



ORIGINAL

TUCSON ELECTRIC POWER COMPANY E-01933A-11-0269

In closing, I am really disappointed in the direction the Solar industry is on path to take for the immediate future. I am really saddened that 85% of the hundred or so Solar / Electrical Contractors will be out of business by mid year if not sooner because of the new directions that have been implemented. I would only hope that the ACC Commission would do some due diligents and determine in this economy that it would be better to direct TEP to put 90% of the 2012 REST funds into the Residential and Small Commercial programs. Allow them to generate as much business as they can and keep hundreds of people working in the mean time. Tucson Electric Power will have plenty of time to install there large scale projects. What we need today in Tucson, Az is JOBS and economy stimulation.

Respectfully Submitted,

Jim Petropoulos
S&D Electric Inc.

Commissioners,

I am writing this letter to ask a couple of questions as well as make a few comments, regarding the Tucson Electric Power Company's proposed REST Plan for 2012.

1. How was it determined by the board of commissioners of the Az. Corp. Comm. on the rebate amount of .75 cents per watt across the board for Sales & Leases?

Additional Information: Putting the amount at .75 cents per watt puts 85% of all the local solar contractors in serious jeopardy of losing their business's by mid year, thus putting many of the field installers and support office staff out of work. The Solar industry here in Tucson was moving along very good until the introduction of leases by the larger companies. We understand that business does in fact change and you either get on the boat or stay at the dock. We have brought on leases to our business, however with the rebates getting lowered to .75 cents per watt and the 1603 Treasury Grant being abolished by the Federal Government, it now puts many contractors in a dire situation. We really need (as commissioners) to ask ourselves some questions.

- a.) with the passing of TEP's plan how will it affect the industry as a whole?
b.) Will our decision affect an already crippled economy?
c.) Can we afford to put hundreds of people out of work in an industry that is growing not just in Tucson, but statewide?
d.) Will our decision hurt the solar industry?
e.) Is this a good decision for small business and our ability to keep that as a viable industry in Arizona or cripple it, possibly for good?

f.) Would it be better for us as a commission to direct the Utility (in this case TEP) to pay out higher rebate amounts and when the money is gone, it's gone or should we not allow TEP to keep almost 50% (\$17,000,000 out of the \$35,000,000 they estimate in taking in on the REST) of that money for large scale projects of there own and / or purchase agreements with developers or re-direct TEP to put most of that money into there REST program for Residential & Commercial PV Installations. MIGHT I REMIND THE COMMISSION THAT THIS IS RATE PAYORS MONEY, NOT TEP'S. It should be given back to the rate payors and not for TEP to use at its discretion. Thus keeping a growing market and large scale employment opportunities available to the general public? Not to mention allow people to take advantage of the savings the will net of eliminating their electric bills.

2. With regards to (f) above, how did TEP convince the commissioners to keep 50% of that money for large scale projects? Or was it just an over-sight by the ACC Commissioners?

Did you know that these projects are handled in most cases by the manufacturers of Solar Panels (large scale projects) i.e. Solon?

Did you know that, all that is put out to a few Solar and / or Electrical Contractors is to bid the installation of that system? Thus NOT allowing the installing Solar and / or Electrical contractor the opportunity to make any money on the equipment? Not to mention any of the Solar equipment distributors will not make any money as well. Thus eliminating any support jobs by the distributors, again adding to the unemployment statistics of Arizona. \*\*Please Note\*\* I was in the Electrical distribution market before becoming a Solar Contractor, and I will tell you, the Solar industry is the only sector of the electrical industry that gets away with this unethical way of doing business. (this was for your information only. I understand you do not oversee the electrical distribution market).

Arizona Corporation Commission DOCKETED

FEB - 3 2012

DOCKETED BY

Handwritten signature

Antonio Gill

From: Tadd Johnson (tjohnson@solarpathaz.com)
Sent: Tuesday, January 24, 2012 12:28 PM
To: Newman-Web; Burns-Web; Pierce-Web; Slump-Web; Kennedy-Web
Cc: Jodi Bellini; Tadd B Johnson
Subject: TEP REST Program
Attachments: TEP Residential Incentive Status 1-23-12.pdf

Dear Commissioners,

I'm writing to you as a very concerned Tucson Resident and Project Manager of a local PV installer. At this point our company has never done leased systems, only new purchases. Since TEP announcement in September 2011 our company has already laid off all but one install crew. I am concerned for my own job and therefore my family and home's welfare.

Please help me understand?

- 1) Why is over half of the Rest Budget going to help TEP install their own "Green Energy"? And how does that help me as a rate payer get my investment back?
2) In September 2011 I submitted an application to TEP to purchase a system for my own house. Now my only Option is to buy a leased system or purchase a share into the PV system TEP installed at an additional cost to me every month with no reduction in my bill! What happened here with benefits of being the rate payer who pays the tax that fills the budget? What are my benefits now?

I pay a tax so that Tucsonan's have a budget to use to help them go green if they can afford it. These Leased systems are an Economy Killer! They are purchased predominantly with tax payer money from the Federal tax breaks and TEP collected taxes. At least with a purchased system a substantial portion of the purchase is made with the people money that has been taxed therefore moving the economy the natural way (I earn money, I pay tax on it, and I spend it back into the economy). With the leased model the cost of the system is increased so that the tax benefits are higher and then the purchased gets paid by the tax breaks with very little coming from the consumer.

- 3) How is the leased model good for the economy? Doesn't the gov't have enough to pay for without taking on the responsibility of the solar community too?
4) What will happen to the new leasing solar community when the federal tax breaks run out in 2015?

Facts:

The \$5 Mill total budget for PV and Solar H20 is too small! Evidence is Attached in the PDF from TEP sent to installers today. They have almost reached the first trigger already with 75% of them being leased systems and of the purchased systems 5 of them are from us because we gave them away to keep ONE crew busy! (This is not doing business, its digging our grave)

We do not have a business model set up to sell leased PV systems; therefore we will soon be out of the ability to sell systems especially since the Federal Grant is no longer available for commercial clients.

I have already started to look for a new field to work in, given the state of our company and the unpredictable business partner TEP.

Suggestion:

Please revisit the TEP REST plan.

- 1) Give us more of the funds they are collecting from us. It's not their money! They should build their power plants with their own budgets.

2) Please provide a split differential incentive so that people who purchase a system get a bigger cut of the green tax. Leased systems get paid for by tax breaks they don't need a larger incentive to be able to sell their business model.

Please save my Job and the many other companies in our position!!!!

I look forward to your reply.

Thanks for your time,

Tadd Johnson

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Thank you

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