

ORIGINAL

THIS AMENDMENT:

Passed _____ Passed as amended by _____



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REVISED MAYES PROPOSED AMENDMENT # 2

AZ CORP COMMISSION
DOCKET CONTROL

DATE PREPARED: December 15, 2009

COMPANY: Arizona Corporation Commission

AGENDA ITEM NO. U-9

DOCKET NO. RE-00000C-09-0427

OPEN MEETING DATE: Dec. 15/16, 2009

DELETE R14-2-2404 Sections A through F.

INSERT in R14-2-2404:

“R14-2-2404. Energy Efficiency Standards

- A. In order to ensure reliable electric service at reasonable ratepayer rates and costs, by December 31, 2020, an affected utility shall, through cost-effective DSM energy efficiency programs, achieve cumulative annual energy savings, measured in kWh, equivalent to at least 20% of the affected utility’s retail electric energy sales for calendar year 2019.
- B. An affected utility shall meet at least the following energy efficiency standard by the end of each year:

CALENDAR YEAR	ENERGY EFFICIENCY STANDARD (Cumulative Annual Energy Savings in Each Calendar Year as a Percent of the Retail Energy Sales in the Prior Calendar Year)
<u>2011</u>	<u>1.25%</u>
<u>2012</u>	<u>3.00%</u>
<u>2013</u>	<u>5.00%</u>
<u>2014</u>	<u>7.00%</u>
<u>2015</u>	<u>9.00%</u>

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<u>2016</u>	<u>11.25%</u>
<u>2017</u>	<u>13.50%</u>
<u>2018</u>	<u>15.75%</u>
<u>2019</u>	<u>18.00%</u>
<u>2020</u>	<u>20.00%</u>

- C.** An affected utility's measured reductions in peak demand resulting from cost-effective demand response and load management programs may comprise up to 2 percentage points of the 20% energy efficiency standard, with peak demand reduction capability from demand response converted to an annual energy savings equivalent based on an assumed 50% annual load factor. The credit for demand response and load management peak demand reductions shall not exceed 10% of the energy efficiency standard set forth in subsection (B) for any year.
- D.** An affected utility's energy savings resulting from DSM energy efficiency programs implemented before the effective date of these rules, but after 2004, may be credited toward meeting the energy efficiency standard set forth in subsection (B). The total energy savings credit for these pre-rules programs shall not exceed 3% of the affected utility's retail energy sales in calendar year 2005. A portion of the total energy savings credit for these pre-rules programs may be applied each year, from 2016 through 2020, as follows:
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CALENDAR YEAR	CUMULATIVE APPLICATION OF THE CREDIT FOR THE PRE-STANDARD ENERGY SAVINGS IN 2016-2020 (Percentage of the Total Eligible Pre-Standard Cumulative Annual Energy Savings That Are Credited By The End of Each Year)	CREDIT FOR THE PRE-STANDARD ENERGY SAVINGS APPLIED IN EACH YEAR (Percentage of the Total Eligible Pre-Standard Cumulative Annual Energy Savings That Shall Be Applied in the Year)
2016	7.5%	7.5%
2017	22.5%	15.0%
2018	42.5%	20.0%
2019	67.5%	25.0%
2020	100.0%	32.5%

- E. An affected utility may count toward meeting the standard up to one third of the energy savings, resulting from energy efficiency building codes, that are quantified and reported through a measurement and evaluation study undertaken by the affected utility.
- F. An affected utility may count a customer's energy savings resulting from self-direction toward meeting the standard.
- G. An affected utility's energy savings resulting from efficiency improvements to its delivery system may not be counted toward meeting the standard.
- H. An affected utility's energy savings used to meet the energy efficiency standard will be assumed to continue through the year 2020 or, if expiring before the year 2020, to be replaced with a DSM energy efficiency program having at least the same level of efficiency."

Make all conforming changes.