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Tucson Electric Power Company

One South Church, Post Office Box 711
Tucson, Arizona 85702

March 2, 2009

Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Docket Nos. E-01933A-07-0402 and E-01933A-05-0650, Decision No. 70628

Mr. Johnson,

Pursuant to Decision No. 70628 (December 1, 2008) and Section 9.6 of the Tucson Electric Power Company Proposed Rate Settlement Agreement, dated May 29, 2008, Tucson Electric Power Company ("TEP") is required to submit semi-annual Demand-Side Management ("DSM") program progress reports on March 1st and September 1st of each year in accordance with Commission Staff's recommendations. Enclosed please find TEP's Semi-Annual DSM Program Progress Report for the reporting period of July 1, 2008 through December 31, 2008. The marketing materials for the reported DSM programs are being filed directly with Commission Staff on the attached CDs.

Also enclosed is an additional copy that the Company requests you date-stamp and return in the self-addressed, stamped envelope for our files.

If you have any questions, please contact me at (520) 884-3680.

Sincerely,

Jessica Bryne
Regulatory Services

Enclosures: Report and 2 CDs

cc: Docket Control, ACC (w/o CD)
Barbara Keene, ACC (with 2 CDs)
Compliance, ACC (w/o CD)
Shannon Kanlan, ACC (w/o CD)

Arizona Corporation Commission
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SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

This progress report includes the following information for all TEP Demand Side Management (DSM) programs in place during this reporting period, including programs for residential, non-residential, and low-income customers:

- A brief description of the program;
- Program modifications;
- Program goals, objectives, and savings targets;
- Programs terminated;
- The levels of participation;
- A description of evaluation and monitoring activities and results;
- kW, kWh, and therm savings;
- Problems encountered and proposed solutions;
- Costs incurred during the reporting period disaggregated by type of cost, such as administrative costs, rebates, and monitoring;
- Findings from all research projects; and
- Other significant information.

Summary pages detailing DSM program expenses for July through December 2008 and for the entire year are provided in Tables 1 and 2. Program savings benefits are provided in Table 3. Lifetime Environmental benefits are provided in table 4. Program savings and costs since program inceptions are provided in Table 5.

Tucson Electric Power Co.

SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

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SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

Table 1

DSM PROGRAM EXPENSES: JULY - DECEMBER 2008

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Residential Programs							
Low-Income Weatherization	\$ 90,566	\$ 18	\$ -	\$ 6,344	\$ -	\$ 4,481	\$ 101,409
Guarantee Home	\$ 89,600	\$ 26,904	\$ 322	\$ 285,370	\$ 215,932	\$ 5,878	\$ 624,007
Shade Tree Program	\$ 65,800	\$ -	\$ -	\$ 1,127	\$ -	\$ 4,643	\$ 71,570
Energy Star Lighting (CFL)	\$ 225,844	\$ 1,676	\$ 8,434	\$ 99,712	\$ 3,660	\$ 4,960	\$ 344,287
Efficient Home Cooling	\$ 39,500	\$ 911	\$ -	\$ 14,708	\$ 1,728	\$ 4,860	\$ 61,706
Total for Residential Programs	\$ 511,310	\$ 29,509	\$ 8,757	\$ 407,261	\$ 221,320	\$ 24,821	\$ 1,202,979
Support Programs							
Education & Outreach Programs	\$ -	\$ -	\$ 283,959	\$ 3,081	\$ -	\$ 4,481	\$ 291,521
Total for Support Programs	\$ -	\$ -	\$ 283,959	\$ 3,081	\$ -	\$ 4,481	\$ 291,521
Commercial Programs							
Non-Residential Existing Facilities	\$ 6,183	\$ 54	\$ -	\$ 88,541	\$ 787	\$ 6,516	\$ 102,081
Small Business	\$ -	\$ 27	\$ -	\$ 86,547	\$ -	\$ 4,535	\$ 91,109
Efficient Commercial Building Design	\$ -	\$ 27	\$ -	\$ 29,243	\$ -	\$ 4,686	\$ 33,956
Total for Commercial Programs	\$ 6,183	\$ 108	\$ -	\$ 204,330	\$ 787	\$ 15,737	\$ 227,145
Segment Totals	\$ 517,494	\$ 29,616	\$ 292,716	\$ 614,673	\$ 222,107	\$ 45,039	\$ 1,721,645

Program Costs	\$ 1,721,645
Measurement, Evaluation & Research (MER)	\$ 295,492
TOTAL	\$ 2,017,137

Table 2

DSM PROGRAM EXPENSES: JANUARY - DECEMBER 2008

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Residential Programs							
Low-Income Weatherization	\$ 94,851	\$ 10,018	\$ 5,000	\$ 16,396	\$ -	\$ 10,253	\$ 136,518
Guarantee Home	\$ 423,300	\$ 27,417	\$ 322	\$ 693,928	\$ 413,517	\$ 118,444	\$ 1,676,928
Shade Tree Program	\$ 121,405	\$ -	\$ -	\$ 1,677	\$ -	\$ 14,745	\$ 137,827
Energy Star Lighting (CFL)	\$ 225,844	\$ 1,676	\$ 8,434	\$ 99,712	\$ 3,660	\$ 4,960	\$ 344,287
Efficient Home Cooling	\$ 39,500	\$ 911	\$ -	\$ 14,708	\$ 1,728	\$ 4,860	\$ 61,706
Total for Residential Programs	\$ 904,900	\$ 40,022	\$ 13,757	\$ 826,421	\$ 418,904	\$ 153,262	\$ 2,357,266
Support Programs							
Education & Outreach Programs	\$ -	\$ -	\$ 378,722	\$ 3,081	\$ -	\$ 20,355	\$ 402,158
Total for Support Programs	\$ -	\$ -	\$ 378,722	\$ 3,081	\$ -	\$ 20,355	\$ 402,158
Commercial Programs							
Non-Residential Existing Facilities	\$ 6,183	\$ 54	\$ -	\$ 88,541	\$ 787	\$ 6,516	\$ 102,081
Small Business	\$ -	\$ 27	\$ -	\$ 86,547	\$ -	\$ 4,535	\$ 91,109
Efficient Commercial Building Design	\$ -	\$ 27	\$ -	\$ 29,243	\$ -	\$ 4,686	\$ 33,956
Total for Commercial Programs	\$ 6,183	\$ 108	\$ -	\$ 204,330	\$ 787	\$ 15,737	\$ 227,145
Segment Totals	\$ 911,084	\$ 40,130	\$ 392,478	\$ 1,033,832	\$ 419,691	\$ 189,355	\$ 2,986,570

Program Costs	\$ 2,986,570
Measurement, Evaluation & Research (MER)	\$ 337,778
TOTAL	\$ 3,324,347

Tucson Electric Power Co.

SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

Definitions

Rebates & Incentives – Includes dollars that go toward customer rebates and incentives as well as payments made to agencies for installation of low-income weatherization measures.

Training and Technical Assistance – Includes all dollars that are used for energy efficiency training and technical assistance.

Consumer Education – Includes dollars that are used to support general consumer education about energy efficiency improvements.

Program Implementation – Program delivery costs associated with implementing programs – includes implementation contractor labor and overhead costs, as well as other direct program delivery costs.

Program Marketing – Includes all expenses related to marketing programs and increasing DSM consumer awareness (direct program marketing costs as opposed to general consumer education).

Planning and Administration – Costs to plan, develop, and administer programs – includes management of program budgets, oversight of the RFP process and implementation contractor, program development, program coordination, and general overhead expenses.

Measurement, Evaluation, and Research (MER) – These activities identify current baseline efficiency levels and the market potential of DSM measures, perform process evaluations, verify that energy efficient measures are installed, track savings, and identify additional energy efficiency research. Costs include the development of a database to track participation and savings.

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SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

Table 3

DSM SAVINGS BENEFITS: JULY – DECEMBER 2008

DSM Program	Capacity Savings kW	Lifetime MWH Savings	Lifetime Therm Savings	Program Cost (less incentives)	Societal Benefits	Societal Costs	Net Benefits*
Residential							
Low-Income Weatherization	0	188	84,420	\$ 41,667	\$ 137,224	\$ 137,224	\$ -
Guarantee Homes	980	27,227	738	\$ 1,253,628	\$ 2,474,175	\$ 1,953,113	\$ 521,061
Shade Tree Program	0	16,383	0	\$ 16,422	\$ 1,613,603	\$ 162,204	\$ 1,451,399
Energy Star Lighting (CFL)	20,182	187,110	0	\$ 118,443	\$ 6,341,465	\$ 1,204,015	\$ 5,137,450
Efficient Home Cooling	77	2,721	0	\$ 22,206	\$ 191,160	\$ 97,094	\$ 94,066
Total for Residential	21,239	233,628	85,158	\$ 1,452,366	\$ 10,757,627	\$ 3,553,650	\$ 7,203,976
Non-Residential							
Non-Residential Existing Facilities	23	1,651	0	\$ 95,897	\$ 73,095	\$ 111,201	\$ (38,106)
Small Business	0	0	0	\$ 91,109	\$ -	\$ 91,109	\$ (91,109)
Efficient Commercial Building Design	0	0	0	\$ 33,956	\$ -	\$ 33,956	\$ (33,956)
Total for Non-Residential	23	1,651	0	\$ 220,962	\$ 73,095	\$ 236,266	\$ (163,171)
Segment Totals	21,262	235,279	85,158	\$ 1,673,328	\$ 10,830,722	\$ 3,789,917	\$ 7,040,805

*Consistent with ACC Staff's analysis in Decision No. 70456, the societal benefits for low-income weatherization are equal to or greater than the societal costs when taking the environmental benefits into account.

Table 4

DSM ENVIRONMENTAL SAVINGS: JANUARY – DECEMBER 2008

Program	Lifetime SOX Reduction (lbs)	Lifetime NOX Reduction (lbs)	Lifetime CO2 Reduction (lbs)	Lifetime Water Reduction (gallons)
Low-Income Weatherization	449	745	1,354,739	93,870
Guarantee Home	65,072	108,091	52,012,171	13,613,472
Shade Tree Program	39,156	65,041	31,291,759	8,191,560
Energy Star Lighting (CFL)	447,193	742,826	357,379,817	93,554,926
Efficient Home Cooling	6,503	10,801	5,196,684	1,360,389
Non-Residential Existing Facilities	3,945	6,553	3,152,651	825,301
Small Business	0	0	0	0
Efficient Commercial Building Design	0	0	0	0
Program Totals	562,317	934,058	450,387,822	117,639,518

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SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD:
July through December 2008

Table 5

DSM SAVINGS & COSTS SINCE PROGRAM INCEPTION: JANUARY 1992 – DECEMBER 2008¹

PROGRAM	ACC Staff Approval	2008 Participants		2008 Program Costs		MW		MWh		Therm		
		Jan - Dec	PTD	Jan - Dec	PTD	Jan - Dec	PTD Savings	Jan - Dec	PTD Savings	Jan - Dec	PTD Savings	
Commercial												
Lighting	1992	0	1,118	\$ -	\$ 5,619,523	0	7.11	0	1,080,507	N/A	N/A	
Motors	1993	0	228	\$ -	\$ 168,275	0	0.07	0	11,835	N/A	N/A	
HVAC	1994	0	625	\$ -	\$ 917,246	0	2.23	0	31,626	N/A	N/A	
Energy Services	1995	0	11	\$ -	\$ 854,603	0	2.00	0	65,913	N/A	N/A	
Non-Residential Existing Facilities	2008	1	1	\$ 102,081	\$ 102,081	0.02	0.02	97	97	N/A	N/A	
Small Business	2008	0	0	\$ 91,109	\$ 91,109	0	0.00	0	0	N/A	N/A	
Efficient Commercial Building Design	2008	0	0	\$ 33,956	\$ 33,956	0	0.00	0	0	N/A	N/A	
Residential												
Good Cents	1994	0	1,462	\$ -	\$ 2,511,042	0	1.57	0	24,464	N/A	N/A	
Eff. Allowance	1993	0	2917	\$ -	\$ 3,825,566	0	6.10	0	83,458	N/A	N/A	
Guarantee Home	1999	796	9,582	\$ 1,676,928	\$ 15,694,067	0.98	21.4	1,513	82,760	41	4,165,643	
Shade Tree Program*	1992	4,628	61,677	\$ 137,827	\$ 1,925,450	0.00	0.00	819	21,751	N/A	N/A	
Energy Star Lighting (CFL)	2008	395,491	395,491	\$ 344,287	\$ 344,287	20.18	20.18	20,271	20,271	N/A	N/A	
Efficient Home Cooling	2008	171	171	\$ 61,706	\$ 61,706	0.08	0.08	181	181	N/A	N/A	
*No energy savings reported prior to 2005												
Summary												
Education & Outreach	1993	39,194	393,934	\$ 402,158	\$ 7,790,341	N/A	N/A	N/A	N/A	N/A	N/A	
Low-Income Weatherization**	1993	63	1,850	\$ 136,518	\$ 2,857,593	N/A	N/A	9	53	4221	23,435	
**No energy savings reported prior to 2007.												
TOTAL												

¹ Historical DSM Program savings will decrease as the measure lifetimes expire. Programs with fully expired lifetimes will no longer be reported. Historical programs include Lighting, Motors, HVAC, and Energy Services for commercial customers, and Good Cents and Eff. Allowance for residential customers. PTD = Program to date; MWh and therm savings are cumulative.

