



SIERRA CLUB
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AZ CORP COMMISSION
DOCKET CONTROL

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

Arizona Corporation Commission
DOCKETED

MAY 28 2009

Re: Docket Numbers E-00000J-08-0314, G-00000C-08-0314



Dear Chairwoman Mayes and Commissioners:

I am writing on behalf of the Sierra Club's Grand Canyon Chapter and our 13,000 members in Arizona to first thank the Arizona Corporation Commission for conducting the energy efficiency technical workshops and for moving along with a proposed rule on developing an energy efficiency standard. Arizona is at an important crossroads in its energy future. You have helped us to move forward with the Renewable Energy Standard and Tariff and now can help us significantly increase our energy efficiency with a strong energy efficiency standard. That will mean lower electric bills, more jobs, and fewer emissions – all of that is good for Arizona.

We ask that you adopt the Southwest Energy Efficiency Project's (SWEETPs) recommendations to achieve a 20 percent energy efficiency savings as a percentage of total energy resources needed to meet retail load in the year 2020. These savings should be from utility-administered energy efficiency programs rather than from building energy codes and appliance standards. Furthermore we support the annual percentage ramp up suggested by SWEETP.

We are supportive of demand response initiatives, but believe these should be in addition to the standard and not part of it as Arizona Public Service Company proposes.

The rule should be as focused as possible. We support a rule that includes provisions for addressing cost recovery for programs to meet the standard as well as performance standards.

As you know, meeting the goals of an Energy Efficiency Standard will provide benefits to consumers, the economy, the electric system, as well as to the environment, which is a critical issue for the Sierra Club. Energy efficiency is the cleanest energy source we have.

Energy efficiency is a cost-effective resource. The Western Governors' Association *Energy Efficiency Task Force Report* indicates that the average cost for energy efficiency programs is \$0.02 to \$0.03 per lifetime kilowatt-hour (kWh) saved – much lower than the cost of new conventional generation (\$0.05 to \$0.09/kWh) and lower than current electric rates (about \$0.10/kWh). The less electricity we use, the less pollution we generate. That means fewer greenhouse gas emissions, fewer mercury emissions, and less pollution overall. It also means we use less water as most power-generation requires significant amounts of water.

We encourage you to develop and support an aggressive energy efficiency standard and help Arizona lead the way in both efficiency and renewables, so we can look forward to a stronger economy and a cleaner environment.

Thank you for considering our comments as you develop this energy efficiency standard for Arizona's regulated utilities.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sandy Bahr".

Sandy Bahr
Chapter Director
Sierra Club – Grand Canyon Chapter