



Arizona's Opportunity: Quality Jobs Through Renewable Energy

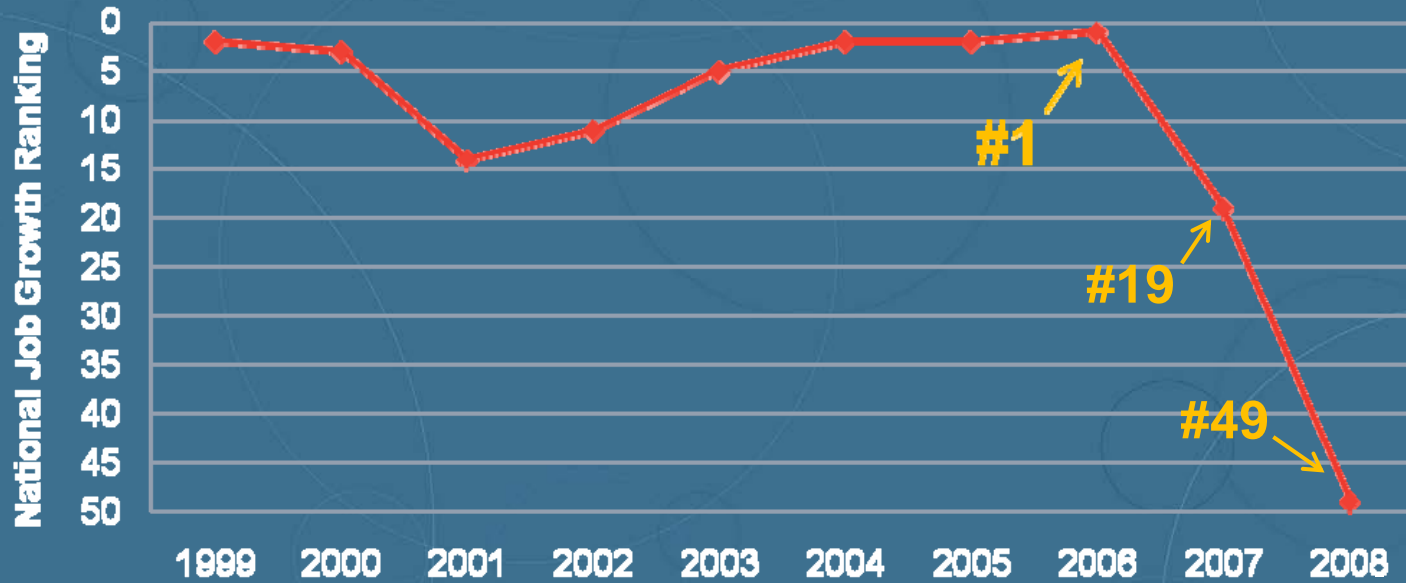


GREATER PHOENIX
ECONOMIC COUNCIL

Recent Economic Trends in Arizona

Dramatic Decline in Job Growth

Arizona's Job Growth Ranking: 1999-2008

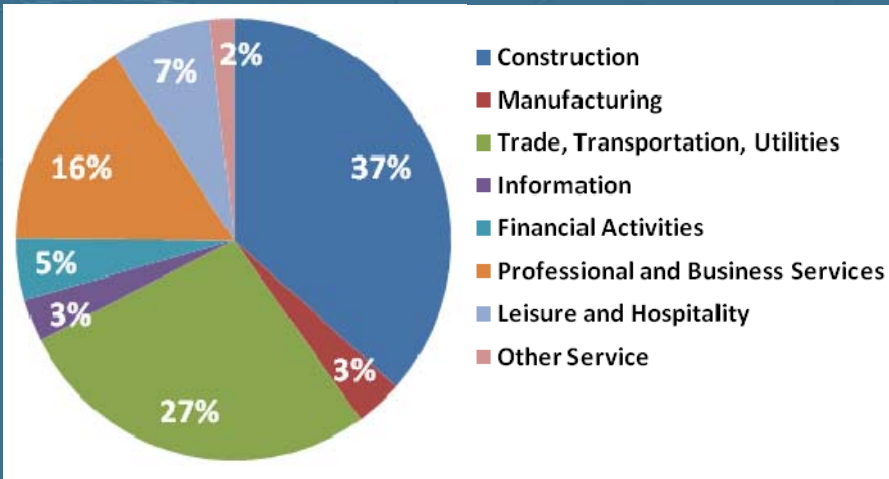


Source: U.S. Bureau of Labor Statistics

Single Industry Model is Not Sustainable

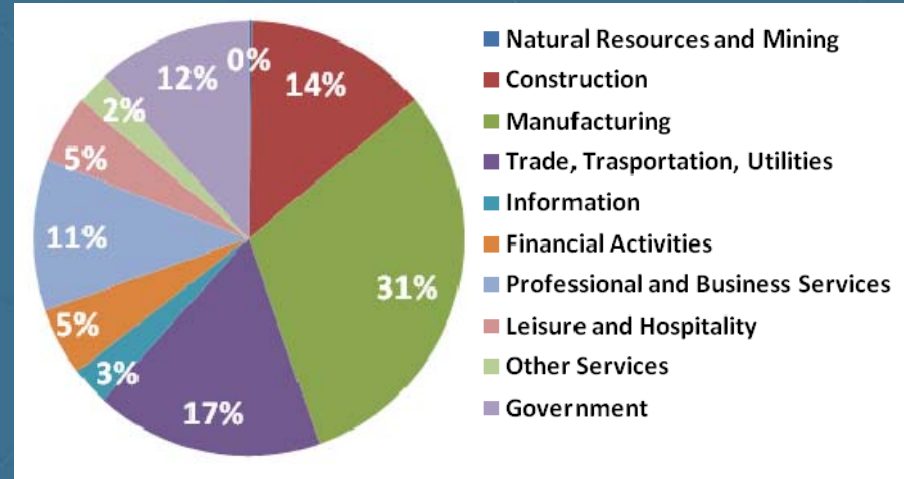
