

July 8, 2010

Dear Installer,

This letter is to provide information regarding two updates that APS has made to the residential Renewable Energy Incentive Program (REIP) on July 2nd, 2010. These updates include the Bi-Weekly Status Report e-mail and customer communication regarding their approved incentive levels.

Bi-Weekly Status Report

APS will send the e-mail Bi-Weekly Status Report reflecting July 2, 2010 funding cycle 2 addendums sent to customers. The addendums offer APS customers the option of moving forward with their reservation or cancelling their application and forfeiting their spot in the queue. Each customer will have 30 days to respond to the addendum to reserve their funds. If there is no correspondence back from the customer confirming their intent to move forward, their application will be cancelled.

Customer Communication

On July 2nd, 2010 APS began notifying customers who submitted applications. Various addendums have been sent to customers depending on their particular application submitted, either due to the incentive amount or the technology. **APS has requested that the customer sign and complete the addendum and return to APS within 30 days. If APS has not received an executed addendum postmarked within 30 days, the customer's reservation will be forfeited and they will lose their place in the queue. The deadline for turnaround is the first week of August as outlined in each customer letter.**

As with the first funding cycle, APS will not be providing Installers with a list detailing what letter each customer received, rather APS recommends the Installer contact their customers to determine the status of their funding requests. It is further suggested that all installers manage this process based off of their own sales reports and not off of the APS complimentary bi-weekly report.

Please keep in mind the program is intended to accept applications from actual contracted clients of yours, any misleading or falsely represented application will result in vendor expulsion from the program. We appreciate everyone's compliance of the program and representing the fiduciary responsibility of their customers.

If you have any questions, please feel free to contact us by e-mail.

Thank you for your participation in the APS Renewable Energy Incentive Program.

Sincerely,

APS Renewable Energy