sector.

It is our understanding that under the arrangement currently approved by the Commission, APS's solar investments will have a rate of return that is guaranteed by the Commission and that APS can use RES funds or rate base any "cost differences" to achieve its required rate of return.

If the above is correct, then this clearly puts APS at a significant – and unfair – advantage over any other solar investors operating in the same (Schools & Governments) segment, since no other investor is afforded these same guarantees/ protections.

We do not claim to be experts on this aspect of the RES rules and therefore request the Commission's assistance in verifying that this interpretation is in fact accurate.

Given the fact that the Schools & Governments Program is only a year old, we are of the opinion that feedback from all stakeholders directly to the Commission, on an ongoing basis will result in the best possible outcome. We feel that the level of communication can be improved, and we look forward to participating in the dialogue.

Sincerely,

Lee Feliciano
EVP
CarbonFree Technology Corp.

CC:

Tom Harris - PV Advanced Concepts
Mark Holohan - Wilson Electric
Toby Rolt - BrilliantGreen Energy
Michael Neary - AriSEIA

Arizona Corporation Commission

DOCKETED

DEC 30 2010

DOCKETED BY

6615 N. SCOTTSDALE ROAD, SUITE116 • SCOTTSDALE, ARIZONA 85250

T (602) 773-1972 • F (480) 247-5097 • www.carbonfreetechnology.com