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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

Arizona Corporation Commission

DOCKETED

APR 18 2014

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IN THE MATTER OF THE APPLICATION OF
MOHAVE ELECTRIC COOPERATIVE, INC. FOR
APPROVAL OF A DEMAND-SIDE
MANAGEMENT PLAN AND ENERGY
EFFICIENCY IMPLEMENTATION PLAN,
INCLUDING DSM ADJUSTMENT TARIFF; AND
REQUEST FOR WAIVER PURSUANT TO THE
ENERGY EFFICIENCY STANDARD RULES.

DOCKET NOS. E-01750A-11-0228
AND E-01750A-13-0169
DECISION NO. 74443
ORDER

Open Meeting
April 8 and 9, 2014
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Mohave Electric Cooperative, Inc. ("MEC" or "Cooperative") is engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission.

BACKGROUND

2. On July 1, 2011, MEC filed for approval of its 2012-2013 Demand Side Management ("DSM") Plan and Energy Efficiency ("EE") Implementation Plan ("Plan"), a DSM Adjustment Tariff, and a waiver of the cumulative energy efficiency requirements set forth in A.A.C. R14-2-2418(C) to the extent they are not achieved by the EE Plan.

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1 3. On November 19, 2012, MEC filed an amendment to its application, to request that
2 the plan period be extended through 2014 and that the cumulative energy efficiency requirements
3 established by A.A.C. R14-2-2418(C) and R14-2-2404 be waived.

4 4. On May 31, 2013, MEC filed, in a separate docket, for approval of its 2014-2015
5 DSM and EE Plan. MEC's 2014-2015 EE Plan merely seeks to extend its 2012-2013 EE Plan
6 through 2015.

7 5. On January 22, 2014, MEC filed an Amended Supplemental Filing which included
8 an updated program budget. The updated budget numbers are shown in Table 1.

9 6. This is MEC's first DSM/EE Plan. Although MEC has had DSM and EE programs
10 for many years, it has funded the programs from general revenues. No Commission order has
11 specifically required or approved MEC's DSM or EE programs.

12 **EE PLAN OVERVIEW**

13 7. MEC's Plan sets forth 12 programs, six of which are existing, i.e., already
14 implemented. Table 1 depicts MEC's existing and newly proposed EE programs.

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Table 1
Mohave Electric Cooperative
2012-13 DSM and EE Plan
Proposed Programs

Existing	Residential Energy Review and Audit	\$23,920
Existing	High Efficiency Heat Pumps	51,147
Existing	Operation Cool Shade Tree	8,855
Existing	Good Cents EE New Homes	465
Existing	Education & Outreach Support	6,000
Existing	CFL Give-aways	7,331
	Existing Program Subtotal	\$97,718
New	Residential Lighting	\$32,555
New	Residential Low-income Weatherization	350,900
New	Residential Refrigerator/Freezer Recycling	45,933
New	Commercial Lighting Discount CFL	3,550
New	Commercial Lighting	1,335
	New Program Subtotal	\$434,273
	Program Subtotal	\$531,991
	Special Data Collection	6,000
	General Administration	14,000
	Total Budget	\$551,991

8. MEC's originally filed EE Plan was projected to reduce energy usage by 0.967% in 2013. MEC's original application requested an EE Plan budget of \$543,906 and a DSM Adjustor rate of \$0.000799 per kWh to be applied to all of the Cooperative's Standard Offer Tariffs. MEC's application has proposed the DSM/EE programs shown above in Table 1.

EXISTING PROGRAM DESCRIPTIONS

Residential Energy Review and Energy Audit Program

9. This program currently consists of member energy reviews, which consists of a survey of heating, ventilation and air conditioning ("HVAC") systems, ducts, doors, windows, window treatments, shading, thermostats, lighting, and electric appliances; plus a review of living habits that may affect energy usage. MEC proposes to add an incentive for an in-depth energy audit to be performed by a qualified third-party contractor. The program includes phone support

1 and onsite visits to the customer's premises. The objective of the program is to gather information
2 about the member's usage and about the physical residence, then provide recommendations and
3 education so that the member is more informed about using energy wisely.

4 10. Members would be able to request a more detailed energy audit to be performed by
5 a qualified contractor. The program would provide a \$199 incentive toward the cost of this more
6 comprehensive audit.

7 11. MEC has assumed a savings of 5 percent of energy use for those participating in
8 Residential Energy Audits. The program will be reevaluated if that 5 percent is not being attained.

9 *Proposed Budget*

10 12. MEC has proposed a budget of \$23,920 for the Energy Review and Energy Audit
11 Program.

12 *Cost Effectiveness*

13 13. MEC has indicated a Benefit/Cost ("B/C") ratio of 1.22 for this program. Staff
14 calculates a B/C ratio of 1.30.

15 *Recommendations*

16 14. Staff has recommended that the Residential Energy Review and Energy Audit
17 Program be approved by the Commission with a budget of \$23,920.

