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Vestar

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AZ CORP COMMISSION  
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Arizona Corporation Commission

DOCKETED

AUG 9 2011

DOCKETED BY

Chairman Gary Pierce;  
Commissioners Burns, Stump, Kennedy and Newman  
Arizona Corporation Commission  
1200 W. Washington St., 2<sup>nd</sup> floor  
Phoenix, Arizona 85007

Re: APS 2012 Commercial Solar

E-013454-11-0264

Dear Chairman and Honorable Commissioners;

As you may be aware Vestar is one of the largest developers and owners of commercial real estate in Arizona. Naturally, the decisions the Commission makes regarding energy and renewable energy policies directly impact our approach to solar energy use. Thus when it came to our attention that the Commission is currently considering a number of drastic changes to the APS Commercial Solar program, we felt compelled to convey our opposition to these proposals.

In particular the proposal to halve or completely eliminate funding for APS commercial solar incentives is in our opinion unwise and inequitable. Vestar has contributed significant sums over the past few years towards the development of commercial solar via the Renewable Energy Surcharge. We have installed solar unites at our Desert Ridge Marketplace and are currently looking at installation of solar on other of our projects, including Tempe Marketplace. We believe that our investment in solar energy has been justified because it supports the development of a vital new industry in Arizona and because it enable us to implement solar projects at our properties. Having this cost saving option available for our properties is extremely important for us to remain economically competitive and to be an enlightened participant in the State's green energy policies. Thus a proposal that eliminates the commercial incentives removes our ability to participate in a program that we have historically funded. This seems unjust, especially when you consider we will continue to contribute to the RES surcharge fund but will have no ability to install solar at our properties.

However this is far more than just an equity issue for our company. Rather it is important to remember that our economic success (along with the entire State) is directly tied to the level and quality of employment in Arizona. As such we believe it is shortsighted and bad public policy to remove support for one of Arizona's few economic sectors that is currently adding jobs, particularly in an industry that fosters sound environmental policy. The Renewable Energy Standard and the resulting solar industry cluster is an Arizona success story, but it is a fragile success. We must continue to allow the programs

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to work as designed and maintain a stable policy environment. There is nothing more poisonous to market based success than unstable and uncertain policies.

We are hopeful that after careful consideration you will come to the same conclusions on this issue and will ultimately oppose any reductions in funding for commercial solar. Thank you for your dedicated service to our State.

Sincerely,

Vestar Development Co.

By: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "David J. Larcher", written over a horizontal line.

Name: David J. Larcher  
Title: Vice President