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SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

TEP LOW-INCOME WEATHERIZATION PROGRAM

Description

The TEP Low-Income Weatherization Program is designed to improve the energy efficiency of homes for customers whose income falls within the defined federal poverty guidelines. Steps taken in this program will reduce gas and electric bills for eligible customers, improve comfort, and improve their quality of life. Energy savings realized from this program will allow low-income customers to utilize the limited income they receive for other necessary items such as rent, food, or medical expenses.

Program Modifications

On August 6, 2008 TEP received Arizona Corporation Commission ("ACC") approval to increase the annual available funding from \$198,000 to \$381,000. Additional changes include:

- Increasing per home funding from \$2000 to \$3000;
- Providing funds to the Arizona Energy Office ("AEO") for data collection services used for reporting, monitoring and evaluation of the Program;
- Providing funds to assist with blower door and duct leakage training; and
- Requiring the agencies to implement only those weatherization measures detailed in the AEO WAP rules for cost effectiveness and to utilize the AEO online database to process the details of the measures implemented at each home.

Program Goals, Objectives, and Savings Targets

The objectives of the program are to:

- Increase the number of homes weatherized each year;
- Reduce average household utility bills by utilizing energy conservation measures in the WAP rules; and
- Improve the quality of life for the customers by providing them with a safe and healthy home.

Levels of Participation

A total of 61 households received weatherization assistance during this reporting period.

Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. The AEO is receiving billing data from TEP for the homes weatherized and is working on evaluation for future reports.

kW, kWh, and Therm Savings

The *estimated* savings for this reporting period using the AEO WAP rules are listed below:²

No. of Homes	kW savings	kWh savings	Therm savings
61	0.0	9,065	4,079

² Savings are estimated for TEP customers by using the Savings to Investment Ratio provided in the 2007 AEO report for APS and SWG. Once sufficient local records are available the AEO will provide analysis on actual energy savings for TEP customers.

Tucson Electric Power Co.

SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

Problems Encountered and Proposed Solutions

Pima Community Services ("PCCS") and Tucson Urban League ("TUL") were not prepared to spend the additional funding approved on Aug 6. In addition TUL was having difficulty adjusting to the WAP procedures and struggling with internal policies and personnel, which prevented their fully utilizing the available funds in 2008. After meeting with TEP and Charlie Gohman with the AEO TUL has indicated that it is resolving its internal struggles and both agencies have assured TEP that they are making efforts to fully utilize the funding available in 2009. Both PCCS and TUL are now successfully using the AEO database to process their weatherization jobs.

At this time, the AEO does not have sufficient historical energy usage on TEP customers participating in the Program. AEO requires a minimum of two years of billing data with a preference of four years of data for each customer. TEP has successfully completed the process needed to provide the AEO with customer energy use.

Costs Incurred

Costs incurred for the Program during the reporting period are listed below:

Activity	Rebates & Incentives*	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Weatherization	\$ 90,566	\$ 18	\$ -	\$ 6,344	\$ -	\$ 4,481	\$ 101,409
Total	\$ 90,566	\$ 18	\$ -	\$ 6,344	\$ -	\$ 4,481	\$ 101,409

**Includes \$1,964 for health and safety related repairs*

Findings from All Research Projects

No research projects were performed during this reporting period.

Other Significant Information

Funding from TEP for all agencies will increase by 3% in 2009. Additionally, all agencies statewide will be seeing a significant increase in their federal funding for weatherization sometime in 2009. According to the Arizona Energy Office, Arizona could be receiving upwards of \$30 million over the next two years for Low-Income Assistance including weatherization. For Arizona, the AEO is suggesting all agencies ramp up production by a factor of 5 to 10. President Obama's goal is to weatherize one million homes annually compared to the one hundred thousand being weatherized currently. What that means for our statewide agencies is an annual increase from approximately 700 homes to as many as 7000. This will require significant investment in training weatherization crews which has the potential to create a large number of jobs.

Tucson Electric Power Co.

SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

TEP GUARANTEE HOME PROGRAM

Description

The Residential New Construction Program for TEP is marketed under the name Guarantee Home Program. It is a utility sponsored, energy-efficient new home construction program based on a foundation of integrated building science. The Guarantee Home Program emphasizes the whole-house approach to improving health, safety, comfort, durability, and energy efficiency. The Program includes on-site inspections and field testing of homes to verify that homes actually perform the way they were designed. Program standards are designed to focus solely on best-case practice. Components of the Guarantee Home Program include development of energy-efficient construction standards, branding, builder training curriculum, and marketing collateral.

Program Modifications

On August 6, 2008 TEP received ACC approval to continue the Guarantee Home Program. In accordance with ACC Decision No. 70458 the same incentive is now offered to homes built to the Non-Guarantee Option as built to the Guarantee Option.

Program Goals, Objectives, and Savings Targets

The objectives of the program are to:

- Reduce peak demand and overall energy consumption in new homes;
- Increase new home energy efficiency standards to Guarantee Home Program standards in a minimum of 50% of new homes constructed in TEP service territory;
- Retain existing builder participation and encourage the participation of new builders;
- Stimulate construction of new homes that are inspected and tested to assure energy performance;
- Assist builder sales agents with promoting and selling energy-efficient homes;
- Train builder construction staff and subcontractors in advanced building science concepts to increase energy efficiency through improved design and installation practices; and
- Increase homebuyer awareness and understanding of energy-efficient building practices and the benefits of purchasing an energy efficient home.

Levels of Participation

A total of 372 homes were completed to Guarantee Home Program standards during this reporting period. In addition, builders signed contracts committing an additional 563 homes to the Program.

Evaluation and Monitoring Activities and Results

All Guarantee Program homes are inspected and tested to ensure standards are met. Billing data is monitored at each homes' anniversary of completion. Customers are contacted when necessary to ensure their homes are performing as designed.

Tucson Electric Power Co.

SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

kW, kWh, and Therm Savings

No. of Homes	kW savings	kWh savings	Therm savings
372	471	728,208	41

Problems Encountered and Proposed Solutions

The Pima County housing market has experienced a significant decrease in new home sales, consistent with the decrease in other areas of Arizona. New home starts plunged this year to levels not seen since the early 1980's. Tucson housing permits for 2005 reached 11,783, an all time high. The number of housing permits in Tucson during 2008 was only 3,019. Forecasts predict only 2,000 new homes will be permitted in the Pima County during 2009. This reduces the number of homes available to be built to increased energy-efficiency standards.

TEP will meet the challenge of a slowing market by leveraging consumers' and builders' increasing interest in energy efficient homes and homes built with a 'Green' concept, a philosophy clearly gaining traction in the Tucson area.