18 **High-Efficiency Heat Pump Program**

19 15. MEC has offered a high efficiency heat pump incentive program for several years.
20 MEC is requesting approval for continuation of the program. The objective of the program is to
21 encourage improvements in residential and small commercial heating and cooling equipment. The
22 program provides rebates based on kWh savings per ton achieved from replacing a less efficient
23 system with a more efficient system in accordance with federal minimum efficiency standards.
24 Administration of the program is performed by MEC.

25 *Proposed Budget*

26 16. MEC has proposed a budget amount of \$51,147, based on actual spending.

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1 *Cost Effectiveness*

2 17. MEC has indicated an updated B/C ratio of 1.32 for this program. Staff calculates a
3 B/C ratio of 3.17.

4 *Recommendations*

5 18. Staff has recommended that the High-Efficiency Heat Pump Program be approved
6 by the Commission with a budget of \$51,147.

7 **Operation Cool Shade Tree Program**

8 19. MEC has offered Operation Cool Shade Tree program for several years and
9 proposes to continue the program. Under the program, members may purchase low cost, desert-
10 adapted trees to plant around their homes to provide shading. Mature shade trees help reduce
11 cooling load and reduce the member's electric bills. The program further promotes energy savings
12 by including a compact fluorescent lamp ("CFL") with each tree purchased. The CFL savings are
13 analyzed as part of the CFL Giveaway Program.

14 20. Members receive information on planting trees with support from Mohave County
15 Master Gardeners. MEC administers the program and will track the trees and report expected
16 energy savings.

17 *Proposed Budget*

18 21. MEC shows a proposed annual budget amount of \$8,855 based on actual spending.

19 *Cost Effectiveness*

20 22. Including tree purchase and annual maintenance, Staff has calculated a B/C ratio of
21 2.7. MEC calculates a B/C ratio of 2.69.

22 23. Staff also notes that the Desert Southwest Community Tree Guide indicates a B/C
23 ratio of 2.23 in a comprehensive analysis of tree planting in Mineral City, Nevada, about 300 miles
24 north of Mohave County.

25 *Recommendations*

26 24. Staff has recommended the Commission approve the Cool Shade Tree Program
27 with a budget of \$8,855.

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1 **Good Cents EE New Home Program**

2 25. MEC has worked with members and building contractors in the service territory
3 since 1993 to promote energy efficiency in new home construction. To attain Good Cents
4 certification, the new home must meet program requirements for energy efficiency and energy
5 savings over the life of the home. MEC administers the program including inspections to verify
6 the conditions of the Good Cents certification program, and tracking of energy savings. A Good
7 Cents home may also qualify for a high efficiency heat pump incentive as described above.

8 *Proposed Budget*

9 26. Actual spending for this program was a \$232.50 rebate, with two heat pump rebates
10 given, for a total budget of \$465.

11 *Cost Effectiveness*

12 27. The savings achieved by these efficient homes leads to B/C ratios of 1.72 and 3.10
13 for Staff and MEC, respectively.

14 *Recommendations*

15 28. Staff has recommended that the Commission approve the Good Cents EE New
16 Home Program with a budget of \$465.

17 **Education and Outreach Support Program**

18 29. MEC requests approval of an Education and Outreach Support Program in its EE
19 Plan. This program's objective is to promote and provide education about energy efficiency at
20 schools and in the community in MEC's service territory. The program is facilitated by an MEC
21 representative who attends school and community events such as school science fairs, chamber of
22 commerce meetings, and various civic group meetings, seminars, or workshops. The program
23 provides education about various energy saving tools and methodologies.

24 *Proposed Budget*

25 30. MEC spent \$6,000 on education during the last 12 months and has proposed the
26 same level of spending going forward.

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1 *Cost Effectiveness*

2 31. Staff's review of this program did not include a cost-benefit analysis since this is an
3 education program. Measuring results of educational conservation programs is difficult because
4 the goal of these programs is to change behavior. Staff supports educating consumers as to the
5 methods and benefits of energy conservation, but it is difficult to know the direct results of such
6 education. This is why no B/C ratio is shown on Table 2 for Education and Outreach Support
7 Program for Staff analysis. However, MEC indicates a B/C ratio of 3.38 for educational programs.
8 MEC assumes annual savings of 101 kWh and 0.026 kW per customer for this program.

9 *Recommendations*

10 32. Staff has recommended that the Commission approve the Education and Outreach
11 Support Program with a budget of \$6,000. Although Staff recommends approval of this program,
12 it also recommends that MEC establish a system of review and follow-up for customers educated,
13 with before and after energy use documented. A comprehensive questionnaire and bill analysis
14 would suffice.

15 **CFL Give-away Program**

16 33. The CFL Give-away program is an existing program through which MEC provides
17 a CFL with each tree purchased through the Operation Cool Shade Tree program. Also, MEC
18 gives a CFL to each member in attendance at its Annual Meeting.

19 *Proposed Budget*

20 34. MEC spent \$7,331 during the 12 months ending May 2013 and has proposed the
21 same level of spending going forward. This would be for 5,100 lamps given away at \$1.44 per
22 lamp.

