



Guest Column: Solar power must flourish in Arizona, but not at taxpayers' expense

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A recent article addressed the cost of solar incentives, but it told only part of the remarkable story developing at the Arizona Corporation Commission. The true headline is that while incentives have gone down each year, renewable energy installations have dramatically increased.

Arizona utilities, as regulated monopolies, are ahead of schedule with regard to renewable energy production, especially for residential and commercial installations, and we do not want to see customers pay more than they should. After years of generous incentives have helped commercial solar get off the ground, the declining costs of solar have brought us to a place where the market can nearly sustain itself without them. The fact is, Arizona is a leader in renewable energy and will continue to lead - while keeping costs as low as possible.

Last fall, the Solar Energy Industries Association praised Arizona for being second in the nation for solar installations, slightly trailing California. The association called 2012 an "unprecedented, banner year for solar installations." Arizona added more residential solar in 2012 than in the past three years combined. In 2012, Arizona was No. 1 in the Southwest for rooftop solar. The ACC is proud that Arizona has achieved this level of success while gradually lowering incentives and thereby protecting ratepayers' pocketbooks.

We have maintained residential incentives in Tucson Electric Power's and Unisource Energy's 2013 budgets. Residential ratepayers who are considering obtaining a solar installation can receive up to \$700 for the average 7,000 KW system. They can also take advantage of federal and state tax incentives, and favorable net metering rates from the utilities.

Harnessing the sun is not free, of course. There are indeed costs.

We are deeply concerned about expected ballooning renewable energy budgets in the future, and their impact on ratepayers' wallets. Many commercial installations receive performance-based incentives. These incentives are paid out over years at a time, meaning that future generations will continue to pay those bills for large corporations.

The story of solar in Arizona is not complete, but it has reached a new chapter. We remain committed to the goal of ensuring that renewable energy is part of a balanced portfolio that includes coal, natural gas and nuclear power.

At the same time, we will continue to be fiscally sound when implementing policies to help renewable energy flourish in Southern Arizona. Flourish it will - but not at the expense of Arizonans' pocketbooks.

Bob Stump is chairman of the Arizona Corporation Commission. Brenda Burns, Bob Burns, Gary Pierce and Susan Bitter Smith are commissioners.