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ARIZONA CORPORATION COMMISSION

ORIGINAL


2015 JAN 13 A 11: 53  
January 13, 2015

Arizona Corporation Commission  
DOCKETED

JAN 13 2015

CORP COMMISSION  
DOCKET CONTROL

Re: Docket No. E-00000J-14-0415

DOCKETED BY 

In the Matter of the Commission's Inquiry into Solar Distributed Generation Business Models and Practices and Their Impacts on Public Service Corporations and Their Ratepayers

To: Fellow Commissioners and Interested Parties:

At our Staff Meeting on December 19, 2014, the Commission discussed and voted to open a generic docket to study business models related to solar distributed generation. Accordingly, the above referenced docket was opened on December 22, 2014. At the outset, I want to note that I believe that our inquiry should evaluate business models, practices and impacts for both residential and commercial distributed solar electric generation.

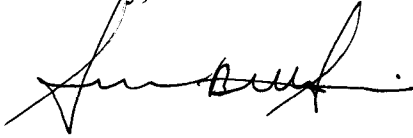
During recent REST implementation plan proceedings and in other dockets we have heard arguments and anecdotal evidence regarding the advantages and disadvantages of business models relating to both the leasing of and purchase of distributed solar electric generation equipment. There have been similar or related discussions in other states, before federal agencies, by Congress and in other venues. Distributed solar electric companies have collaborated with the National Renewable Energy Laboratory to study solar securitization and capital finance and formats for solar leases. Clearly these topics are of great interest to customers, stakeholders and utilities.

The leasing, purchasing and installation of distributed solar electric generation may fall within the purview of other Arizona state agencies, including the Arizona Attorney General's Office and the Arizona Registrar of Contractors. It is my hope that we will be able to collaborate with those agencies to identify any consumer issues associated with this equipment and in particular to ascertain the level of consumer complaints, if any relating to these products. Moreover, there may be other state, regional and national agencies and organizations which may have studied or evaluated such business models and their impacts. These entities could include consumer advocates, ratepayer advocates, technical organizations and government bodies. It may be beneficial to review their work in connection with our own inquiry.

I invite all interested parties to submit comments concerning the Commission's inquiry and to include information they may have related to entities which may have conducted or still are conducting, similar studies and analyses. Also, comments may include materials previously submitted in other dockets addressing similar issues. Submitted comments should be docketed in Docket No. E-00000J-14-0415. In addition, it would be most helpful in my review of these matters to have any submissions docketed on or before February 13, 2015. Further, I have not

prejudged issues or reached any conclusions concerning this inquiry and I look forward to my future full consideration of these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Bitter Smith". The signature is fluid and cursive, with a prominent initial "S" and a long horizontal stroke at the end.

Susan Bitter Smith  
Chairman