

OPEN MEETING AGENDA ITEM



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GLOBAL SOLARIS GROUP

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Arizona Corporation Commission
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AZ CORP COMMISSION

Re: 2012 APS RE Implementation Plan Docket No: E-01345A-11-0264

Dear Chairman Pierce and Commissioners;

Global Solaris Group is a developer of commercial solar solutions. We are writing you this letter to express our grave concerns regarding the proposals included in APS' 2012 Renewable Energy Implementation Plan that would effectively shut down the non-residential solar market until 2017.

Global Solaris Group has a pipeline of projects to serve churches, businesses and healthcare facilities throughout APS' service territory. Global Solaris Group has ramped up its business in Arizona in reliance upon the Commission's previously approved Implementation Plans for the various utilities that it oversees.

As explained more fully below, APS' current proposal to do away with its non-residential program until 2017 is in direct conflict with its Commission approved proposals contained in its 2010 and 2011 plans.

Previously Approved Plans

APS' 2010 and 2011 Implementation Plans both presented five year budgets that included an addition of \$100 million in lifetime commitments per year for distributed non-residential solar rebates. The budget in the 2010 Plan showed \$100 million additional lifetime funding commitments in years 2010-2014. Similarly, the budget in the 2011 Plan was approved showing \$100 million in additional lifetime commitments in each year between 2011 and 2015. On each occasion the ACC approved these plans and their forward looking budgets.

In reliance on this steady policy, Global Solaris Group has developed its business plans and begun its operations in the Arizona market within APS service territory. We are certain that we are not the only solar developer who has come to Arizona in reliance on these approved budgets and the State's clear policy direction.

The Entirely Different Proposal

The proposed 2012 Plan represents a dramatic departure for APS. After consistently proposing and advocating for a steady annual commitment budget, APS proposes three options for 2012 all of which decimate the previously proposed and approved budget that the industry has relied upon. It is fascinating to see that APS proposes three different options but that not a single one of those options contemplate the proposals that it has made and that this Commission has approved for several years now. The three options include \$60 million in annual funding (40% less than has been approved), \$40 million in annual funding (%60 less than has previously been proposed) and \$0. How can it be that out

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of three options not even one of them is close to the proposals that APS has been making for the last several years?

We trust you can sense the frustration that we are feeling. It is difficult enough trying to run a business of any kind in a competitive market but we thought we had the benefit of regulatory certainty that our market would at least exist for the next few years while the entire industry ratchets down to get off the rebates altogether. A regulated utility that repeatedly makes a commitment on which others rely should not simply be permitted to change its mind when such a change will result in the loss of numerous jobs and the stranding of investment backed expectations across the market.

It is disappointing to see that there is very little explanation for this dramatic departure from the previously proposed plans. The only major difference in this year's Plan is that APS makes a proposal to dramatically increase its ownership of DG for its own benefit while shutting off the private sector competition that has helped lower incentives dramatically. Our hope is that the Commission will not let APS depart from its long held plans for its own benefit and to the detriment of those companies like Global Solaris Group that have relied on those plans. Exchanging free market competition and the previously approved rebate budgets for a utility controlled monopoly and a wiping out of long held plans should obviously be discouraged.

We respectfully request that you do all you can to honor your previous votes and to hold APS to its word. Saving the commercial solar program will save jobs for Arizona and help this still growing industry to continue to invest in Arizona without fear of dramatic, industry killing, regulatory changes.

Thank you for all you have done to date for this growing industry and I appreciate you supporting the many businesses that have relied on several years of government approved plans to build up their businesses in Arizona.

Alain Soutenet

11/01/11

A handwritten signature in black ink, appearing to read "Alain Soutenet", written in a cursive style.

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