

Arizona's solar industry went into this year's legislative session with an optimistic outlook and a conservative agenda. While we have a legislative agenda, our primary goal was to begin an educational process for the new Legislature and promote the formation of a Renewable Energy Caucus. However we soon found that there was a great deal of interest in energy, especially renewable energy, and that around twenty energy bills had been introduced. Not all of these bills were what the industry wanted or needed, but we found ourselves working to support the best and do what we could to make any legislation that had a chance of passing more effective.

One of the bills that we initiated was **HB2491 solar energy tax credit; application.** (Mason, Boone: Anderson, Nelson, Prezelski, Weiers J.)

This bill is a technical correction to clarify the commercial solar energy tax credit passed last session in HB2429. An interpretation by the Departments of Revenue and Commerce has prevented the tax credit being taken by third parties for the installation of solar energy systems at schools, state buildings and similar facilities. It clarifies the original intention of the commercial tax credit language to insure that third party financiers can include system developers, contractors, etc. This will enable systems to be installed on state facilities, schools, nonprofits and other non-taxpaying entities using energy savings to pay for the systems.

The commercial tax credit is capped at \$1 million so there is not any additional impact on the budget. It is important for this language to be changed so that Arizona can realize the full economic development and air quality impact of last years legislation. Since this is the last week to hear House bills, this bill is being heard in two committees tomorrow, Wednesday March 28, 2007. It must make it through the Senate Finance Committee first, a committee that we bypassed year with the help of the Committee chair, now Sate Treasurer Dean Martin. This committee will be a difficult hearing since it has three members who consistently have voted against solar energy legislation, Senators Cheuvront, Gould and Gorman. If you live in their districts, we encourage you to call and to email them and ask them to support this legislation. In fact, we also could use your help encouraging other members of the committee to vote to give this legislation a "do pass recommendation". All of the others voted for the tax credit bill last year, but we need to be sure that we have the votes of all committee members, especially Senator Leff. She supported the bill last year, but a few phone calls from constituents for insurance would be a good idea.

Senate Finance Committee

Members	District Email	Phone
Robert "Bob" Burns	District602-926-5993 9	rburns@azleg.gov
Ken Cheuvront	District602-926-5325 15	kcheuvront@azleg.gov
Pamela Gorman	District602-926-5284 6	pgorman@azleg.gov
Ron Gould	District602-926-4138 3	rgould@azleg.gov

Barbara Leff	District 11	602-926-4486 bleff@azleg.gov
Debbie McCune Davis	District 14	602-926-4485 dmccunedavis@azleg.gov
Richard Miranda	District 13	602-926-5911 rmiranda@azleg.gov
Jim Waring	District 7	602-926-4916 jwaring@azleg.gov

We will also be going through the Senate Natural Resources and Agriculture Committee. If your Senator is a member, please contact them and ask them to support **HB2491 solar energy tax credit; application**. Also ask them to support **HB 2496 - Schools; Energy and Water Savings (now: schools; energy and water efficiency)(Mason, Burns J, Aboud, et al)**. These bills will help Arizona reduce our demand for imported energy and provide the air quality and economic development benefits that solar, renewable energy and energy efficiency can provide to our state.

Natural Resources and Rural Affairs

Members	District	Phone	Email
Amanda Aguirre	District 24	602-926-4139	aaguirre@azleg.gov
Marsha Arzberger	District 25	602-926-4321	marzberger@azleg.gov
Robert Blendu	District 12	602-926-5955	rblendu@azleg.gov
Jake Flake	District 5	602-926-5219	jflake@azleg.gov
Chuck Gray	District 19	602-926-5288	cgray@azleg.gov
Karen Johnson	District 18	602-926-3160	kjohnson@azleg.gov
Leah Landrum Taylor	District	602-926-3830	llandrumtaylor@azleg.gov

One of the bills that cropped up and has taken life is **HB2593 homeowners associations; solar panels**. Rep. Chad Campbell, of District 14, introduced this legislation and we have been working with him to make this bill more effective than its introduced version. This bill makes changes to Arizona's solar rights statute ARS 33-439. This long-standing statute supports the rights of homeowners to install solar energy devices, yet has been ignored since its passage in 1979, by many homeowners associations. The Arizona Solar Energy Industries Association supports this legislation with the adoption of the Flake amendment.

This bill allows HOA's to adopt reasonable rules for the placement of a solar energy device if those rules do not impair the functioning of the device, restrict its

use, or adversely affect the cost or efficiency of the device. The amendment also contains some strong legislative intent language to make it very clear that the Arizona Legislature supports the private property rights of homeowners to install solar energy devices.

The Arizona Solar Energy Industries Association (AriSEIA) has worked to assist HOA's in the adoption of standards that will lead to aesthetically installed solar energy systems, yet a great many associations still arbitrarily deny applications from homeowners or place onerous restrictions in their way. We have also battled the HOA's in the courts in the Garden Lakes case and won an important victory. Rising costs and energy supply are serious concerns of Arizona homeowners. Greater use of solar energy by Arizona homeowners will lead to greater energy independence for our state, the creation of jobs, and cleaner air for our communities.

This bill will be before the Senate Government Committee on Thursday afternoon and calls from constituents will help get his bill past committee. Please ask your Senator to vote in favor of **HB2593 homeowners associations; solar panels and the Flake amendment**. The Flake amendment will add clarification and add the intent language.

Senate Government Committee

Members	District	Phone	Email
Robert Blendu	District 12	602- 926-5955 rblendu@azleg.gov	
Meg Burton Cahill	District 17	602-926-4124 mburtoncahill@azleg.gov	
Jake Flake	District 5	602-926-5219 jflake@azleg.gov	
Jorge Luis Garcia	District 27	602-926-4171 jgarcia@azleg.gov	
Linda Gray	District 10	602-926-3376	lgray@azleg.gov
Jack W. Harper	District 4	602-926-4178 jharper@azleg.gov	
Charlene Pesquiera	District 26	602-926-4326 cpesquiera@azleg.gov	

To learn more about who your legislators are, go to <http://www.azleg.gov/MemberRoster.asp>. You may also go to <http://www.vote-smart.org> (You will need your 9-digit zipcode.) or call the House or Senate information desks. If you're outside the Phoenix area, you can call your legislators' offices toll free at 1-800-352-8404. In the Phoenix area call (602) 926-3559 (Senate) or (602) 926-4221 (House). Correspondence goes to 1700 W. Washington, Phoenix, AZ 85007-2890. For more information on legislation go to <http://www.azleg.gov>.

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For questions or further information, contact:
Michael Neary
Arizona Solar Energy Industries Association
602-708-1497