

ORIGINAL

INTERVENTION



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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

GARY PIERCE, Chairman
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Arizona Corporation Commission
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IN THE MATTER OF THE APPLICATION OF)
TUCSON ELECTRIC POWER COMPANY FOR THE) DOCKET NO. E-01933A-12-0291
ESTABLISHMENT OF JUST AND REASONABLE)
RATES AND CHARGES DESIGNED TO REALIZE) APPLICATION FOR LEAVE TO
A REASONABLE RATE OF RETURN ON THE) INTERVENE
FAIR VALUE OF ITS OPERATIONS)
THROUGHOUT THE STATE OF ARIZONA.)

I.

INTRODUCTION

Pursuant to A.A.C. R14-3-105 EnerNOC, Inc. ("EnerNOC") hereby submits its Application for Leave to Intervene ("Application") in the above-captioned and above-docketed proceeding ("Instant Proceeding"). In support of its Application, EnerNOC submits the following information.

II.

IDENTITY OF APPLICANT

EnerNOC provides valuable energy resources to utilities and grid operators by providing world-class energy management services to commercial, institutional, and industrial ("C&I") customers by reducing real-time demand for electricity, increasing energy efficiency, improving energy supply transparency in competitive markets, and mitigating emissions. EnerNOC's Network Operations Center ("NOC") continuously supports these applications across over 12 thousand C&I customer sites throughout the world. Working with more than 100 utilities and grid operators globally, EnerNOC delivers energy, ancillary services, and carbon mitigation resources that provide cost-effective alternatives to investments in traditional power generation, transmission, and distribution. EnerNOC currently has nearly 8,000 MW of demand response capacity under management in North America, the United Kingdom, Australia and New Zealand.

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1 In connection with the foregoing, EnerNOC has an existing contractual arrangement with
2 Tucson Electric Power Company (“TEP”) to provide energy efficiency services to TEP
3 customers, and EnerNOC has been a participant in TEP’s current Large Commercial Direct Load
4 Central Program. In that regard, EnerNOC actively participated as an intervenor in the recently
5 concluded evidentiary proceedings in Commission Docket No. E-01933A-11-0055, which
6 involve TEP’s Energy Efficiency Implementation Plan for the 2011-2012 time period.

7
8 **III.**
9 **APPLICANT COULD BE SUBSTANTIALLY AND**
10 **DIRECTLY AFFECTED BY A COMMISSION DECISION**
11 **IN THE INSTANT PROCEEDING**

12 On July 2, 2012 TEP filed a request with the Commission for an increase in its rates and
13 charges for electric service, which filing occasioned the initiation of the Instant Proceeding.
14 Therein TEP devoted a subsection to its proposed Energy Efficiency Resource Plan (“EE
15 Resource Plan”), which provides as follows:

16 ***“1. Energy Efficiency Resource Plan (“EE Resource Plan”).***

17 TEP is proposing its EE Resource Plan as an innovative solution for
18 funding the cost of meeting the EE rules requirements. Under this proposed pilot
19 program, the Commission would approve a three-year EE program budget for
20 TEP. The program costs would be treated as a regulatory asset that would be
21 amortized over four years. This proposal will result in a gradually-inclining rate in
22 the DSMS - also to be set by the Commission in this rate case - while increasing
23 program offerings each year to meet the rising EE Standard. Because TEP would
24 amortize its EE costs over a four-year period, the EE Resource Plan would allow
25 DSMS surcharges to be significantly lower from 2014-20 16 than they would be
26 if those annual expenses were fully recovered each year under the current
27 practice. Under TEP’s proposal, the Company would determine the most cost-
28 effective EE option appropriate for its particular system, invest its capital to
procure that resource and recover the associated costs - including the amortization
expense and an appropriate return on investment - through the DSMS surcharge.
This capital investment and recovery model is similar to that used for any other
supply-side resource. The specific mechanics for the EE Resource Plan are set
forth in a POA.

As a result, the EE Resource Plan would reduce and stabilize the rate
impacts to our customers, better synchronize the benefits of EE with their
associated costs, provide a base level of certainty to program offerings, and
eliminate the need to provide a performance incentive. This will result in
DSM/EE contractors having more certainty regarding program funding levels, and

1 will provide TEP with more certainty as to the amount and timing of energy
2 savings it can rely on in its resource and system planning, while also reducing the
3 burden on Commission Staff now tasked with annually reviewing implementation
4 plans and the DSMS.” [TEP application at p. 9, l. 8 – p. 10, l. 2]

5 Based upon the information available to it to date, EnerNOC believes that its ability to do
6 business in the future with TEP, and with TEP’s customers, could be affected by TEP’s proposed
7 EE Resource Plan or some variation thereof. As a consequence, EnerNOC could be substantially
8 and directly affected by a Commission decision in the Instant Proceeding.

9 **IV.**

10 **APPLICANT’S INTERVENTION WOULD NOT DELAY THE**
11 **INSTANT PROCEEDING OR UNDULY BROADEN ISSUES**

12 As of this juncture, EnerNOC does not anticipate a need to raise any new matters.
13 Rather, it contemplates participating in the proceeding and addressing to the extent necessary (i)
14 those questions and/or issues which may exist at this time as a result of TEP’s Application and
15 supporting schedules and supporting testimony, or (ii) which may hereafter be raised by the
16 Commission’s Staff and/or other parties. Thus, its intervention will not unduly broaden the
17 issues to be considered.

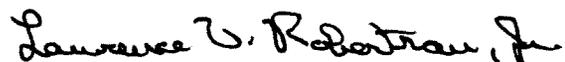
18 **V.**

19 **CONCLUSION**

20 Based upon the foregoing, EnerNOC believes that it has satisfied the requirements for
21 intervention set forth in A.A.C. R-14-3-105. Accordingly, it requests that an appropriate order of
22 the Commission be issued granting EnerNOC’s Application, and according EnerNOC all rights
23 as a party of record in the instant proceeding.

24 Dated this 7th of August 2012.

25 Respectfully submitted,

26 

27 Lawrence V. Robertson, Jr.
28 Attorney for EnerNOC, Inc.

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The original and thirteen (13) copies of the foregoing Application will be mailed for filing this 7th day of August 2012 to:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

A copy of the foregoing Application has been emailed or will be mailed this same date to:

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