

ORIGINAL

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Arizona Corporation Commission

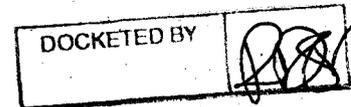
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NOV 18 2011

November 7, 2011

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
Docket Control  
1200 W. Washington  
Phoenix, AZ 85007



Dear Chairman Pierce & Commissioners:

Please accept these comments regarding the proposed solar electric incentive level as outlined in an October 25, 2011 staff report (Docket # E-01345A-11-0264).

On behalf of Keystone Homes I could like to thank you for your continued support of solar for new home buyers in the APS utility territory. Our mission at Keystone Homes is to provide products new home buyers want and we have found that new buyers want to go solar. We are anticipating that approximately 50% of our sales in 2012 will include solar. Our buyers want solar energy! *Solar energy is one of the main reasons that allow us to differentiate our homes from the foreclosures and short sales in the market.* Without solar being affordable by way of incentives, we would surely sell fewer homes which would negatively impact the Arizona economy. We do not believe an incentive level of \$0.85/watt is sufficient to reach these goals. As we all know, the construction of new homes in Arizona is a huge employment driver and economic driver. Please help with the recovery of the housing market in Arizona by keeping the solar incentives at the APS proposed level of \$1.45/watt for new home construction. We recommend the Commission adopt this more gradual decrease in the homebuilder solar incentive for 2012 and ask that the Commission project incentive levels for 2013 that we can use in our business planning.

Keystone Homes has been in business for over 20 years and is committed to building great energy efficient homes in Arizona. Because we have chosen to build energy efficient homes we know the solar system size that new home buyers need will be much smaller than the average system size installed on older homes. New home buyers typically need a 3kw as opposed to the average older home in APS territory of 7kw or more. This means that even at \$1.45/watt new home buyers request a lower total incentive amount. Please do your part by keeping incentives at a level that has a positive impact on our industry and our Arizona economy.

Sincerely,

Rich Eneim  
President  
Keystone Homes