

Arizona PIRG Education Fund

March 30, 2009

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130 N. Central Ave., Ste. 311 (602) 252-9227 (ph)
Phoenix, AZ 85004 (602) 252-9201 (fx)
www.arizonapirg.org info@arizonapirg.org

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

MAR 30 2009

Re: Docket Number E-01345A-08-0172

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| DOCKETED BY | <i>[Signature]</i> |
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Dear members of the Arizona Corporation Commission,

On behalf of the Arizona PIRG Education Fund and particularly our members that are APS customers, I am writing to encourage you to increase effective and efficient energy efficiency program requirements to at least 20% by 2020 as part of the APS rate case and Commission Workshops.

The Arizona PIRG Education Fund's Principles for the Electric System include the following:

1. **Access** to safe, reliable, affordable electricity service. The goal of electricity regulation should be to provide adequate, reliable service to consumers at the lowest cost – including external costs such as public health, economic and social impacts.
2. **Balance** the long-term and short-term needs of consumers, as well as the interests of various classes of consumers. Electricity rates should be designed to promote economically efficient and socially responsible outcomes – including energy efficiency, rate stability and the protection of low-income consumers.
3. **Consumers** should be assured that the public interest guides all decisions with regard to the electric system. Market and regulatory barriers that deter the use of energy efficiency should be removed. System planning must take place in the public sphere, include ample opportunities for broad public participation in decision-making and ensure that the views of small consumers are adequately represented in the process.

Increasing energy efficiency to at least 20% by 2020 tops the list of achieving the above principles. Energy efficiency is the quickest, cheapest and cleanest way for APS to meet growing energy needs in its territory and as a side benefit energy efficiency will help jump-start our economy. Over the last year, headlines of soaring oil prices, a declining market, and national attention to renewable energy have helped elevate the need and desire for increasing energy efficiency.

Although the magnitude of the economic situation in Arizona and across the nation is daunting, energy efficiency offers an immediate, proven and important step consumers and businesses can take to save money, create jobs, stimulate the local economy and reduce overall energy prices.

Energy efficiency costs less than other resources and can help alleviate some transmission and distribution need. The Arizona PIRG Education Fund recognizes that APS may raise rates to support an increase of energy efficiency programs; however, we also recognize that effective and efficient energy efficiency programs will save consumers money on their monthly electric bill. Mirroring successful aspects of the Commission's Renewable Energy Standard, such as yearly ramp-ups, benchmarks, and evaluation, will ensure that energy efficiency is a good sound investment for APS ratepayers. We urge the Commission to focus on the effects and impacts of APS' energy policies and not primarily on the funding or spending levels of these policies.

In addition to the cost saving benefits, the Arizona PIRG Education Fund appreciates the air quality and public health benefits created through energy efficiency. With a brown cloud all too often hanging over Phoenix, anticipated population growth in our state generating additional energy and water demands, high asthma and other respiratory illness rates attributed in part to current nonrenewable energy sources, energy efficiency is a clean and healthy solution for APS rate payers.

The Arizona PIRG Education Fund is grateful for the opportunity to comment on the APS rate case. By increasing effective and efficient energy efficiency program requirements for APS to at least 20% by 2020, we will be on the way to an *Energy Efficient Arizona*.

Sincerely,



Diane E. Brown
Executive Director