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Arizona Corporation Commission

BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION
OF THE GRAHAM COUNTY ELECTRIC
COOPERATIVE, INC. FOR APPROVAL
OF ITS ELECTRIC ENERGY
EFFICIENCY IMPLEMENTATION PLAN
FOR 2012 AND 2013.

DOCKET NO. E-01749A-11-0235

**SWEEP COMMENTS ON THE GCEC
2012-2013 ENERGY EFFICIENCY
IMPLEMENTATION PLAN AND
RECOMMENDED ORDER**

COMMENTS OF THE SOUTHWEST ENERGY EFFICIENCY PROJECT

The Southwest Energy Efficiency Project ("SWEEP") appreciates the opportunity to submit comments in response to the Recommended Order filed by Staff on July 3, 2012, regarding Graham County Electric Cooperative, Inc.'s ("GCEC") Application for Approval of its 2012-2013 Energy Efficiency Implementation Plan.

1. SWEEP opposes the GCEC-proposed partial waiver to the Energy Efficiency Standard

Energy efficiency (EE) is the least cost energy resource available and delivers significant and cost-effective benefits for all GCEC customers, the electric system, the economy, and the environment. As such, it should be fully pursued. SWEEP further notes that the Electric Efficiency Standard is a cumulative standard, meaning that GCEC has the opportunity to catch up to the requirements of the Standard over several years. Therefore SWEEP believes a waiver is simply unnecessary.

Instead of approving a partial waiver, the Commission should (1) acknowledge on the record that GCEC is not currently achieving the level of energy savings required by the Standard, and (2) set the expectation that since the Standard is based on cumulative energy savings, GCEC has the opportunity to catch up to the energy savings requirements over several years.

SWEEP notes that during the workshops and proceedings in which the Energy Efficiency Standard was developed and approved, the unique situation of electric cooperatives was fully considered. As such, Section R14-2-2418 of the Energy Efficiency Standard Rule allows an electric cooperative to meet 75% of the Standard energy savings requirement. This lower energy savings level required of cooperatives, combined with the acknowledgement that SWEEP recommends above, is adequate to address the current situation for GCEC.

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2 **2. SWEEP supports Staff's recommendation that caps not be approved.**
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4 SWEEP agrees with Commission Staff that the demand side adjustor surcharge should be
5 implemented without customer caps because EE is a resource that delivers benefits to the
6 utility system as a whole. Caps should not be implemented for the most cost-effective
7 resource used to meet customer energy needs.
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9 **3. SWEEP supports Commission approval of the EE opportunities found to be cost-**
10 **effective by Commission Staff.**
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12 These new opportunities will provide important ways for customers to reduce their bills and
13 eliminate energy waste. In addition, proposed programs incorporate strategies successfully
14 implemented by other utilities and will achieve cost efficiencies by leveraging partnerships
15 with other entities. For example:
16

- 17 ■ The proposed Appliance Recycling program will utilize delivery networks employed by
18 other utilities.
- 19 ■ The proposed Low Income Weatherization program will leverage ratepayer money by
20 utilizing the expertise of the Southeastern Arizona Community Action Program, which is
21 already doing work in GCEC's service territory.
- 22 ■ The proposed EE education program will provide a means to empower GCEC's entire
23 residential customer base with information on their energy usage (under Staff's funding
24 proposal). This program can also provide an important means of educating customers
25 about the availability of other EE and demand response opportunities, including GCEC's
26 time of use rate.
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28 **4. SWEEP Supports Budget Flexibility for GCEC**
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30 SWEEP supports budget flexibility for GCEC. SWEEP notes that EE is a reliable energy
31 resource that can be directed and targeted as needs arise with particular market segments or
32 geographic areas. Energy efficiency budget flexibility supports this ability of EE to be
33 targeted and more responsive to customer interests. It will also enable GCEC to tailor its
34 programs to meet specific, evolving needs in the field.
35

36 **5. SWEEP appreciates GCEC's proposal to include a residential energy assessment**
37 **program in EE portfolio. SWEEP is committed to working with GCEC to develop a**
38 **cost-effective program proposal as part of the utility's next EE Implementation Plan.**
39

40 Home energy assessment programs assist residents in the identification and installation of
41 energy-efficient upgrades. These programs deliver important customer benefits, including
42 energy and money savings and improved home health and comfort. As such, SWEEP
43 strongly supports these programs and appreciates GCEC's work to propose a program in its
44 2012-2013 EE Implementation Plan. Unfortunately, the GCEC-proposed program did not
45 include adequate energy savings measures delivered as part of the program and therefore
46 Staff determined that the program was not cost-effective.

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2 SWEEP is committed to working with GCEC on its next EE Implementation Plan filing in
3 order to sharpen its program proposal so that it is cost-effective.
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5 Respectfully submitted this 19th day of July 2012 by:
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Jeff Schlegel & Ellen Zuckerman
9 Southwest Energy Efficiency Project
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12 ORIGINAL and thirteen (13) copies filed this 19th day of July 2012, with:
13

14 Docket Control
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 COPIES of the foregoing sent via email and/or mail this 19th day of July 2012, to:

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20 All Parties of Record