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BEFORE THE ARIZONA CORPORATION COM

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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF SOUTHWEST GAS' APPROVAL OF ITS ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE TECHNOLOGY PORTFOLIO IMPLEMENTATION PLAN.

DOCKET NO. G-01551A-11-0344

SWEEP COMMENTS ON THE SWG ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE TECHNOLOGY PORTFOLIO IMPLEMENTATION PLAN

COMMENTS OF THE SOUTHWEST ENERGY EFFICIENCY PROJECT

1 The Southwest Energy Efficiency Project ("SWEEP") appreciates the opportunity to submit
2 comments in response to the Report and Recommended Order filed by Staff on April 10, 2012,
3 regarding Southwest Gas's ("Southwest Gas" or "Company") Application for Approval of its
4 Energy Efficiency and Renewable Energy Resource Technology Portfolio Implementation Plan
5 ("Plan" or "EE & RET Plan"). Below SWEEP submits its comments on the Plan.
6

7 **I. SWEEP supports Commission approval of the Southwest Gas EE & RET Plan.**

8
9 SWEEP thanks Commission Staff for its efforts in preparing the Report and Recommended
10 Order on Southwest Gas' EE & RET Plan. The Staff-recommended programs and measures
11 are cost-effective and will reduce utility bills for customers. These opportunities will help to
12 mitigate fuel price increases; reduce customer vulnerability and exposure to natural gas price
13 volatility; and deliver economic and environmental benefits. In addition, the EE & RET Plan
14 programs are expected to achieve 3,294,517 therms of annual energy savings, thereby
15 meeting the Company's twelve-month energy savings goal.
16

17 **II. SWEEP will work with the Company and Commission Staff to identify ways to increase**
18 **cost-effectiveness and reduce ratepayer costs for existing and potential EE programs,**
19 **including through the coordination and "piggy-backing" of gas EE programs with**
20 **electric EE programs. SWEEP will work with the Company to help develop such**
21 **proposals as part of the next EE & RET Plan due to be filed in June 2012.**
22

23 SWEEP recommends coordinating and piggybacking the delivery of Southwest Gas EE
24 programs with electric EE programs wherever possible. Such coordination will drive down
25 ratepayer costs while providing customers with more comprehensive, convenient services –
26 e.g. "one-stop shop" customer service that encompasses both electric and gas EE. Several

1 additional measures and programs could become cost-effective through such an integrated
2 approach. Additionally, the coordinated service would enable more ways for customers to
3 save money and to save money more easily and conveniently. SWEEP will work with the
4 Company to help develop such cost-saving proposals as part of the next Plan. To that end,
5 SWEEP plans to review the cost-effectiveness analysis that Staff and the Company have
6 conducted in advance of the next EE & RET Plan to be filed in June 2012.

7
8 **III. SWEEP maintains that the process for analyzing and reporting the cost-effectiveness of**
9 **EE opportunities should be modified to ensure an accurate and full understanding of**
10 **the costs and benefits associated with EE programs and investments in a timely**
11 **manner. SWEEP supports engagement of an independent, third-party consultant to**
12 **advance these objectives. SWEEP supports extension of the process approved by the**
13 **Commission for other utilities to include Southwest Gas.**

14
15 SWEEP strongly supports Staff and the utility companies (Southwest Gas, Arizona Public
16 Service, UNS Electric, Tucson Electric Power, etc.) using one model and consistent input
17 values for the cost effectiveness analysis of proposed and existing EE programs and
18 opportunities. SWEEP also supports making the cost-effectiveness model and the input
19 values available to the public.

20
21 Such synchronization and disclosure would be beneficial because it would:

- 22
- 23 ▪ Boost transparency for both the EE plan development and review process and for the
24 integrated resource planning process.
 - 25 ▪ Streamline the EE plan development and review process, providing customers with
26 opportunities to save money on their bills sooner and freeing up time for Staff to
27 focus on more strategic analysis of the EE plans.
 - 28 ▪ Allow other parties and market actors to propose and review enhancements or
29 improvements to the EE plans more easily.
 - 30 ▪ Provide a consistent platform (one model) across the state for the evaluation and
31 review of EE programs and opportunities. (Given that the EE Standard is a statewide
32 standard, it follows that a statewide model for EE analysis should be used – as is the
33 practice in other states.)
 - 34 ▪ Provide a platform and knowledge infrastructure that co-ops and smaller utilities
35 could use, thereby reducing the administrative costs of these entities in the design of
36 their energy efficiency programs.
- 37

38 Notably, in its approval of the Arizona Public Service 2012 Energy Efficiency
39 Implementation Plan and the UNS Electric 2011-2012 Energy Efficiency Implementation
40 Plan, the Commission unanimously supported a process whereby Commission Staff could
41 seek funds at no ratepayer expense to retain an independent third-party consultant to assist a
42 Staff-led working group, including the utility companies and interested stakeholders, to
43 develop one model and consistent input values for accurate and timely cost-effectiveness
44 analysis of EE programs and measures. **SWEEP supports extension of this process to**
45 **include Southwest Gas.**

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1 Thank you for the opportunity to submit these comments.
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5 Respectfully submitted this 23rd day of April 2012 by:
6
7

8 _____
9 Jeff Schlegel & Ellen Zuckerman
10 Southwest Energy Efficiency Project
11

12 ORIGINAL and thirteen (13) copies filed this 23rd day of April 2012, with:
13

14 Docket Control
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18 COPIES of the foregoing sent via email and/or mail this 23rd day of April 2012, to:
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20 All Parties of Record