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Arizona Corporation Commission  
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August 5, 2013

Bob Stump, Chairman  
Commissioner Gary Pierce  
Commissioner Brenda Burns  
Commissioner Bob Burns  
Commissioner Susan Bitter Smith  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Chairman, Commissioners:

I would like to offer my sincerest apologies for an email sent by one of SolarCity's employees on July 31<sup>st</sup>, 2013 to a small subset of our customers. In that email, the employee alleged that the Commissioners had "met behind closed doors" with APS to implement an adjustment to the utility's avoided cost rate. We know for a fact that that is not true because we had representatives present at the June 12<sup>th</sup> open meeting at the ACC where that item was voted on. SolarCity does not agree with the allegation he made—it doesn't represent our point of view and it is not part of our public or private communications with customers on any issue.

When he sent that communication to customers, the SolarCity employee was acting without authorization or permission from the company. He acted alone and without our knowledge. We did not know about the email until it was forwarded to us from a customer. With over 3,000 employees total and more than 300 in Arizona alone, it can be difficult to keep track of each individual's actions. However, that is no excuse. We are taking steps to discipline this employee to ensure that this never occurs again. We are calling a special meeting of all Arizona employees to remind them of our policy against sending unsanctioned communications that do not represent the views of the company. Finally, we will send an email to the customers that received his email to clarify the misstatements made by our employee.

In closing, I want to reiterate my apology for the misunderstanding. I plan to implement the three steps listed above in order to correct the mistake that was made and ensure that nothing like it occurs again in the future. I look forward to reiterating this apology in person when your schedules allow for an in-person meeting. In the meantime, if you would like to speak further about this issue, please do not hesitate to call me at (650) 963-5100.

Yours sincerely,

Lyndon Rive  
Chief Executive Officer