Politics, once again may prevent solar energy solar energy legislation from passage in the Arizona Legislatures. While we are dealing with the potential changes that are being sought by the Governor's office, we are now saddled with the potential that our bill will not be included in the box and killed due to the hard feelings toward Rep. Lucy Mason. Rep. Mason has not always voted the way the Republican majority wanted on various bills and this may be payback.

Last year, as you may remember, at the last minute, partisan politics killed our tax credit legislation. It is a long story, but one worth remembering. Last years bill, SB1380, appeared to be heading for a final read on the floor of the Senate. However again at the eleventh hour, the Governor's office became interested in modifying some of the components of the bill. They wanted to modify state building language, implement a cap (overall \$8,000,000/yr) and implement a reservation system. Ultimately, they agreed to drop the cap and reservation requirement for a portion of the existing tax credit, primarily residential hot water. Language for an amendment was drafted.

However, during a closed-door meeting, leadership in the House and Senate met to discuss SB 1380. They decided to drop the per year cap on the three new credits from \$2,000,000 to \$200,000 and not make the new credits effective for 18 months from now. Now there's a way to kill an industry and keep projects from going in for a year and a half.

The industry was faced with making the decision to kill our own bill.....which we have had to do before bill and start over next session, or push to get the bill to the Governor's desk and seek changes next session. The industry opted to pursue passage since there were beneficial components of the legislation that would have assisted the solar industry immediately

At first, Senator Martin was not going to allow the bill to come to the floor, but changed his mind and the bill was voted on. Passage failed by one vote of the necessary 16 for passage. Of the 6 no votes, 5 were Democratic Senators that were not on the floor when the bill was read.

Because there were a large number of Senators absent, Sen. Martin requested reconsideration (request for a second vote). A push was made to get the absent Senators to the floor, but the delay opened the door for Sen. Ron Gould (an outspoken opponent to solar energy tax credits and this legislation) to begin his assault on the bill. According to our representative at the Senate, Sen. Gould led a misinformation campaign about solar energy on the floor of the Senate and the bill again failed. The legislative session ended that evening.

That was last year, now, this year, we are faced with the same problem, last minute interference from the Governor's Office..... but now with the additional twist, hard feelings towards the bill's sponsor, Rep Mason. Evidently, payback is one of the Ten Commandments at the Arizona Legislature

Our efforts to get in the box have shown us that the Legislature and the Governor have the same thing in mind when it comes to making an investment in solar energy in Arizona keep it at a minimum. The Speaker of the House has suggested that we might possibly be considered at the \$3 Million level. While this falls short of our hopes, it is better than nothing. We are suggesting an initial lower cap that rises to the current \$7 million over a few years. However, we still have the problem with the hard feelings towards our sponsor Lucy Mason.

We are working to convince leadership that this bill should be allowed to see the light of day.

If you have not already done so, please contract your legislators and the Governor's Office and ask them to actively support the passage of HB2429 solar energy tax incentives. Ask them not to let politics prevent solar energy legislation form being passed for two years in a row.

To contact your legislators, go to <u>www.azleg.state.az.us/MemberRoster.asp</u>. It is best to send a letter via email or fax and to follow up with a phone call. If you are not sure who your legislators are, you may go to <u>www.vote-smart.org</u>. You will need to know your nine digit zip code).

You may also call the House or Senate information desks. Outside of the Phoenix area, you may call your legislator's office toll-free at 1-800-352-8404. In the Phoenix area, call 602-926-3559 for the Senate and 602-926-4221 for the House. To reach the Governor, call 602-542-4331 or toll free 1-800-253-0883. Her fax number is 602-542-1381. To email her, go to <u>http://azgovernor.gov/Contact.asp.</u> Her address is 1700 West Washington, 9th Floor, Phoenix, Arizona 85007.Correspondence can be sent to 1700 W Washington, Phoenix, AZ 85007-2890. For more information on legislation go to **www.azleg.state.az.us/MemberRoster.asp**

For further information, go to ww.arizonasolarindustrh.org or contact: Michael Neary, Arizona Solar Energy Industries Association at 602-708-1497.