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ORIGINAL Green Choice Solar RECEIVED

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ARIZONA CORPORATION COMMISSION
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Arizona Corporation Commission

DOCKETED

JAN 18 2011

DOCKETED BY 

Chairman Gary Pierce
 Commissioner Bob Stump
 Commissioner Sandra Kennedy
 Commissioner Paul Newman
 Commissioner Brenda Burns

Re: Reopening APS 2011 REST Implementation Plan
 Decision No. 72022 (Docket Nos. E-01345A-10-0166 and E-01345A-10-0262)

Dear Mr. Chair and Commissioners:

As the CEO of Green Choice Solar ("GCS"), I am writing to provide comments on the Commission's decision to reopen APS' 2011 REST Implementation Plan. I realize that Arizona law allows the Commission the opportunity to revisit prior decisions. However, as the Commission affords APS and other affected parties the opportunity to be heard, I would urge the Commission to refrain from changing any aspect of the already approved 2011 REST Plan, especially the small three-year feed-in tariff ("FIT") pilot program, *Powerful Communities*.

Changing any component of the REST Implementation Plan would send jumbled, contradictory signals to Arizona's solar industry, its partners and customers. The solar industry makes its business decisions (i.e., increasing or decreasing the workforce, managing equipment inventory, allocating marketing and sales resources) based on the approved REST Implementation Plan for the upcoming calendar year. Changes could also adversely affect a solar installer's ability to access financing, as well as cause a reduction in its workforce. Regulatory certainty is critical in developing and growing a renewable energy market in Arizona.

As you know, I participated actively in the FIT workshops and filed several letters in the generic docket, which culminated in the Commission issuing a FIT Policy Statement. I advocated the establishment of a larger-scale FIT for APS, with an annual capacity floor of 75 MW and a feed-in rate in the low 20-cent range. In its 2011 REST Implementation Plan filing, APS proposed a FIT program deployment over three years (2011-2013) for distributed systems between 30 kW and 200 kW, capped at 2 MW per year and priced at a standard offer of \$0.195 per kWh. Although I am disappointed by the Commission decision not to expand the APS FIT program, I still believe something is better than nothing.

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I understand that some Commissioners are wary of creating a FIT program that they believe is too costly for ratepayers. This pilot program, however, will allow the Commission to assess the implications of a FIT, including the benefits of solar generators providing distributed wholesale power to APS in the load pockets. I would also add that the very structure of the FIT, in terms of the budget and capacity cap, corrects the erroneous perception that ratepayers are shouldering "excessive or runaway costs." In fact, the cost to fund the FIT is less than 1% of APS' overall RES budget for 2011.

The FIT is an effective tool for the rapid deployment of distributed solar energy in the commercial sector (parking structures and rooftops that are plentiful in the Phoenix area). With a functioning FIT, APS does not have to issue complicated RFPs to procure wholesale power, nor wait on the renewable developer to obtain zoning approval or secure financing for the project. The Commission ought not to discard this tiny pilot program without at least first reviewing and assessing its results.

Again, I urge the Commission to leave the APS 2011 Implementation Plan intact.

Thank you for your consideration in this matter.

Sincerely Yours,



Herbert Abel
CEO