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Southwest Energy Efficiency Project
January 11, 2012
Docket No. E-01933A-11-0055

Electric Energy Efficiency Standard Language on Performance Incentives

Section	Rule Language
R14-2-2411 Performance Incentives	In the implementation plans required in R14-2-2405, an affected utility may propose for Commission review a performance incentive to assist in achieving the energy efficiency standard set forth in R14-2-2404. The Commission may also consider performance incentives in a general rate case.

Commission Staff Findings of Fact on Performance Incentives Proposed in an Energy Efficiency Implementation Plan

Utility	Date	Source	Page No.	Commission Staff Finding of Facts
UNS Electric	1/3/12	Utilities Division Report and Recommended Order on UNS Electric, Inc.'s Application for Approval of its 2011-2012 Energy Efficiency Implementation Plan	Page 48, Lines 6-12	The EE Rules state that "an affected utility may propose for Commission review a performance incentive to assist in achieving the energy efficiency standard..." (R14-2-2411) (The EE Rules do not provide for revision of an existing performance incentive, as is the case with TEP.)... Staff has recommended that UNSE have a performance incentive calculated using the same methodology currently being used for TEP.
Tucson Electric Power Company	11/16/11	Utilities Division Report and Recommended Order on Tucson Electric Power Company's Application for Approval of its 2011-2012 Energy Efficiency Implementation Plan	Page 57, Lines 10-18	The structure of TEP's current performance incentive... was approved by the Commission in TEP's last rate case in Decision No. 70628... Although the DSM adjustor rate may be reset annually to reflect fluctuations in costs already approved for recovery (such as program costs that vary according to participation levels), it is not appropriate for a reset outside a rate case to include major changes to the type or level of costs recovered through the DSM adjustor. Changes to the adjustor, including changes to how the Performance Incentive is calculated, should be made within a rate case.