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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS  
KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

IN THE MATTER OF TUCSON ELECTRIC  
POWER COMPANY'S APPLICATION FOR  
APPROVAL OF ITS RESIDENTIAL ENERGY  
ASSESSMENT PROGRAM

DOCKET NO. E-01933A-07-0401

**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 Tucson Electric Power Company'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 1,000 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 many  
2 thousands of customers. SWEEP has proposed an amendment as Attachment A that  
3 would require the Company to achieve at least this 1,000 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**

**TUCSON ELECTRIC POWER COMPANY'S APPLICATION FOR  
APPROVAL OF ITS RESIDENTIAL ENERGY ASSESSMENT PROGRAM**

**DOCKET NO. E-01933A-07-0401**

**SWEEP Proposed Amendment # 1**

**Page 8, Line 12**

INSERT new Ordering Paragraph:

“IT IS FURTHER ORDERED that Tucson Electric Power Company shall provide residential energy assessments to at least 1,000 customers by the end of 2011.”

Make conforming changes as necessary.

**ATTACHMENT B**

**TUCSON ELECTRIC POWER COMPANY'S APPLICATION FOR  
APPROVAL OF ITS RESIDENTIAL ENERGY ASSESSMENT PROGRAM**

**DOCKET NO. E-01933A-07-0401**

**SWEEP Proposed Amendment # 2**

**Page 4, Line 28**

DELETE:

“While TEP originally”

**Page 5, Lines 1-5**

DELETE:

“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 Advanced Power Strip, CFL installation and energy efficiency education but also the potential benefits associated with the TEP Existing Homes Program.”

**Page 5, Lines 15-25**

DELETE:

	Measure Cost	2011 Units	Total Budget
Advanced Power Strip - Direct Install (1 unit)	\$20	1000	\$20,000
Screw in CFL - Direct Install (10 units)	\$16	1000	\$16,200
<b>Total Financial Incentives</b>			<b>\$36,200</b>
Energy Assessment	\$230	1000	\$230,000
Program Delivery			\$19,500
Energy Audit Software Set-Up			\$52,272
Energy Assessment Licenses*	\$20	1000	\$20,000
<b>Total Program Delivery</b>			<b>\$321,772</b>
<b>Program Marketing</b>			<b>\$47,797</b>
<b>Program Administration</b>			<b>\$6,500</b>
<b>Measurement, Evaluation, and Research</b>			<b>\$10,645</b>
Total Program Costs - Incentive			\$36,200

Total Program Costs - Non-Incentive			\$386,714
<b>Total Program Costs</b>			<b>\$422,914</b>

INSERT:

	Measure Cost	2011 Units	Total Budget
Advanced Power Strip - Direct Install (1 unit)	\$20	1000	\$20,000
Screw in CFL - Direct Install (10 units)	\$16	1000	\$16,200
Energy Assessment	\$230	1000	\$230,000
<b>Total Financial Incentives</b>			<b>\$266,200</b>
Program Delivery			\$19,500
Energy Audit Software Set-Up			\$52,272
Energy Assessment Licenses*	\$20	1000	\$20,000
<b>Total Program Delivery</b>			<b>\$91,772</b>
<b>Program Marketing</b>			<b>\$47,797</b>
<b>Program Administration</b>			<b>\$6,500</b>
<b>Measurement, Evaluation, and Research</b>			<b>\$10,645</b>
Total Program Costs - Incentive			\$266,200
Total Program Costs - Non-Incentive			\$156,714
<b>Total Program Costs</b>			<b>\$422,914</b>

Make conforming changes as necessary.