Arizona vs. Michigan: Jobs Lost by Industry Nov 2007-Nov 2008

Arizona's Dependence on Construction* Construction Job Loss: 37%



* Construction represents about 8.6% of all private industry employment in Arizona. (2007)

Michigan's Dependence on Auto Industry* Manufacturing Job Loss: 31%



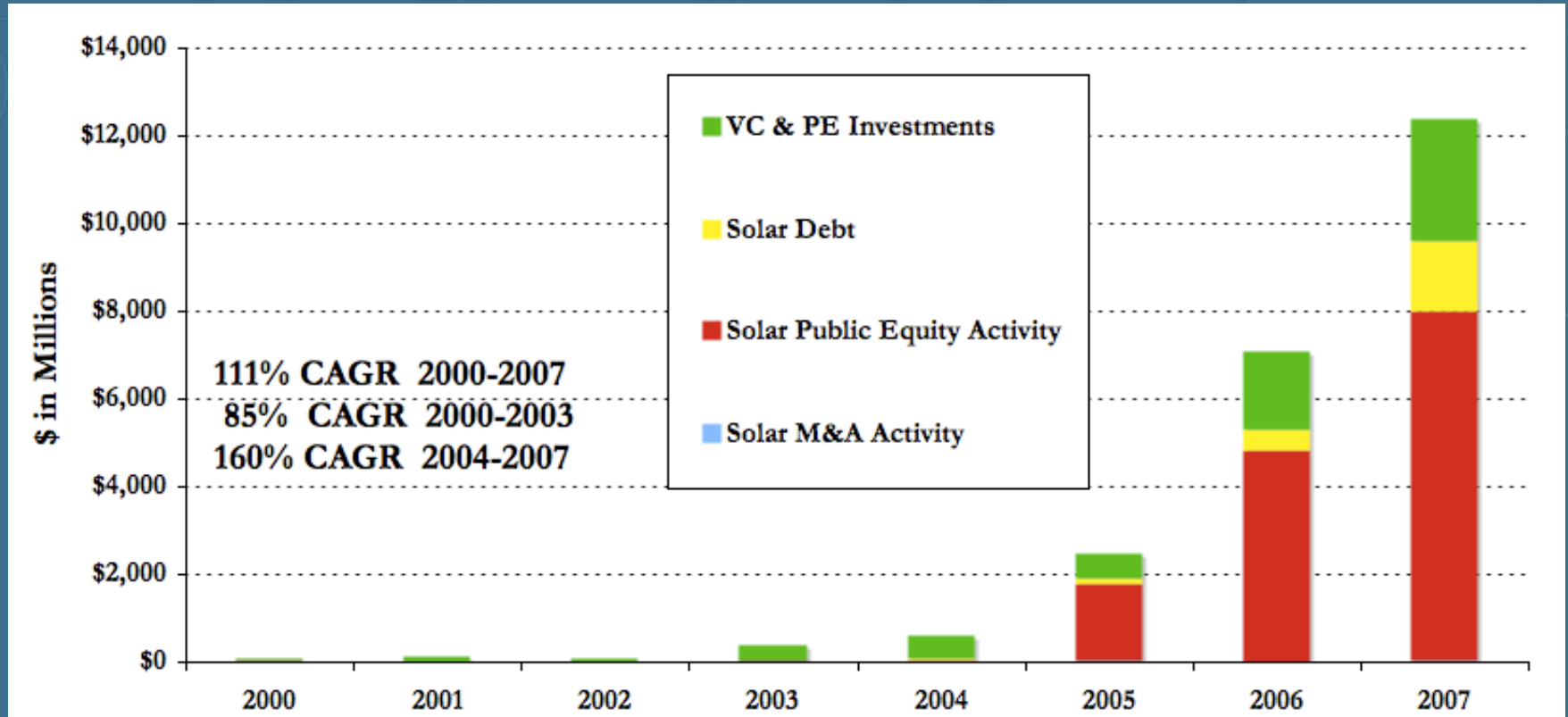
* Motor vehicle manufacturing represents about 6.2% of all private industry employment in Michigan. (2007)

