



Southern Arizona Home Builders Association

2840 N. Country Club Road Tucson, Arizona 85716 Phone: (520) 795-5114 Fax: (520) 326-8665 Web: www.sahba.org

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Affiliated With



July 6, 2012

The Honorable Gary Pierce Chairman Arizona Corporation Commission 1200 West Washington Phoenix, AZ 85007-2996



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RE: Docket No. E-01933A-11-0055, Application of Tucson Electric Power Company for Approval of its 2011-2012 Energy Efficiency Implementation Plan

Dear Chairman Pierce:

Thank you and your fellow Commissioners in advance for your forthcoming consideration of the important matter of TEP's Energy Efficiency Implementation Plan. On behalf of our members, I would like to communicate the importance of rebates for builders that construct highly energy efficient homes. It is a key component in sustaining the positive momentum of new home construction in Southern Arizona.

Increased building code requirements, and utility incentive programs, have resulted in homes being built today that are vastly more energy efficient than homes built only a few years ago. This benefits both homeowners and the utilities who serve them. Energy efficiency rebates also allow builders to offset a small portion of the cost associated with meeting and exceeding code. This small cost reduction helps home builders compete with lower priced REO's and foreclosures that are older and less energy efficient. In turn, increased construction activity helps the industry, the utility and our economy.

However, we also are aware of the careful balance that must be achieved when considering the benefits of such utility incentive programs with the potential impact on ratepayers. As of this juncture, it would appear that the proposed Updated Plan filed by TEP on May 2, 2012 achieves this balance and is an appropriate "bridge" from the status quo to the completion of the rate case filed by TEP on July 2, 2012. Nevertheless, we will continue to monitor Docket No. E-01933A-11-0055 in the interim, and may offer such further comment as necessary or appropriate on this subject during your future Open Meeting for that docket.

Sincerely,

David

David M. Godlewski President, SAHBA