Costs Incurred

Costs incurred for the Program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Guarantee Home	\$ 89,600	\$ 26,904	\$ 322	\$ 285,370	\$ 215,932	\$ 5,878	\$ 624,007
Total	\$ 89,600	\$ 26,904	\$ 322	\$ 285,370	\$ 215,932	\$ 5,878	\$ 624,007

Findings from All Research Projects

There were no research projects during this time period

Other Significant Information

The Guarantee Home Program markets through a variety of channels including:

1. Media outlets (TV, radio, print ads)
2. The real estate community with emphasis on builder sales associates;
3. The trades community (including HVAC, framing and insulation contractors, among others);
4. Consumers and potential new home buyers (increasing consumer demand for energy efficient housing);
5. Code officials;
6. City housing groups; and
7. Guarantee Home Program web page.

Tucson Electric Power Co.

SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

TEP EDUCATION AND OUTREACH PROGRAMS

TEP currently offers education programs targeting both commercial and residential customers. TEP also offers an Academic Education Program.

COMMERCIAL AND RESIDENTIAL EDUCATION

Description

The TEP residential and commercial education programs are designed to educate customers on energy use and assist them with energy savings suggestions. TEP's primary tool for Energy Savings suggestions is the online Energy Advisor which provides the customer with more than 140 energy savings recommendations or measures and can be personalized for weather and utility rates based on the customer's zip code. TEP promotes the Energy Advisor online audit through a variety of advertising promotions such as bill inserts, web advertising, and radio advertising. Also included in the Education and Outreach Program is educational information on TEP's Time of Use ("TOU") rates.

Program Modifications

On July 3, 2008 TEP received ACC approval for a new Education and Outreach Program. This new program combines the existing Customer and Academic Education programs and includes education and awareness for TEP's TOU rates. TEP broadened its advertising during this reporting period to increase awareness of the Energy Advisor and the benefits of utilizing the existing TOU rates. On December 1, 2008, TEP launched its new PowerShift campaign which introduced customers to our new TOU rates. A variety of advertising venues have been used during this reporting time frame which includes:

- Bill Inserts and Bill messages;
- Brochures;
- E-Newsletter to TEP customers;
- Paid Web Advertising;
- In house advertising on TEP.com;
- Media Q&A, Newspaper & Radio ads;
- Tradeshows/Community events and premium giveaways; and
- Call Center Training.

Program Goals, Objectives, and Savings Targets

The Program is designed to educate commercial and residential customers on ways to save energy through conservation measures or utilizing TOU rates.

Levels of Participation

Energy Advisor

For this reporting period 4,639 residential customers and 419 commercial customers accessed the online Energy Advisor, with 2,219 residential customers and 65 commercial customers completing an online energy audit.

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SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

For the year 2008 7,521 residential customers and 756 commercial customers accessed the online Energy Advisor, with 3,488 residential customers and 113 commercial customers completing an online energy audit. This is an increase of 15% for residential customers accessing the Energy Advisor, and 28% completing an online audit from 2007. Commercial customers accessing the Energy Advisor increased 59% from 2007, but there was only a 2% increase in completing an online audit. This implies that commercial customers are becoming more aware of the availability of the online audit tool, but either received the information they required without completing an audit or don't have the time to complete the audit online. In 2009, TEP plans to survey commercial customers that accessed the Energy Advisor during 2008 to better understand what is necessary to increase the number of commercial customers completing an online energy audit.

TOU

For this reporting period the following customers were on the existing TOU Rates:

2,682 on Rate 21 (frozen)

5,358 on Rate 70 (now frozen)

695 on Rates 201B (now frozen)

217 on Rate 201C (now frozen)

As of December 31, 2008 (after launch of the PowerShift Program on December 1):

1 on Rate 70NB

1 on Rate 70NC

3 on Rate 70ND

2 on Rate 201BN

1 on Rate 201CN

Problems Encountered and Proposed Solutions

No problems were encountered during this reporting period.

ACADEMIC EDUCATION

Description

TEP offers school education programs that cover a variety of topics related to energy, natural resource conservation, and environmental awareness. These programs are currently targeted to students in grades K-8. In addition to making available age-appropriate class sets of booklets (with teachers' guides) about electricity, energy efficiency, and conservation to schools, TEP's Academic Education Program features three programs, the Insulation Station, Energy Patrol, and the Electri-City Exhibit.

The *Insulation Station* (a program for 4th graders) was approved by the ACC in March 1993. The Insulation Station is a hands-on learning kit containing ready-to-assemble model houses and the necessary supplies to conduct science and math activities on insulation and home energy efficiency. Materials provided are model home kits and student workbooks containing charts, graphs, activities, and a home energy audit. TEP requires 4th grade teachers to attend a training session prior to receiving materials.

The *Energy Patrol* is an AEO-sponsored program for elementary school teachers and students approved by the ACC in March 1993. Students monitor classrooms to ensure that lights, computers, and water faucets are turned off when rooms are vacant. The program is designed to help schools reduce energy costs and to teach students and their families how to conserve energy.

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SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

The *Electri-City Exhibit* at the Tucson Children's Museum is designed to teach very young children (K-3) about saving energy. TEP also underwrites tours for schools in low-income areas, provides age-appropriate materials to students, and trains docents to augment the presentation, which includes hands-on activities illustrating the energy saving lessons.

Program Modifications

The School Shade Tree program was integrated into the larger TEP Shade Tree Program, eliminating the school focused program.

Program Goals, Objectives, and Savings Targets

These programs are all designed to educate students and their families on ways to save energy and to provide hands-on experiences, putting to test the options for saving energy.

Levels of Participation

The table below includes participation for the period July through December, 2008.

<i>Program</i>	<i>Number of Schools</i>	<i>Number of Students</i>
Insulation Station *	22 schools/ 64 teachers	1920
Energy Patrol	9 new schools	2,700 est.
Energy Conservation/ Environmental classroom materials	114 schools/ 546 teachers	19,991
Energy Efficiency Exhibit (TEP's Electri-City at the Museum)**	14 schools 148 Adults	481
TOTAL	159	25,092

*Numbers refer to teachers trained and kits ordered for students.

**Student numbers are those from "low-income" schools for whom TEP paid the entrance fee and bus transportation costs for guided tours of the *Electri-City*. They do not reflect total Museum visitors to the site.

In addition to the school activities listed above, TEP participated in a variety of outreach activities during the second half of 2008, primarily activities featuring an Energy Efficiency presentation and the Energy Bike. They included the semi-annual Science Day at Pima Community College Northwest Campus, and the Livin' La Vida Verde Festival, along with day-long presentations at the following schools: La Cima Middle School, Lauffer Middle School, the Tucson Hebrew Academy, Rio Vistas Elementary School, Los Amigos Elementary School and at the Earth Awareness Day at Ironwoods Hills High School.

