

ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- KRISTIN K. MAYES, Chair, Arizona Corporation Commission
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

DOCKETED

DEC 13 2010

2010 DEC 13 A 11:49

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	<i>Rose</i>
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IN THE MATTER OF UNS GAS, INC.'S
APPLICATION FOR APPROVAL OF ITS
RESIDENTIAL ENERGY ASSESSMENT
PROGRAM

DOCKET NO. G-04204A-07-0274

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

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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 Gas 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 500 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 500 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 faucet aerators and showerhead. Including these measures within the assessment report
23 would help the customer comprehend the value of these measures and discourage
24 measure removal.

25
26 Thank you for the opportunity to provide these comments on the REA program element.

ATTACHMENT A

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

DOCKET NO. G-04204A-07-0274

SWEEP Proposed Amendment # 1

Page 7, Line 27

INSERT new Ordering Paragraph:

“IT IS FURTHER ORDERED that UNS Gas Inc. shall provide residential energy assessments to at least 500 customers by the end of 2011.”

Make conforming changes as necessary.

ATTACHMENT B

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

DOCKET NO. G-04204A-07-0274

SWEEP Proposed Amendment # 2

Page 4, Lines 23-28

DELETE:

“While UNS Gas originally proposed this \$230 as an incentive, Staff considers the cost of the energy assessment to be part of Program Delivery rather than an actual incentive to the customer or contractor because the assessment facilitates not only the benefits of the low flow showerhead, the faucet aerators and energy efficiency education but also the potential benefits associated with the UNS Gas Existing Homes Program.”

Page 5, Lines 10-20

DELETE:

	Measure Cost	2011 Units	Total Budget
Low Flow Showerhead	\$42	500	\$21,225
Kitchen and Bathroom Faucet Aerators (3)	\$23	500	\$11,395
Total Financial Incentives			\$32,620
Energy Assessment	\$230	500	\$115,000
Program Delivery			\$13,000
Energy Audit Software Set-Up			\$19,139
Energy Assessment Licenses*	\$20	500	\$10,000
Total Program Delivery			\$157,139
Program Marketing			\$12,488
Program Administration			\$13,000
Measurement, Evaluation, and Research			\$5,505
Total Program Costs - Incentive			\$32,620
Total Program Costs - Non-Incentive			\$188,132
Total Program Costs			\$220,752

INSERT:

	Measure Cost	2011 Units	Total Budget
Low Flow Showerhead	\$42	500	\$21,225
Kitchen and Bathroom Faucet Aerators (3)	\$23	500	\$11,395
Energy Assessment	\$230	500	\$115,000
Total Financial Incentives			\$147,620
Program Delivery			\$13,000
Energy Audit Software Set-Up			\$19,139
Energy Assessment Licenses*	\$20	500	\$10,000
Total Program Delivery			\$42,139
Program Marketing			\$12,488
Program Administration			\$13,000
Measurement, Evaluation, and Research			\$5,505
Total Program Costs - Incentive			\$147,620
Total Program Costs - Non-Incentive			\$73,132
Total Program Costs			\$220,752

Make conforming changes as necessary.