SOLAR MARKET TRENDS

Solar a Fast-Growth Industry

Global Solar Investment Trends

- Total investment in solar energy reached \$12B in 2007, from \$66M in 2001.
- Between 2004-2007, total investment increased by almost 20-fold.

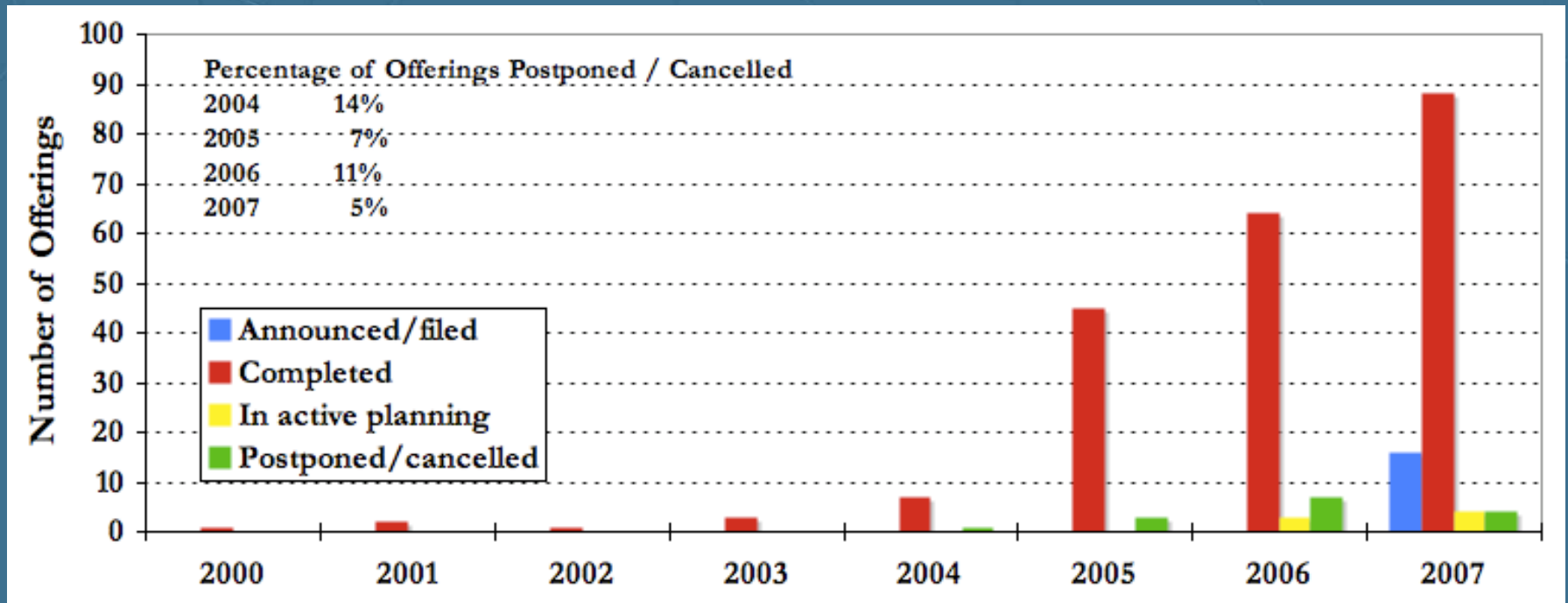


*Excluding government R&D and project finance investments
Source: NEF / NREL / FACC

