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Arizona Corporation Commission

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Chairman Bob Stump
Arizona Corporation Commission
12900 West Washington St.
Phoenix, AZ 85007

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Re: Response to Barbara Lockwood's letter of April 18th (Docket No. E-00000)-14-0023)

Dear Chairman Stump and Ms. Lockwood:

This letter is in response to Ms. Lockwood's letter of April 18th regarding APS's lobbying to increase property taxes on Arizona solar customers.

Ms. Lockwood's letter contains a remarkable admission - that contrary to numerous prior denials, APS is in fact lobbying to increase property taxes on Arizona solar customers.

As detailed below, APS has engaged in a long pattern of serial lying to the public, its shareholders, and this Commission regarding its dark money lobbying. It will soon be proven that APS Chairman, President, and CEO Donald Brandt has personally lobbied for this tax increase. The long pattern of APS's lying about its dark money tactics includes the following instances:

In a July 12, 2013 *Arizona Republic* article in response to questions regarding an anti-solar ad launched by 60 Plus, APS spokesman Jim McDonald stated: "Was it made with resources that could have originated with APS? I don't know. We are not directly funding them. We didn't write the script, review the script."

In a July 15, 2013 *Phoenix Business Journal* article, APS spokeswoman Jenna Shaver stated: "Although we welcome public support from organizations like 60 Plus, their opinions on the topic are theirs alone. We have not contributed any funding to 60 Plus, but going forward we would certainly support organizations that share our position on important customer issues."

In an October 15, 2013 article, a *Huffington Post* journalist reported that McDonald again denied that APS was funding anti-solar ads. McDonald then changed his story and admitted to funding the dark money groups saying: "It goes through our consultant, but APS money does ultimately fund 60 Plus and Prosper."

When APS failed in its attempts to eliminate the solar industry through last year's proposals before this Commission, APS began a new attack - lobbying to raise property taxes on Arizona solar customers. APS set up a new dark money organization for this



campaign called the Arizona Prosperity Alliance, and again promptly began lying again about funding this dark money group.

In a February 26, 2014 article in the *Arizona Republic*, McDonald stated: "Not only is HB 2995 not a priority for us, we have not taken a position on it. It is a department of revenue issue."

In a March 8, 2014 *Phoenix Business Journal* article, McDonald was asked whether APS was lobbying for the property tax increase and stated: "It's not true. It just flat out isn't true."

In a March 14, 2014 edition of *Yellow Sheet*, APS provided a written statement declaring: "APS does not have a position on this issue and is not advocating for any particular outcome." Even after a State House Representative and a member of the Governor's staff confirmed this lobbying, McDonald continued to deny it, stating: "I'm telling you the company does not have a position and we're not advocating any outcome." McDonald also stated: "If you're asking me about H2595 - no, we are not involved with that."

In a March 17, 2014 *Capitol Times* article APS stated: "APS does not have a position on this issue and is not advocating for any particular outcome," and "[a]ny APS employee who left a different impression was expressing his or her own opinion and not that of the company."

Contrary to these and many other private denials, Ms. Lockwood has now admitted in her April 18th letter that APS is in fact lobbying to raise property taxes on solar customers. Presumably APS will now also acknowledge that Mr. Brandt has personally lobbied for this property tax increase, as this lobbying will soon be documented.

As a monopoly regulated by this Commission, APS is entrusted with the public good. APS owes the public better than serial lying to the public, its shareholders, and its regulators. The solar industry would welcome a new dialogue with APS, however that dialogue must begin with honesty.

Sincerely,

Bryan Miller
Vice President Public Policy & Power Markets,
Sunrun, Inc.