

ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
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IN THE MATTER OF UNS ELECTRIC,
INC.'S APPLICATION FOR APPROVAL OF
ITS RESIDENTIAL ENERGY ASSESSMENT
PROGRAM

DOCKET NO. E-04204A-07-0365

**SWEEP COMMENTS ON
THE STAFF REPORT AND
RECOMMENDED ORDER**

COMMENTS OF THE SOUTHWEST ENERGY EFFICIENCY PROJECT

The Southwest Energy Efficiency Project ("SWEEP") appreciates the opportunity to submit comments in response to the Recommended Order filed by Staff on December 2, 2010, regarding UNS Electric Inc.'s ("Company") Application for Approval of its Residential Energy Assessment Program ("REAP").

SWEEP thanks Staff for its exceptional efforts in preparing the Recommended Order while working in parallel on reviews of several other energy efficiency applications. Staff's efforts are much appreciated.

SWEEP agrees with the vast majority of Staff's report and the Recommended Order, supports the cost-effective Residential Energy Assessment ("REA") program element, and urges Commission approval of the REA program element. Below SWEEP provides comments on four issues raised in the Recommended Order.

SWEEP agrees with Staff's recommendation that the REA should be considered an element of the Company's Existing Homes Program rather than a program in and of itself. While SWEEP recognizes that several aspects of the REA will deliver energy savings and that not all customers will invest in energy efficiency upgrades beyond the measures offered to them through the REA, we believe the ultimate goal of the REA is for customers to achieve the greatest possible savings and thus take advantage of the offerings of the Existing Homes Program. As such, the REA will serve as a vehicle through which customers participate in the Existing Homes Program. In addition, treating these programs and elements as one coordinated effort under one umbrella would have the added benefit of preventing confusion on the part of customers, who may not have the time or understanding to differentiate among the Company's services.

SWEEP applauds the Company's efforts to reach 400 customers by the end of 2011 and encourages the Company not to limit itself to this number especially considering the fact

1 that the marketing plan incorporates a mix of media that has the potential to touch
2 thousands of customers. SWEEP has proposed an amendment as Attachment A that
3 would require the Company to achieve at least this 400 customer goal.
4

5 SWEEP respectfully disagrees with Staff's recommendation that the REA energy audit
6 be considered an aspect of Program Delivery versus an actual financial incentive in the
7 categories used for reporting program costs. While we agree with Staff that the audit
8 itself will facilitate participation in the Existing Homes Program, we also maintain that
9 the reduced cost of \$99 is a direct financial benefit to customer. In fact, the financial
10 incentive provided to the contractor "upstream" of the customer results in a direct
11 reduction in cost for the customer, thereby providing a similar result as a financial
12 incentive provided to the customer. Also, in Commission Decision No. 71460 (page 11,
13 lines 2-3) regarding the APS 2010 Energy Efficiency Implementation Plan, the
14 Commission approved the contractor incentive as an "incentive" and not as a program
15 delivery cost for a similar program element at APS (Home Performance with Energy
16 Star). It is important to report program costs consistently and in the same categories
17 across the utilities so that cross-company comparison and analysis can be performed
18 accurately. SWEEP has proposed an amendment as Attachment B to address this issue.
19

20 Finally, SWEEP encourages the Company to expand the scope of the assessment report
21 such that it includes the dollar and energy savings associated with the installation of the
22 compact fluorescent lamps and the power strip. Including these measures within the
23 assessment report would help the customer comprehend the value of these measures,
24 encourage greater use of the measures, and discourage measure removal.
25

26 Thank you for the opportunity to provide these comments on the REA program element.

ATTACHMENT A

**UNS ELECTRIC INC.'S APPLICATION FOR
APPROVAL OF ITS RESIDENTIAL ENERGY ASSESSMENT PROGRAM**

DOCKET NO. E-04204A-07-0365

SWEEP Proposed Amendment # 1

Page 8, Line 18

INSERT new Ordering Paragraph:

“IT IS FURTHER ORDERED that UNS Electric Inc. shall provide residential energy assessments to at least 400 customers by the end of 2011.”

Make conforming changes as necessary.

ATTACHMENT B

**UNS ELECTRIC INC.'S APPLICATION FOR
APPROVAL OF ITS RESIDENTIAL ENERGY ASSESSMENT PROGRAM**

DOCKET NO. E-04204A-07-0365

SWEEP Proposed Amendment # 2

Page 4, Lines 27-28

DELETE:

“While UNS Electric originally proposed this \$230 as an incentive, Staff considers the cost of the energy assessment to be part of Program Delivery rather

Page 5, Lines 1-3

DELETE:

“than an actual incentive to the customer or contractor because the assessment facilitates not only the benefits of the Advanced Power Strip, CFL installation and energy efficiency education but also the potential benefits associated with the UNS Electric Existing Homes Program.”

Page 5, Lines 14-24

DELETE:

| | Measure Cost | 2011 Units | Total Budget |
|--|--------------|------------|------------------|
| Advanced Power Strip - Direct Install (1 unit) | \$20 | 400 | \$8,000 |
| Screw in CFL - Direct Install (10 units) | \$13 | 400 | \$5,000 |
| Total Financial Incentives | | | \$13,000 |
| Energy Assessment | \$230 | 400 | \$92,000 |
| Program Delivery | | | \$38,919 |
| Total Program Delivery | | | \$130,919 |
| Program Marketing | | | \$19,192 |
| Program Administration | | | \$6,500 |
| Measurement, Evaluation, and Research | | | \$4,352 |
| Total Program Costs - Incentive | | | \$13,000 |
| Total Program Costs - Non-Incentive | | | \$160,963 |

| | | | |
|----------------------------|--|--|------------------|
| Total Program Costs | | | \$173,963 |
|----------------------------|--|--|------------------|

INSERT:

| | Measure Cost | 2011 Units | Total Budget |
|--|--------------|------------|------------------|
| Advanced Power Strip - Direct Install (1 unit) | \$20 | 400 | \$8,000 |
| Screw in CFL - Direct Install (10 units) | \$13 | 400 | \$5,000 |
| Energy Assessment | \$230 | 400 | \$92,000 |
| Total Financial Incentives | | | \$105,000 |
| Program Delivery | | | \$38,919 |
| Total Program Delivery | | | \$38,919 |
| Program Marketing | | | \$19,192 |
| Program Administration | | | \$6,500 |
| Measurement, Evaluation, and Research | | | \$4,352 |
| Total Program Costs - Incentive | | | \$105,000 |
| Total Program Costs - Non-Incentive | | | \$68,963 |
| Total Program Costs | | | \$173,963 |

Make conforming changes as necessary.