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ALL EDUCATION & OUTREACH PROGRAMS

Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. In 2009 TEP plans to survey its customers to determine how well the marketing campaigns are educating customers on:

- the existence and availability of DSM programs;
- influencing their behavior regarding energy use;
- purchasing energy efficient appliances;
- utilizing TOU rate strategies; and
- availability and ease of use for the online Energy Advisor.

kW, kWh, and Therm Savings

There are no kW or kWh savings associated with these programs.

Costs Incurred

Costs incurred for the Education and Outreach Program during the reporting period are listed below:

DSM Program	Academic Education	Consumer Education	Time of Use Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Education & Outreach	\$ 52,804	\$ 196,995	\$ 34,160	\$ 3,081	\$ -	\$ 4,481	\$ 291,521
Total	\$ 52,804	\$ 196,995	\$ 34,160	\$ 3,081	\$ -	\$ 4,481	\$ 291,521

Findings from All Research Projects

No research projects were performed during this reporting period.

Other Significant Information

For this reporting period TEP showed an increase in participation with both the Energy Advisor and TOU customers. Although the 2009 marketing plan for E & O is still being developed, we anticipate we will continue with a similar marketing strategy to further increase awareness and participation in these programs.

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TEP SHADE TREE PROGRAM

Description

The TEP Shade Tree Program has been in place since December 1992. Desert-adapted trees have been provided to individual residences, residential neighborhoods, and low income families as well as to community areas and schools through TEP's partnership with Tucson Clean and Beautiful. Residents are allowed two, 5-gallon trees per year (four for homes built before 1980) which must be planted on the south, west, or east side of the home. Residents complete an application provided by Tucson Clean and Beautiful either online or by mail which includes the type of tree requested and the location where it will be planted. The resident pays a nominal fee of \$8.00 per tree, and the tree will be delivered to their home by Tucson Clean and Beautiful.

Program Modifications

On August 6, 2008 TEP received ACC approval to increase the annual available funding from \$78,000 to \$160,000, of which \$140,000 is paid directly to Tucson Clean and Beautiful for the purchase and delivery of the shade trees. Additional changes approved include:

- Schools and Communities must meet the same criteria for planting trees which is with 15 feet of a structure;
- Random field inspections will be done to ensure that delivered trees are planted in the location described on the application;
- South wall plantings are restricted to deciduous trees only; and
- Homes built prior to 1980 or with single pane glass are eligible to receive up to 4 trees (if proper planting space is available) providing such request does not deplete resources for other participant

Program Modifications in upcoming reporting cycle

Tucson Clean and Beautiful will be providing TEP with a list along with their invoices containing the names, addresses, number and type of trees, and planting location for all delivered trees. This will allow TEP to perform random inspections to verify customer compliance with the program and to evaluate the current status of the tree.

Program Goals, Objectives, and Savings Targets

The goal of the Program is to promote energy conservation and the environmental benefits associated with planting low water usage trees. Along with the energy savings trees provide to the homes, trees also provide habitat for wildlife, absorb air and water pollutants, and control storm water runoff and soil erosion along with the aesthetic beauty they provide to neighborhoods and the community.

Levels of Participation

For this reporting period, Tucson Clean and Beautiful has delivered a total of 2,285 trees as follows:

- 2,239 five-gallon trees distributed to approximately 1,280 residential customers;
- 12 fifteen-gallon trees to 12 schools; and
- 24 fifteen-gallon and 10 five-gallon trees to 27 Community Projects.

Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. In 2009 TEP plans to conduct random on-site visits to verify tree type, location, attrition, and home characteristics.

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kW, kWh, and Therm Savings

No. of Trees	kW savings	kWh savings	Therm savings
2,285	0	404,445	0

Problems Encountered and Proposed Solutions

No problems were encountered during this reporting period.

Costs Incurred

Costs incurred for this program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Shade Tree	\$ 65,800	\$ -	\$ -	\$ 1,127	\$ -	\$ 4,643	\$ 71,570
Total	\$ 65,800	\$ -	\$ -	\$ 1,127	\$ -	\$ 4,643	\$ 71,570

Findings from All Research Projects

No research projects were conducted during this reporting period.

Other Significant Information

No other significant information to report this period.

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TEP EFFICIENT HOME COOLING PROGRAM

Description

On June 13, 2008, TEP received ACC approval for a new Residential Efficient Home Cooling Program. This program promotes the installation of high-efficiency air conditioning and heat pump systems in existing homes in TEP service territory by providing rebates to customers who purchase high SEER air conditioners or heat pumps. TEP selected KEMA to process rebate applications.

Program Modifications

No modifications were made during this reporting period.

Program Goals, Objectives, and Savings Targets

This program is designed to encourage customers in existing homes to purchase higher SEER air conditioners or heat pumps when replacing their existing HVAC system.

Levels of Participation

For this reporting period, TEP has paid rebates on 171 HVAC units as follows:

- 14 SEER AC: 44 (\$260 incremental cost);
- 14 SEER HP: 21 (\$285 incremental cost);
- 15 SEER AC: 26 (\$515 incremental cost);
- 15 SEER HP: 11 (\$601 incremental cost);
- 16 SEER AC: 42 (\$740 incremental cost);
- 16 SEER HP: 16 (\$861 incremental cost);
- 17 SEER AC: 10 (\$897 incremental cost);
- 17 SEER HP: 2 (\$1,124 incremental cost);
- 18 SEER AC: 4 (\$833 incremental cost, smaller units); and
- 18 SEER HP: 2 (\$1,405 incremental cost).

No rebates were paid to contractors in this reporting period. TEP currently has 53 participating contractors signed to the program.

Problems Encountered and Proposed Solutions

TEP has had problems processing certain applications for customers. Problems include missing information or lack of documentation such as invoice or load calculations. TEP contacts the customer or contractor by phone, email, US Mail or fax to obtain the missing information. Every effort is made to process each application in order for the customer to receive a rebate. To date only seven customers have been denied for the following reasons:

- Unit purchased before June 13, 2008;
- SEER level below minimum; or
- Application received past 90 day submittal limit.

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TEP is working to resolve issues for 26 other customers, half of which are missing information on the application. Of the remaining 13, five contractors have not turned in the load calculations and the other eight are applications received from non-participating contractors. TEP has made the decision that rebates will be paid to customers of a non-participating contractor if:

- The contractor is in good standing with the Registrar of Contractors and has the appropriate license class; and
- The contractor has provided all the necessary information and correctly filled out the application.

TEP will keep a list of these contractors and will continue to encourage them to sign a participation agreement. No contractor rebates will be paid to these contractors.

Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. Summit Blue has been selected as the Measurement, Evaluation, and Research ("MER") contractor for the TEP DSM programs (excluding LIW, Guarantee Home, and Education & Outreach) and is in the process of developing a MER plan.

kW, kWh, and Therm Savings

No. of Units Installed	kW savings	kWh savings	Therm savings
171	77	181,385	0

Problems Encountered and Proposed Solutions

No problems were encountered during this reporting period.

