

Arizona Public Service Company
E-01345A-11-0264

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BILL GATES
COUNCILMAN
DISTRICT 3

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

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DOCKETED BY

November 4, 2011

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

Re: Arizona Public Service Company 2012 RES Implementation Plan
(Docket No. E-01345A-11-0264)

Dear Chairman Pierce and Arizona Corporation Commissioners:

I am writing you to express my support for the continuation of incentives for APS' non-residential distributed energy program. One of my main objectives is to promote economic development, including solar energy opportunities in my district and throughout Phoenix.

The Paradise Valley Unified School District (PVUSD) is on the forefront of an energy cost containment strategy. I understand that essentially all of its administrative facilities and schools will be "solarized" within the next two years. The installation of distributed resources will reduce PVUSD's energy costs significantly, now and in the future. APS' performance-based incentive (PBI) program made all of this possible.

Over the last couple of years, the City of Phoenix has installed several distributed solar projects. I believe this sustainability strategy is working well, and would like to see the incentives continue for distributed solar. Ample opportunities exist in Phoenix for the deployment of distributed solar photovoltaic, including on government buildings, schools, and commercial businesses. The City's economy is also directly benefiting as solar developers hire more employees to meet the higher demand.

Private companies and solar organizations have submitted filings urging the Arizona Corporation Commission (ACC) to continue the PBI program for non-residential distributed projects. The PBI program is performing exactly as

designed: third party solar developers compete for incentive dollars, driving down the costs for APS ratepayers.

The interested parties also submitted different proposals for the ACC to consider regarding the continuation of the PBI program. I would urge you to adopt the PBI proposal that is large enough to ensure market predictability for solar developers, meet the demand from the non-residential market, and allow for continued price reductions for incentives.

Thank for your consideration on this important policy matter.

Sincerely,

A handwritten signature in black ink that reads "Bill Gates". The signature is written in a cursive, flowing style.

Councilman Bill Gates
Council District 3

November 4, 2011

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Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

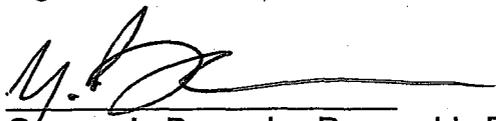
Re: Arizona Public Service Company's 2012 RES Implementation Plan
Docket No. E-01345A-11-0264

This Joint Statement between Arizona Public Service Company ("APS") and the Solar Alliance (collectively referred to as the "Parties") confirms that they have collaboratively worked to clarify questions about the APS 2012 RES Implementation Plan ("the Plan") so that future Commission deliberations on the Plan can be effectively focused on the most significant policy issues at hand. To that end, APS and Solar Alliance would like all parties to the docket to be informed that we support the following statement, with regard to the Schools and Government program, made as part of the Staff Memorandum and Proposed Order of October 25, 2011:

"...over the past few months there has been a healthy discussion between the Solar Alliance and APS over which approach, utility-owned or third-party owned, is the best deal for ratepayers. This issue was discussed at the APS REST stakeholder meeting on September 30, 2011. At that meeting, it appeared that APS and the Solar Alliance agreed that the cost to nonparticipating ratepayers was about comparable, no matter who owned the system. Basically, this means that neither approach is vastly superior to the other in terms of impacts on non participating customers. Assuming that is correct, Staff believes that the Commission should consider the second aspect of the issue."

We appreciate the Commission's attention to this matter and look forward to a timely decision in the Docket. Please note that nothing in this letter should be construed as agreement to other aspects of the Staff Proposed Order and the Parties reserve the opportunity to docket comments.

Signed this 4th day of November, 2011



Gregory L. Bernosky, Renewable Energy Regulatory and Planning Leader
Arizona Public Service Company



Polly Shaw, Solar Alliance Lead for Arizona
The Solar Alliance

cc: Parties of Record

SheaHomes

Limited Partnership
AZ Contractor's License No. ROC 195895



November 1, 2011

Commissioners & Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

RE: Comments to Utilities Division recommendation for the APS Energy Star Plus Solar Home Program – Docket No. E-01345A-11-0264

Dear Chairman Pierce and Commissioners:

Thank you for continuing to support solar in Arizona. Shea Homes decided to offer solar as an option because new home buyers requested it. Since then we have sold several homes with solar, and we believe that number will continue to increase if the incentive level is set at a higher amount than what Staff has suggested in their report dated October 25, 2011.

We do not believe an incentive level of \$0.85/watt in APS Service Territory is sufficient in 2012 for a few reasons:

1. Unlike the residential retrofit market, our market is less dynamic and has a longer planning cycle. As such, we have been planning for the \$1.45/watt incentive as laid out in the APS 2011 RES Plan. Please note that 4 of the 5 current Commissioners supported the 2011 plan that contained this incentive level. We recommend the Commission approve an incentive level of \$1.45/watt for 2012.
2. Unlike the residential retrofit market, which has seen explosive demand and steady incentive level drops over the past two years, our market is still emerging and is just starting to show demand from new home buyers. We believe that decreasing the APS incentive to builders by 57% will significantly slow customer demand for our solar homes. As a result, this could derail the market for solar in new homes. We recommend the Commission adopt a more gradual decrease in the homebuilder solar incentive for 2012 and provide an indication of the 2013 incentive at this time as well.

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Solar is much more affordable to add to new home construction thus making it more desirable for potential customers. Additionally, it further differentiates new homes from resale contributing to the recovery of the housing industry, creating job growth and improvement in the economy.

We strongly urge the Commission to consider the value of adding solar to new homes and recognize that stability and growth in this market segment is strongly predicated on the decisions that will be made as part of the APS 2012 RES program.

Sincerely,

SHEA HOMES



Buddy Satterfield
President