Solar a Fast-Growth Industry

Global Solar Investment Trends

- Public offerings of solar companies grew rapidly (2005-2007), with 45, 64 and 88 offerings, sequentially.
- \$1.1B was raised (Q1-08) in 17 completed public-equity offerings.



Source: NEF / NREL / FACC

Solar and Renewable Energy are Important for the U.S.

National Factors Driving Industry Growth

GROWTH OF A GREEN-COLLAR WORKFORCE

- U.S. solar-supported employment will add 276,000 jobs. (2009-2016)
- 1 in 4 U.S. workers in renewable energy / energy efficiency industries by 2030. (includes engineering, manufacturing, construction, accounting, management)

EXTENSION OF 8-YEAR TAX CREDIT

- U.S. solar installations will rise.
- Total U.S. solar-related investments will increase by \$232B. (2009-2016)

PRESIDENT OBAMA'S ENERGY PLAN GOAL

Create 5 million new green jobs

- Invest \$150B over next 10 years to catalyze private-sector efforts.
- Ensure 10% of nation's electricity from renewable sources by 2012 and 25% by 2025.

Source: Navigant Consulting

ARIZONA'S OPPORTUNITY

Opportunity to Capture Solar

Arizona Leading the Nation with Key Solar Assets

Highest concentration of sun.

- Technical potential for concentrating solar power nearly 2.5 TW.

Forefront of renewable energy.

- Arizona Corporation Commission has aggressive requirement for solar → 30% of total renewable mix.

Largest utility-scale plant.

- Abengoa and APS creating one of the largest solar plants in the world.

Site of nation's only accredited testing lab.

- PV design qualification and type approval at ASU Polytechnic.

Strategic geographic location.

- Close proximity to California—world's 4th largest solar market.

Reliable power.

- Half the kilowatt price of California.