Costs Incurred

Costs incurred for this program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Efficient Home Cooling	\$ 17,400	\$ 911	\$ -	\$ 14,708	\$ 1,728	\$ 4,860	\$ 39,608
Total	\$ 17,400	\$ 911	\$ -	\$ 14,708	\$ 1,728	\$ 4,860	\$ 39,608

Findings from All Research Projects

No research projects were conducted during this reporting period.

Other Significant Information

TEP officially launched the Efficient Home Cooling Program on September 2, 2008. An advertising brochure was created and information was posted on the website. Invitations were sent to all licensed contractors in the Tucson, Green Valley and Nogales zip codes inviting them to an Open House on September 10th to learn more about the program. Representatives from approximately 40 companies attended. Because many contractors do both residential and commercial installs and may also contract jobs outside of TEP's service territory, TEP also provided information on the UNS Electric Efficient Home Cooling and UNS Gas Efficient Home Heating programs as well as the commercial DSM programs for all three companies.

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TEP ENERGY STAR LIGHTING PROGRAM

Description

On June 13, 2008, the ACC approved the TEP Energy Star Compact Fluorescent Lamp ("CFL") Buy-down Program. This program promotes the installation of energy efficient Energy Star approved lighting products by residential and small commercial customers in TEP service territory. TEP implemented the program in August 2008.

Program Modifications

Program participation was far greater than expected. In 2009 TEP plans to file with the ACC to increase program funding.

Program Goals, Objectives, and Savings Targets

The program objectives are to:

- Reduce peak demand and overall energy consumption in homes and small businesses;
- Increase the purchase of CFLs;
- Increase the availability of energy efficient lighting products in the marketplace; and
- Increase the awareness and knowledge of retailers and TEP customers on the benefits of energy efficient lighting products.

Savings targets are as follows:

Year	2009	2010	2011	2012
Projected Lamp sales	314,635	324,074	333,796	343,810

Levels of Participation

A total of 395,491 CFLs were sold during this reporting period. CFL sales by retailer and number sold by wattage are listed in Appendix 1.

Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. Summit Blue has been selected as the Measurement, Evaluation, and Research ("MER") contractor for the TEP DSM programs (excluding LIW, Guarantee Home, and Education and Outreach) and is in the process of developing a MER plan.

kW, kWh, and Therm Savings

No. of CFLs Sold	kW savings	kWh savings	Therm savings
395,491	20,182	20,270,732	0

Problems Encountered and Proposed Solutions

Demand for CFL product was greater than the available funds. TEP will file to increase funding in 2009.

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Costs Incurred

Costs incurred for this program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Energy Star Lighting (CFL)	\$ 225,844	\$ 1,676	\$ 8,434	\$ 99,712	\$ 3,660	\$ 4,960	\$ 344,287
Total	\$ 225,844	\$ 1,676	\$ 8,434	\$ 99,712	\$ 3,660	\$ 4,960	\$ 344,287

Findings from All Research Projects

No research projects were conducted during this reporting period.

Other Significant Information

The Energy Star Lighting Program was fully implemented July 31, 2008. Information was posted to the web site, and a press release was sent out announcing the program to the community. Marketing materials were developed and distributed to participating retailers and to the public during store visits and outreach events.

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TEP NON-RESIDENTIAL EXISTING FACILITIES PROGRAM

Description

The TEP Non-Residential Existing Facilities Program is a multi-faceted program that will provide incentives to TEP's large commercial customers for the installation of energy-efficiency measures including lighting equipment and controls, air conditioning and heat pump equipment (HVAC), motors and motor drives, compressed air, and refrigeration. Incentives are offered for measures in each of these categories. The Program also provides customers with the opportunity to propose innovative energy efficiency solutions through customer energy efficiency measures.

TEP selected KEMA as the IC for all three TEP DSM commercial programs.

Program Modifications

No modifications were made in the program during this reporting period.

Program Goals, Objectives, and Savings Targets

The primary goal of the program is to encourage TEP's large commercial customers to install energy efficiency measures in existing facilities. More specifically, the program is designed to:

- Provide incentives to facility operators for the installation of high-efficiency lighting equipment and controls, HVAC equipment, premium efficiency motors and motor controls, energy efficient compressed air and leak-repair measures, and energy-efficient refrigeration system retrofits;
- Overcome market barriers including:
 - Lack of awareness and knowledge about the benefits and cost of energy efficiency improvements;
 - Performance uncertainty associated with energy efficiency projects; and
 - High first costs for energy efficiency measures.
- Assure that the participation process is clear, easy to understand and simple; and
- Increase the awareness and knowledge of facility operators, managers and decision-makers on the benefits of high-efficiency equipment and systems.

Levels of Participation

One customer (Tucson Unified School District) completed a lighting retrofit during this reporting period.

Number and Type of Measures Installed

<u>Type</u>	<u>Measure</u>	<u>Quantity</u>
Lighting	Premium T8	1025
Lighting	CFL 18watt	19

Average Cost of Measures Installed

Premium T8 lamp	\$18.83per lamp
CFL 18w	\$8.50 per lamp

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Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. Summit Blue has been selected as the Measurement, Evaluation, and Research ("MER") contractor for the TEP DSM programs (excluding LIW, Guarantee Home, and Education and Outreach) and is in the process of developing a MER plan.

kW, kWh, and Therm Savings

Measure	No. Installed	kW savings	kWh savings	Therm savings
Lighting	1044	23	96,622	0

Problems Encountered and Proposed Solutions

There has been a great amount of interest from commercial customers in learning about the Program. However, businesses are reluctant to make large investments during this slower economy. TEP will continue to market the program and increase customer awareness that energy efficiency improvements will save money. As the economy improves, TEP anticipates program participation will increase.

Costs Incurred

Costs incurred for this program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Non-Residential Existing Facilities	\$ 6,183	\$ 54	\$ -	\$ 88,541	\$ 787	\$ 6,516	\$ 102,081
Total	\$ 6,183	\$ 54	\$ -	\$ 88,541	\$ 787	\$ 6,516	\$ 102,081

Findings from All Research Projects

No research projects were conducted during this reporting period.

Other Significant Information

The Non-residential Existing Facilities Program was approved by the ACC on July 3, 2008 and was implemented on October 1, 2008. Information and application forms were posted to the web site, and a press release was sent out announcing the program to the community. Marketing materials were developed for distribution to commercial customers.

Presentations were given to the Building Owners and Managers Association ("BOMA"), Business Clubs of America, and the City of Tucson. Every presentation contains information for all three TEP commercial DSM programs. This method has given TEP an opportunity to broaden program exposure.

TEP conducted a major marketing event with the help of the City of Tucson. As the city sent out its annual business license renewal forms, an insert announcing the availability of the TEP commercial DSM programs was included. This mailing went to 42,000 businesses in the TEP service area. Customer awareness was heightened as a result of this mailer.

