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OPEN MEETING AGENDA ITEM

E-01933A-11-0055

Jennifer Ybarra

**From:** John Hannan [jhannan@cornerstoneelectricaz.com]  
**Sent:** Thursday, March 22, 2012 1:54 PM  
**To:** llopez@azleg.gov; paboud@azleg.gov; fantenori@azleg.gov; ocajerobedford@azleg.gov; sfarley@azleg.gov; amelvin@azleg.gov; mheinz@azleg.gov; tproud@azleg.gov; vwilliams@azleg.gov; bwheeler@azleg.gov; Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web; jeff.hunter@tep.com; james.green@kema.com  
**Subject:** Tucson Electric Power Demand Side Management Program (DSM) Program Hold

Ladies and Gentlemen,

I am writing to request the Arizona Corporation Commission (ACC) and Tucson Electric Power (TEP) reach an immediate resolution on the budget impasse for TEP's Demand Side Management (DSM) Program. It is my understanding that neither the 2011 nor 2012 TEP DSM budgets have been approved by the ACC. Consequently, effective March 19, 2012, TEP placed its DSM Program on indefinite hold.

This hold has a devastating impact on the momentum of TEP's DSM Program, Jobs, TEP ratepayers and the ACC's stated goal to achieve annual energy savings of at least 22% by 2020. Putting a hold on this program will surely impact TEP's future success in reaching its energy saving goals. When the program exhausted funding in the summer of 2010, I believe it had a direct impact on TEP Trade Ally participation, consequently impacting TEP's 2011 goals negatively. In other words stops in the program will negatively impact program participation going forward.

As an Electrical Contractor and one of many TEP Trade Allies, we have reduced commercial energy usage, saving TEP ratepayers nearly \$500,000 in annual energy costs. Until this moment, we were in the process of proposing significant energy savings to a number of local businesses, including a 24 story, 286,000 square foot downtown high-rise. This hold has a significant impact on TEP ratepayers, the ACC's stated goals, jobs, our business and the economy.

We are now prevented from incenting business owners to reduce their energy consumption. Bottom-line, as a small business, this has a significant and negative impact on our revenues, and more personally, has a direct impact on jobs at Cornerstone Electric.

I would urge TEP and the ACC to immediately come together to resolve the budgetary impasse, and pave the way for jobs and the ACC required energy savings. Without immediate resolution there will be missed opportunities affecting all of us moving forward.

cc:

Senator Linda Lopez  
 Senator Paula Aboud  
 Senator Frank Antenori  
 Senator Olivia Cajero Bedford  
 Senator Al Melvin  
 Representative Steve Farley  
 Representative Matt Heinz  
 Representative Terri Proud  
 Representative Vic Williams

Representative Bruce Wheeler  
 Commissioner Paul Newman  
 Commissioner Brenda Burns  
 Commissioner Gary Pierce  
 Commissioner Bob Stump  
 Commissioner Sandra Kennedy  
 Jeff Hunter, Tucson Electric Power  
 James Green, KEMA Services, Inc.

Arizona Corporation Commission

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Best Regards,

John Hannan

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