**Yet, Arizona
ranks 7th of 7
Mountain West
states pursuing
solar**

Opportunity to Capture Solar

Arizona Strategically Positioned for Full Economic Upside

AZ missing economic opportunities for high-wage jobs

Producing power

STRATEGICALLY POSITIONED

Solana

85 jobs;
\$1B investment

Consuming technology

MAKING SOLAR REAL

PV distribution to housing

Net-metering;
APS & SRP;
distributive technology

Schott: Lost to New Mexico

1,500 jobs and
\$586M investment;
Supplier to APS & SRP

GPEC's Solar Pipeline

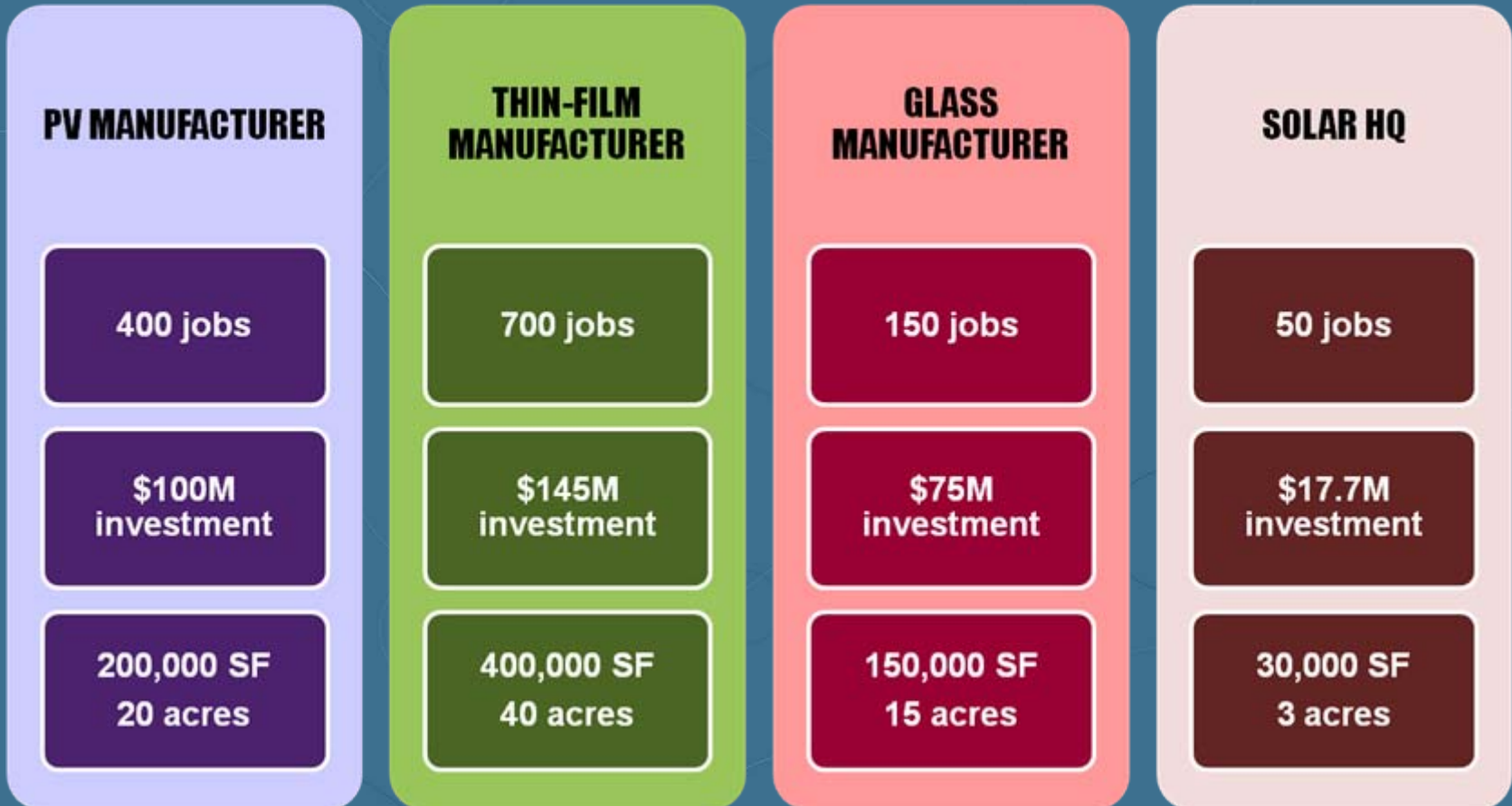
Current Solar Projects

- Includes PV and thin-film manufacturing, utility scale power generation, distributed generation, and supplier projects.
- 11 projects in the pipeline, worth \$5.2 billion in capital investment and 5,260 jobs, are eligible for the proposed tax credit program.

Number of Projects	Number of Jobs	Capital Investment (\$Mil)	Average Annual Wage	Average Facility Size (SF)
29	6,712	\$8,544	\$46,670	479,059

What are the Economic Benefits?

Sample Project Comparisons



Based on actual projects from GPEC pipeline except for headquarters, which is a composite of past headquarter projects.

WHAT ARIZONA NEEDS

Quality Jobs Through Renewable Industries Program

Program Requirements

Healthcare Coverage

- Firm must offer health coverage, paying 80% or more of the premium for the employee or equivalent for alternative health plans.

High-Wage Jobs

- Jobs must pay on average at least 125% of the median state wage as determined by the Arizona Department of Commerce.

Quality Jobs Through Renewable Industries Program

Program Description

State Income Tax Credit

- **Transferable state income tax credit based upon capital investment and job creation.**

Property Tax Reclassification

- **Roughly 80% real and personal property tax reduction for 10-15 years.**

Quality Jobs Through Renewable Industries Program

Benefits to Arizona

- Provides net new revenue to the state and its communities.
- Promotes high-wage job creation.
- Requires company to provide healthcare coverage for employees.
- Requires clawbacks from companies for non-performance.
- Produces a likely positive budget impact for state through 2012.
- Positions rural areas to be competitive for high-wage jobs.
- Opportunity to dominate in the solar industry.

Questions

Thank You for Your Time!

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