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Arizona Corporation Commission

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APR 22 2013

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IN THE MATTER OF THE APPLICATION OF  
SULPHUR SPRINGS ELECTRIC COOPERATIVE,  
INC. FOR APPROVAL OF ITS ELECTRIC  
ENERGY EFFICIENCY IMPLEMENTATION  
PLAN FOR 2012 AND 2013

DOCKET NO. E-01575A-11-0223

RESPONSE TO RECOMMENDED  
OPINION AND ORDER AS FILED  
APRIL 10, 2013

Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") hereby submits comments and recommendations concerning the Arizona Corporation Commission Staff Memorandum and Recommended Opinion and Order ("ROO") on the SSVEC Energy Efficiency ("EE") Implementation Plan for 2012 and 2013.

SSVEC agrees with the Staff ROO with two exceptions. Staff has recommended that the rebate program for the On-Demand Water Circulating Pump not be approved. Staff cited several reasons for this non-approval. Since the submission of SSVEC's EE Plan in 2011, several items have changed concerning this pump program as detailed below.

Currently, three businesses carry this pump and a fourth, Lowes, will soon begin to stock this pump. Staff stated that only one retail outlet was carrying this pump. Staff also indicated that this is a new product which still could be undergoing testing. This statement is not correct. Demand-controlled pumps have been patented in the USA and sold internationally for more than

1 two decades. They are now part of a rebate offer by many cities and towns, to include the city of  
2 Peoria, AZ who offers at \$100.00 rebate. In addition, the EPA WaterSense revision 1.1, adopted  
3 on 1 January 2013, only permits demand-controlled pumps in WaterSense new certified homes.  
4 Also, the city of Sierra Vista, the largest in the SSVEC service territory has adopted this new  
5 water conservation code which is the first city in the United States to do so. In addition, Cochise  
6 County is considering adding this to their code as well. So in short, these pumps are not a new  
7 product and are actually are being added to many city codes today as the best technology  
8 available.

9 Staff indicated that the cost is \$500.00 per unit installed. These products are currently being sold  
10 at an average cost of \$300.00. Staff is also concerned that the energy savings portion of the on  
11 demand pump cannot be quantified. Both the energy savings as well as the water savings have  
12 been quantified and as a result of these studies the EPA has added these to their latest WaterSense  
13 revision and cities, to include ones located in our service territory as well as the state of Arizona.  
14 In addition, SSVEC believes that water as well as energy savings should be included in  
15 determining the true overall savings of the on demand pump. The testing and results data was  
16 submitted to Staff.

17 Staff also recommends that if this rebate is offered in the future it be limited to electric water  
18 heaters only. SSVEC believes the installation of this on demand pump should be allowed for any  
19 water heaters as it will save both energy as well as water. In short, this rebate should be fuel  
20 neutral.

21 In addition to the information listed above, SSVEC believes that weight should also be given to  
22 the water situation in Cochise County. The Center for Biological Diversity has sued Fort  
23 Huachuca under the Endangered Species Act and the litigation continues. They allege that  
24 pumping from the aquifer is drying up the San Pedro River. As a result, the Fort, as well as the  
25 surrounding communities, have been working hard to save water through reductions in pumping  
26 water from the aquifer as well as recharging water back in to the river and the aquifer. Fort  
Huachuca has reduced water consumption by 66%. In addition, aquifer pumping has been

1 reduced from a deficit of 10K acre-feet in 2002 to a deficit of 5.1K acre-feet in 2011 (source:  
2 USPP 2012 report to Department of the Interior). Fort Huachuca, according to the 2002 Maguire  
3 Company report, commissioned by the state of Arizona, shows that the Fort contributes \$2.4  
4 billion a year both indirectly and directly into our community and the state of Arizona. In short,  
5 the closing of Fort Huachuca or the reduction in missions would devastate our community and  
6 harm the state of Arizona as well.

7 For the reasons stated above, SSVEC recommends that the On Demand Circulating Pump be  
8 offered as a program with a rebate of \$100.00 and with a maximum budget of \$10,000.00 (100  
9 pumps) for the first year. After the first year, SSVEC will analyze the results and provide a report  
10 to the ACC and recommend whether the program should continue. The miscellaneous budget  
11 line in the Budget table on page 23 of the ROO would be reduced by \$10,000 to fund the pilot  
12 program with no increase to the overall proposed budget.

13 SSVEC recommends the ROO at page 29, line 4 be modified such that the language “is not  
14 approved” is deleted and the language “is conditionally approved as a 1 year pilot program,  
15 limited to a \$100 per pump rebate, applicable to any water heater regardless of fuel source, and  
16 with a \$10,000 annual budget (100 pumps). SSVEC will analyze the program and provide the  
17 analysis to ACC at the end of one year or after the budget has been depleted whichever comes  
18 first.”

19 The second SSVEC exception is the SSVEC request for a waiver from the cumulative Energy  
20 Efficient Standard that Staff has recommended be denied. Staff recognizes that SSVEC cannot  
21 meet the EE Standard requirements and is willing to waive the requirements for 2012, 2013, and  
22 2014 which simply postpones the inevitable as stated in the Cooperative’s motion filed on August  
23 2, 2012. Staff does not address the fact that the EE Standard is a cumulative standard and that the  
24 EE savings that should have been accomplished in 2012, 2013 and 2014 but were not are counted  
25 toward meeting the cumulative standard in each year thereafter until 2020. As a result, there is no  
26 way SSVEC can meet the cumulative standard. Consequently, SSVEC requests that its request  
for a waiver from meeting the cumulative EE Standard be granted. As a condition of a waiver,

1 the Cooperative agrees to file biannual EE plans based on the EE rules which will contain  
2 SSVEC's EE Goals, a budget, cost effective programs, and a surcharge appropriate to the SSVEC  
3 membership and service area.

4  
5 RESPECTFULLY SUBMITTED this 22<sup>nd</sup> day of April 2013

6 Sulphur Springs Valley Electric Cooperative, Inc.

7  
8 By   
9 David Bane  
SunWatts Program Manager

10  
11 **Original** and thirteen (13) copies filed this  
12 22<sup>nd</sup> day of April 2013, with:

13 Docket Control  
14 Arizona Corporation Commission  
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16 Phoenix, AZ 85007  
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