TEP has also placed a market emphasis on the school systems in the service area. Meetings have been held at seven of nine school districts as well as discussions with over 20 charter schools.

Continued marketing of the program is the key point of emphasis for 2009.

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TEP SMALL BUSINESS PROGRAM

Description

The TEP Small Business Program is designed to minimize some of the barriers to implementation of energy efficiency improvements in the small business market, such as lack of capital, information search costs, transaction costs, performance uncertainty, and the so-called "hassle factor". Small firms generally concentrate on their core businesses, and do not have the wherewithal to analyze energy use and improve efficiency.

The Program will be an upstream market program providing incentives directly to contractors for the installation of selected high efficiency lighting, HVAC, and refrigeration measures. The incentives would be set at a higher level for this market in order to encourage contractors to market and deliver the program, thus offsetting the need for TEP marketing and overhead expenses. In order to further reduce the overhead expenses, the program will employ internet-based measure analysis and customer proposal processing which will make the process easier for both contractors and customers.

The Program includes customer and trade ally education to help them with understanding the technologies being promoted, what incentives are offered, and how the program functions.

TEP selected KEMA as the IC for all three TEP DSM commercial programs.

Program Modifications

No modifications were made in the program during this reporting period.

Program Goals, Objectives, and Savings Targets

The primary objective of the Program is to encourage TEP's small business customers to install energy efficiency measures in existing facilities. More specifically, the program is designed to:

- Encourage small business customers to install high-efficiency lighting equipment and controls, HVAC equipment, and energy-efficient refrigeration system retrofits in their facilities;
- Encourage contractors to promote the program and provide turn-key installation services to small business customers;
- Overcome the unique market barriers of the small business market including:
 - First costs and lack of access to capital for energy efficiency improvements;
 - Lack of awareness and knowledge about the benefits and cost of energy efficiency improvements;
 - Hassle and transactions costs; and
 - Performance uncertainty associated with energy efficiency projects.
- Assure that the participation process is clear, easy to understand and simple; and
- Increase the awareness and knowledge of business owners, building owners and managers, and other decision-makers on the benefits of high-efficiency equipment and systems.

Savings targets are as follows:

Year	2009	2010	2012	2013
Energy Savings (kWh)	10,285,945	10,594,523	10,912,359	11,239,730

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Levels of Participation

Fifty eight applications were approved during the two months of program implementation. This reserved 26% of the incentive budget. However, no projects were completed in 2008.

Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. Summit Blue has been selected as the Measurement, Evaluation, and Research ("MER") contractor for the TEP DSM programs (excluding LIW, Guarantee Home, and Education and Outreach) and is in the process of developing a MER plan.

kW, kWh, and Therm Savings

There are no savings to report this period

Problems Encountered and Proposed Solutions

No problems were encountered during this reporting period.

Costs Incurred

Costs incurred for this program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Small Business	\$ -	\$ 27	\$ -	\$ 86,547	\$ -	\$ 4,535	\$ 91,109
Total	\$ -	\$ 27	\$ -	\$ 86,547	\$ -	\$ 4,535	\$ 91,109

Findings from All Research Projects

No research projects were conducted during this reporting period.

Other Significant Information

The Small Business Program was approved by the ACC on August 6, 2008, and was implemented on November 3, 2008. Information and application forms were posted to the web site, and a press release was sent out announcing the program to the community. Marketing materials were developed for distribution to small commercial customers.

On September 10, 2008 a contractor seminar was held. It was designed to generate interest from contractors in becoming certified for the Small Business Program. In November, four contractors were trained and certified. As of the end of 2008, seven contractors have been certified.

Presentations were given to the Building Owners and Managers Association ("BOMA"), Business Clubs of America, and the City of Tucson. Every presentation contains information for all three TEP commercial DSM programs. This method has given TEP an opportunity to broaden program exposure.

TEP conducted a major marketing event with the help of the City of Tucson. As the city sent out its annual business license renewal forms, an insert announcing the availability of the TEP commercial DSM programs was included. This mailing went to 42,000 businesses in the TEP service area. Customer awareness was heightened as a result of this mailer.

Small commercial customers have shown a strong interest in the Program as a result of these efforts. Similar marketing efforts will continue in 2009.

Tucson Electric Power Co.

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TEP EFFICIENT COMMERCIAL BUILDING DESIGN PROGRAM

Description

The Efficient Commercial Building Design Program is geared toward the building owner/developer and is designed to encourage improved building energy efficiency in new commercial construction compared to standard building practices.

The Program is a performance-based program that includes design assistance for the design team, performance-based incentives for the building owner and developer, and energy design information resources. Design assistance involves efforts to integrate energy efficiency into a customer's design process as early as possible. The Program would provide incentives to offset the additional design cost of alternative, energy-efficient designs.

In addition to the design incentives and performance-based incentives for the building owner/developer, this Program will provide technical support services to the design community. The Program will provide consumer education and promotional pieces designed to assist building owners/developers in understanding various energy efficiency options and encourage them to explore energy efficiency options.

TEP selected KEMA as the IC for all three TEP DSM commercial programs.

Program Modifications

No modifications were made during this past reporting period.

Program Goals, Objectives, and Savings Targets

The primary goal of the Program is to encourage energy-efficient new building design for new, non-residential projects in TEP's service area. More specifically, the Program is designed to:

- Provide incentives to building owners/developers to design and build more energy-efficient buildings;
- Provide assistance to design teams to offset the additional cost and time of investigating more energy-efficient design;
- Overcome certain market barriers;
- Assure that the participation process is clear and easy to understand and does not unduly burden the design and construction time schedule or budget process;
- Increase the awareness and knowledge of building owners/developers, architects, engineers, and decision-makers on the benefits of high efficiency buildings design; and
- Encourage building owners/developers and the design community to consider energy efficiency options as early in the design process as possible.

Savings targets are as follows:

Year	2009	2010	2012	2013
Number of Facilities	13	14	14	15
Energy Savings (MWh)	3,120	3,214	3,310	3,410

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Levels of Participation

There were no applications during this reporting period.

Evaluation and Monitoring Activities and Results

No evaluation or monitoring is available for this reporting period. Summit Blue has been selected as the Measurement, Evaluation, and Research ("MER") contractor for the TEP DSM programs (excluding LIW, Guarantee Home, and Education and Outreach) and is in the process of developing a MER plan.

kW, kWh, and Therm Savings

There are no savings to report this period.

Problems Encountered and Proposed Solutions

No problems were encountered during this reporting period.

Costs Incurred

Costs incurred for this program during the reporting period are listed below:

DSM Program	Rebates & Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin	Program Total Cost
Efficient Commercial Building Design	\$ -	\$ 27	\$ -	\$ 29,243	\$ -	\$ 4,686	\$ 33,956
Total	\$ -	\$ 27	\$ -	\$ 29,243	\$ -	\$ 4,686	\$ 33,956

Findings from All Research Projects

No research projects were conducted during this reporting period.

