

OPEN MEETING AGENDA ITEM



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ARIZONA CORPORATION COMMISSION

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2011 JAN 10 P 4: 51

January 10, 2011

Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

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Re: 2011 REST Implementation Plan; Docket Nos. E-01345A-10-0262; E-01345A-10-0166

Dear Chairman Pierce, Colleagues, Parties, Interested Persons and Citizens:

I am writing to respectfully request that Chairman Pierce postpone the Special Open Meeting (SOM) set for **Tuesday, January 18, 2011**, and to instead place it on the February OM. The Commission voted 3-2 at a staff meeting on January 4, 2011 to re-open certain amendments in dockets 10-0166 and 10-0262.

This last week's tragic shooting has left me unable to work on these critical issues, and unfortunately I expect to attend a number of services this week.

I am also writing to ask for feedback from parties and citizens about the amendments that will be reconsidered.<sup>1</sup>

In particular, I would like to see what my colleagues and others think about zeroing out the Research and Development (R&D) issues specified in Mayes #4:

1. The energy-water nexus, including dry v. hybrid cooling;
2. Increasing Arizona's Renewable Energy Standard (RES), with the ancillary value of reducing fuel costs, pollution, solid waste such as coal ash and other toxics, and reducing our greenhouse gas emissions.

These issues are of critical importance to our state. Arizona spends **\$1.5 billion/year on natural gas for electricity**, and that amount could easily balloon to \$2 billion or higher if natural gas prices spiked as they did from 2006-2008.

Arizona has far more to gain from the development of solar power than to lose from reducing fossil-fueled power. The cost of solar PV has come down 40% in two short years, and economies of scale will help drive down costs. Arizona is one of a handful of Southwestern and Western states that can economically develop utility-scale solar thermal.

<sup>1</sup> These amendments are Newman #6, (\$1/watt Rapid Reservation), Mayes #2 (Feed-in Tariff proposal for 2 MW/year for 3 years), Mayes #4 (Research and Development issues), Pierce #1 (ownership of solar for Schools and Government program), and Pierce #3 (zeroing out Research and Development as well as reallocating Marketing and Outreach budget).

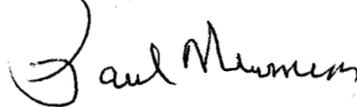
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Congresswoman Gabby Giffords, who remains in critical condition after the shooting, sponsored *The Solar Roadmap*, a bill to fund solar research, development and demonstration projects. Ms. Giffords was also instrumental in getting the recently awarded \$1.45 billion in loan guarantees for APS' Solana plant near Gila Bend. The Speaker of the U.S. House of Representatives, John Boehner, has postponed critical votes this week in recognition of the tragic shooting of Ms. Giffords and others. Tucson has been devastated by the loss of our friends and colleagues.

In short, these issues are too important to discuss in a hasty manner. I simply cannot give these issues the time they deserve, and look forward to Chairman Pierce's response.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Paul Newman". The signature is written in dark ink and is positioned above the printed name.

Paul Newman  
Commissioner