



SWEEP COMMENTS – ATTACHMENT A

Tucson Electric Power Company
2011-2012 Energy Efficiency Implementation Plan
Docket No. E-01933A-11-0055

**Proposed Amendment #1
Mechanism for Addressing Lost Fixed Cost Revenues**

Page 68, Line 16

INSERT new ordering paragraph:

“IT IS FURTHER ORDERED that Tucson Electric Power Company may track its estimates of lost fixed cost revenues associated with the implementation of the Energy Efficiency Implementation Plan, and may seek recovery of the lost fixed cost revenues in its next general rate case.”

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Arizona Corporation Commission
DOCKETED

JAN 6 2012

DOCKETED BY

DOCKET CONTROL
AZ CORP COMMISSION

2012 JAN -6 P 4: 28

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SWEEP COMMENTS – ATTACHMENT B
Tucson Electric Power Company
2011-2012 Energy Efficiency Implementation Plan
Docket No. E-01933A-11-0055

Proposed Amendment #2
Performance Incentive

Page 68, Line 9

INSERT new subheading and three new ordering paragraphs:

“Performance Incentive”

“IT IS FURTHER ORDERED that to ensure a performance incentive that optimizes the connection between energy efficiency, rates, and utility business incentives and that creates a clear connection between the level of the performance incentive and achievement of cost-effective energy savings, the Company shall work with Staff and other stakeholders to develop and file for Commission consideration a new performance incentive within 60 days of this order.”

“IT IS FURTHER ORDERED that the new performance incentive shall: (a) include components and metrics that encourage the achievement of savings, benefits, and net benefits for customers, emphasize increased comprehensiveness of EE program services provided to customers, encourage increased cost-efficiency in the use of ratepayer funds (i.e., total net benefits to customers per dollar of ratepayer funding provided), and target the achievement of specific performance goals such as serving a targeted number of low income customers and/or issuing a specific targeted number of loans or a targeted total loan amount; (b) fund the new performance incentive components and metrics with \$3 million of performance incentive funds in addition to the level calculated in the manner for the performance incentive set in the last rate case; and (c) not incur increased program spending through the design of the performance incentive mechanism or its incentive cap.

“IT IS FURTHER ORDERED that the new performance incentive, including the \$3 million of additional incentive funding, shall remain in effect only until the date of the final order in the Company’s next general rate case, and therefore the subsequent performance incentive shall be redesigned either as part of the next general rate case or in the EE Implementation Plan process preceding the next general rate case.”

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SWEEP COMMENTS – ATTACHMENT C
Tucson Electric Power Company
2011-2012 Energy Efficiency Implementation Plan
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Proposed Amendment #3
Energy Codes Enhancement Program – Including Appliance Standards

Page 67, Line 20

After “stated herein” INSERT:

“, and the program shall be renamed the Energy Codes & Standards Enhancement Program.”

Page 67, Line 21

INSERT new ordering paragraph:

“IT IS FURTHER ORDERED that Tucson Electric Power Company be granted a waiver from R14-2-2404(E) to allow the Company to count toward meeting the Commission’s Energy Efficiency Standard in R14-2-2404, for 2012 through 2020, up to one third of the energy savings resulting from energy efficiency appliance standards, if the energy savings are quantified and reported through a measurement and evaluation study undertaken by the Company, and the Company demonstrates and documents its efforts in support of the adoption or implementation of the energy efficiency appliance standards.”

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SWEEP COMMENTS – ATTACHMENT D
Tucson Electric Power Company
2011-2012 Energy Efficiency Implementation Plan
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Proposed Amendment #4
Budget Flexibility: Overall Limit for the Total EE Budget

Page 68, Line 6

INSERT new ordering paragraph:

“IT IS FURTHER ORDERED that Tucson Electric Power Company be allowed to exceed any DSM program budget by up to 15 percent without prior Commission authorization.”

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Note: The limit on total EE implementation expenditures (up to 5% higher than budget) is already in the TEP ROO in the subsequent ordering paragraph, which reads:
“IT IS FURTHER ORDERED that Tucson Electric Power Company shall be allowed to increase the overall Implementation Plan budget by up to 5 percent, if the increases are allocated to cost-effective measures and programs.”

SWEEP COMMENTS – ATTACHMENT E
Tucson Electric Power Company
2011-2012 Energy Efficiency Implementation Plan
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Proposed Amendment #5
Staff Review Process, Cost-Effectiveness Model, and Technical Reference Manual

Page 69, Line 3

After “Company” DELETE:

“use the same input values and methodology as Staff”

And INSERT:

“and Staff shall use consistent input values wherever feasible and the same methodology and model”

Page 69, Line 4

After “benefit-cost ratios” INSERT:

“, while understanding that the Company is responsible for developing each Implementation Plan and filing the Plan application.”

Page 69, Line 5

INSERT new ordering paragraph:

“IT IS FURTHER ORDERED that to ensure accurate and timely cost-effectiveness analysis through the use of one model and consistent input values, Staff shall retain an independent third-party consultant through the U.S. DOE SEEACTION Technical Assistance Program or the NARUC SERCAT program, to assist a Staff-led working group, including the Company and interested stakeholders, in (a) exploring effective options for cost-effectiveness analysis models, (b) selecting and securing one model to be used by the Company and Staff for cost-effectiveness analysis, (c) resolving any differences in key input values used in the analysis, and (d) documenting the key input values in a Technical Reference Manual to be updated by the Company and filed with each DSM Implementation Plan.”

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