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ARIZONA CORPORATION COMMISSION

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Commissioner

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September 27, 2007

Mayor Ronald Oertle
City of Bisbee
118 Arizona Street
Bisbee, Arizona 85603

Re: City of Bisbee's Ordinance Waiving Fees Associated with Solar Energy Projects

Dear Mayor Oertle:

I am writing today to commend you and the City of Bisbee for your recent decision to waive all fees associated with building permits, plan reviews and inspections for solar energy installations.

To my knowledge, Bisbee's ordinance is the first of its kind in Arizona, and should serve as an example of the kinds of actions cities and towns across the state can take to encourage the development of solar energy. Toward that end, I have instructed my Staff to post the Bisbee ordinance on my website at the Arizona Corporation Commission ("ACC").

As you may know, the ACC took a significant step toward spurring a marketplace for renewable energy when we passed the new Renewable Energy Standard on October 31, 2006, increasing the amount of renewable energy that our state's electric utilities must produce to 15 percent by 2025. As part of this requirement, the utilities must assist individuals, businesses, schools and municipalities with the installation of solar rooftops, and other forms of renewable distributed generation. This will be accomplished through a rebate the utilities will provide for those wishing to install solar rooftops.

Bisbee's commitment to not charge fees associated with the permitting process for installing new solar rooftops will work hand-in-glove with the RES rebates to make solar energy more affordable than it's ever been for your city's residents. It will also help us achieve the ambitious goals set out by the RES by bringing down the cost of solar installations. While it is not clear how much the installed cost of a solar project in Bisbee will be reduced by this action, I am aware that some jurisdictions in Arizona charge their residents several hundred dollars for solar electric building permits and thousands of dollars for non-residential permits. Over time, Bisbee's actions could play a part in bringing down the cost of solar statewide, particularly if other cities follow your lead.

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Again, thank you for assuming a leadership role in promoting renewable energy and making Arizona the solar state.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Mayes". The signature is fluid and cursive, with a prominent initial "K" and a long, sweeping tail.

Kris Mayes
Commissioner

cc: Chairman Mike Gleason
Commissioner William Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce
Dean Miller
Lace Collins