

In February, the Arizona Corporation Commission (ACC) adopted the Environmental Portfolio Standard (EPS) which requires all utility companies that sell retail electricity in Arizona to generate a percentage of their electricity from renewable resources. APS has started to provide energy generated from renewable resources through several programs. One of the programs offered by APS is the EPS Credit Purchase Program. Customers in APS service territory that live in remote areas without access to electricity from APS' distribution system (the grid) and who purchase and have installed complete solar systems to provide their electricity are eligible for the EPS Credit Purchase Program. Customers purchasing a new solar electric system of 5 kW or less for their remote (off-grid) homes can receive an EPS Energy Purchase rebate of \$2.00 per photovoltaic watt of DC electricity. Remote Solar customers must sign an EPS Credit Purchase Agreement assigning APS access to the EPS credits for 12 years. Again, as an example, 1,000-watt solar system qualifies the customer to receive \$2,000 from APS.

Arizona law provides a solar energy tax credit to any taxpayer in Arizona who installs a solar energy system in their residence. The solar energy tax credit is equal to 25 percent of the cost of the system; however the maximum credit in a taxable year cannot exceed \$1000. If the solar energy tax credit awarded to the taxpayer is greater than the taxes due the taxpayer can carry the credit forward for a total of five years.<sup>1</sup>

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<sup>1</sup> Public Utilities of New Mexico is currently not involved in any solar energy projects. The state of New Mexico does not offer any tax credits for solar projects.