Other Significant Information

The program was approved by the ACC on August 6, 2008, and was implemented on November 1, 2008. Information and application forms were posted to the web site, and a press release was sent out announcing the program to the community. Marketing materials were developed for distribution to owners/developers and architects.

TEP gave presentations to six architectural firms in Tucson. Presentations have also been given to the Building Owners and Managers Association ("BOMA"), Business Clubs of America, and the City of Tucson. Every presentation contains information for all three TEP commercial DSM programs. This method has given TEP an opportunity to broaden program exposure.

No applications were received during the two months of program implementation in 2008. New commercial construction requires a long lead time. From conception to completion construction can be 18 months or more. This and the current economic recession will make 2009 and onward a challenge. However, TEP is committed to making the Efficient Commercial Building Design Program a success.

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APPENDIX 1 – CFL SALES AND WATTAGE INFORMATION

CFL Sales by Retailer

	W. Cent. (3)	ACE (9, 20)	B. Hart (1)	CO. Inc. (2)	Chin. Star (2)	Cost. Top (5)	Family Dollar (2)	Home Depot (5)	Home Depot (6)	Lowe's (4)	Sam's Club (1)	Top Value (Top 4)	Wal-Mart (9)	Top (94)
July	0	0	0	17,880	0	0	0	0	0	132	0	0	0	18,012
August	10,671	0	0	47,324	0	3,571	0	25,127	1,210	0	0	536		88,439
September	550	3,259	0	38,534	0	627	0	6,606	17,744	2,729	0	1,765		71,814
October	495	860	0	31,512	420	600	0	5,731	12,505	1,024	20,117	18	1,281	74,563
November	6,169	1,104	2,957	29,408	81	1,137	2,103	6,878	12,044	216	23,270	719	852	86,938
December	315	279	4,043	20,210	25	265	4,797	4,585	11,556	103	8,890	263	394	55,725
	18,200	5,502	7,000	184,868	526	6,200	6,900	23,800	78,976	5,414	52,277	1,000	4,828	395,491

kWh Savings by Wattage

Utility	Units Moved	Wattage	Wattage Replaced	Watts Saved	Proj. kWh (1 yr)	Est. kWh (1 yr)	Est. kWh (1 yr) Savings	kWh Savings (1 yr)	kWh Savings (1 yr) %	Lifetime kWh Savings
Tucson Electric	7,800	7	40	33	8,000	2.75	8.0	33	258,537	2,059,200
ENERGY STAR	1,384	9	40	31	8,000	2.75	8.0	31	43,093	343,232
Residential	10,040	9	40	31	10,000	2.75	10.0	31	3,126,614	3,112,400
Lighting Program	15,200	11	40	29	8,000	2.75	8.0	29	442,747	3,526,400
	50,812	13	60	47	8,000	2.75	8.0	47	2,398,710	19,105,312
	145,451	13	60	47	10,000	2.75	10.0	47	6,866,386	68,361,970
	8,668	14	65	51	8,000	2.75	8.0	51	444,020	3,536,544
	912	14	50	36	8,000	2.75	8.0	36	32,977	262,656
	2,482	14	60	46	8,000	2.75	8.0	46	114,676	913,376
	47,756	14	60	46	10,000	2.75	10.0	46	2,206,477	21,967,760
	936	15	60	45	10,000	2.75	10.0	45	42,306	421,200
	23,325	15	65	50	8,000	2.75	8.0	50	1,171,400	9,330,000
	23,586	18	75	57	8,000	2.75	8.0	57	1,350,339	10,755,216
	2,218	19	75	56	10,000	2.75	10.0	56	124,757	1,242,080
	10,825	23	120	97	8,000	2.75	8.0	97	1,054,662	8,400,200
	1,106	23	90	67	8,000	2.75	8.0	67	74,429	592,816
	42,741	23	100	77	10,000	2.75	10.0	77	3,305,590	32,910,570
	249	42	150	108	10,000	2.75	10.0	108	27,011	268,920
Total	395,491								20,270,732	187,109,852

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APPENDIX 2 – MARKETING MATERIALS

Guarantee Home Program:

- In-Store – Tucson Bashas (Wav file)
 - Internet – Web Advertisement (Word document)
 - Magazine – 6_13 TLM (PDF)
 - Newspaper – 04_28 AZDS_strip_ad (PDF), 05_08_EN_ad (JPG), 05_14_LE (PDF), 08_27_AZSSLeftside_ad (JPG), 08_27_AZSSRightside_ad (JPG),
 - TV – Guarantee Home 4 (Windows Media Player)
 - Web – GH Web Content (Word document)
- Guarantee Home Sales DVD TEP 2008 (on a separate CD)

Efficient Home Cooling Program:

- Brochure – TEP EHC brochure (PDF)
- Web – EHHWeb Content (Word document)

Energy Star Lighting Program:

- AZ Daily Star article announcing TEP CFL Program (PDF)
- TEP Bright Solutions billinsertbrochureFINAL (PDF)
- TEP CFL FAQ for Call Center (Word document)
- TEP Recycling Brochure (PDF)
- TEP_handout (PDF)
- TEP_handout_spanish (PDF)
- TEP_special_pricing (PDF)
- TEP_Table skirt (PDF)

Commercial Energy Solutions:

- Business License Insert (Word document)
- Invitation (Word document)
- LargeBusFlyer (Word document)
- NCFlyer (Word document)
- SmallBusFlyer (Word document)
- TEP BL insert (PDF)
- TEP Bright Solutions bill insertbrochure (PDF)
- TEP Press Release (RTF)

Tucson Electric Power Co.

SEMI-ANNUAL DSM PROGRESS REPORT FOR THE PERIOD: July through December 2008

Residential and Commercial Education:

- All Program Communications:
 - Booth – TEP displays (PDF)
 - Brochure – Bright Solutions brochure and insert (PDF)

 - Enewsletter – Enewsletter (Word document)
 - Radio – TEP Bright Solutions (MP3)

- Energy Advisor:
 - Print – TEP ad TNI (PDF)
 - Radio – TEP Energy Advisor 10metro (Word document), TEP Energy Advisor 2008 Radio 15 (MP3), TEP Energy Advisor 2008 Radio 60 (MP3)
 - Web – Energy Calculators (Word document), Internet Advertising (Word document)

- NEW PowerShift TOU:
 - Bill insert – 2008_12_Rates (PDF)
 - Brochure and Bill Insert – Powershiftcommercial (PDF), Powershiftresidential (PDF)
 - Web – Commercial Powershift on Web (Word document), Residential PowerShift on Web (Word document)

- Old Tou:
 - Old TOU (PDF)
 - Direct Mail – TEP TOU commercial (PDF), TEP TOU residential (PDF)