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ARIZONA CORPORATION COMMISSION RECEIVED

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March 8, 2013

ARIZONA CORPORATION COMMISSION  
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Re: Energy Efficiency Rules, Docket No.: RE-00000C-09-0427

Dear Chairman Stump:

On February 27, 2013, Commissioner Gary Pierce wrote you a letter in which he expressed his concerns about the way the current energy efficiency rules are constituted. I share many of those sentiments.

I support energy efficiency as a model endeavor and am concerned that our processes and costs may actually be working to the detriment of the energy efficiency message we want to send to consumers. We must ensure that energy efficiency, in the long run, is a sound investment.

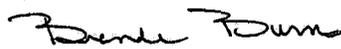
Over the course of my tenure as commissioner I have been troubled by what I perceive to be a lack of concrete evidence that the energy efficiency programs, which ratepayers have had to pay for, are actually "cost effective." The costs are self-evident and they are substantial. But, the promised benefits have been difficult to identify. However, energy efficiency is worthwhile when costs are reasonable and benefits are readily measured. I associate myself with Commissioner Pierce's assertion that the energy efficiency rules should be evaluated.

As a commissioner, I have been keenly interested in delving into the energy efficiency implementation plan process. I have highlighted some programs which could be carried out at lower costs than what were originally proposed by utilities. In addition, I have been troubled by the mechanism for which performance incentives are calculated.

The energy efficiency rules, as established, have created an unwieldy process that does not accurately reflect all of the energy efficiency achieved in Arizona. Many ratepayers have executed energy efficiency measures on their own volition without utilizing various utility programs. Therefore, these voluntary measures to help the environment and save money have never been included in annual compliance filings. That "integrity gap" in the rules needs to be addressed.

Whenever we mandate ratepayers to pay for ambitious goals we must continuously strive to make sure our regulatory initiatives are closely monitored and evaluated. I applaud Commissioner Pierce for bringing this issue to our attention. I agree with him that we must do a top-bottom inspection of the energy efficiency rules.

Sincerely,

  
Brenda Burns  
Commissioner

Arizona Corporation Commission  
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