23 *Cost Effectiveness*

24 35. With the lower power and energy use inherent with CFLs, Staff and MEC both
25 determined B/C ratios in the cost-effective range: 3.29 for MEC and 2.33 for Staff.

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1 *Recommendations*

2 36. Staff has recommended that the CFL Give-away Program be approved by the
3 Commission with a budget of \$7,331.

4 **NEW PROGRAM DESCRIPTIONS**

5 **Residential Lighting Program**

6 37. MEC proposes this new program with the objective of promoting installation of
7 CFLs in member homes. This program offers residential members an opportunity to reduce their
8 energy consumption by purchasing CFLs from local retailers at discount pricing. MEC had
9 planned to arrange negotiated CFL pricing and participating retailers through an agreement with a
10 third party implementation contractor. However, MEC was unable to secure the services of such
11 an entity. As an alternative, MEC has talked with local retailers to develop a coupon-based
12 program. MEC prefers a coupon-based program instead of a blanket discount for all CFLs
13 purchased because of the close proximity of customers from other utility areas who would also
14 purchase from the retailers.

15 *Proposed Budget*

16 38. MEC has proposed \$32,555 as an annual budget amount going forward.

17 *Cost Effectiveness*

18 39. With the lower power and energy use inherent with CFLs, Staff and MEC both
19 determined B/C ratios in the cost-effective range: 1.91 for MEC and 3.85 for Staff.

20 *Recommendations*

21 40. Staff has recommended that the Residential Lighting Program be approved by the
22 Commission at the budget amount of \$32,555.

23 **Residential Low-income Weatherization Program**

24 41. MEC is requesting approval for a program that assists low-income members in
25 reducing energy use and lowering utility bills by funding the weatherization of eligible homes.

26 Weatherization measures include:

- 27
- Adding thermal insulation, usually in the attic.
 - Shading sun-exposed windows.
- 28

- 1 • Implementing air leak control measures to reduce excessive infiltration of outside
- 2 air.
- 3 • Testing, tuning and maintaining heating and cooling equipment.
- 4 • Reducing duct leakage where heating and central refrigerated air is distributed by a
- 5 forced air system.
- 6 • Installing low-flow showerheads and other general and water efficiency measures.

7 42. The program provides up to \$2,800 per eligible member residence for
8 weatherization improvements in conjunction with the guidelines of the community action agency
9 for MEC's service territory, Western Arizona Council of Governments ("WACOG"), a state-
10 approved weatherization agency. The program is administered by WACOG, which includes
11 providing applications, determining eligibility based on income level at 150 percent of the federal
12 poverty level, evaluation of the residence for weatherization measures, labor, materials, and
13 coordination with the Governor's Office of Energy Policy ("GOEP"). Reporting and tracking of
14 energy savings is provided by WACOG and the Department of Energy through the GOEP.

15 *Proposed Budget*

16 43. MEC has proposed spending \$350,900 annually.

17 *Cost Effectiveness*

18 44. MEC calculated a B/C ratio of 1.13. Staff's preliminary B/C ratio was 0.92.
19 However, Staff's analysis indicates that small savings could make this program cost-effective. For
20 example, MEC's analysis shows a cost per customer of no more than \$2,800. However, it is
21 possible that not all customers would need the maximum spending. Lowering that cost to a
22 maximum of \$2,600 improves Staff's B/C ratio to 1.0.

23 *Recommendations*

24 45. Staff has recommended approval of the Residential Low-income Weatherization
25 Program at a budget of \$350,900. Staff is recommending a cap of \$2,600 per customer. By
26 reducing the cap, MEC could weatherize more homes within the same proposed budget.

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Residential Refrigerator/freezer Recycling Program

46. MEC is requesting approval for a new refrigerator/freezer recycling program. The program objective is to remove and recycle operating second refrigerators and freezers from members' homes. The intent is to produce long-term electric energy savings by permanently removing operating second appliances, as well as recycling them in an environmentally safe manner. MEC would also provide a \$30 rebate to members per unit recycled to incentivize participation in the program.

47. The marketing and advertising of this program would be the responsibility of MEC. A third party implementation contractor (JACO) would manage the appliance pick up, recycling, and provide tracking of the energy savings associated with the program.

Proposed Budget

48. MEC has proposed \$45,933 as an annual budget amount going forward.

Cost Effectiveness

49. Removing second, operating refrigerators reduces energy and power use. Staff and MEC both determined B/C ratios in the cost-effective range: 3.21 for MEC and 2.3 for Staff.

Recommendations

50. Refrigerator recycling programs have been effective in Arizona. This program has been determined as cost-effective by Staff and MEC, and Staff has recommended approval of the program with a budget of \$45,933.

Commercial Lighting Discount CFL Program

51. MEC proposes this new program with the objective of promoting installation of CFLs in member businesses. This program would be identical to the Residential Lighting Program described above, except that it would be available for commercial customers.

Proposed Budget

52. MEC has proposed spending \$3,550 annually.

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1 *Cost Effectiveness*

2 53. CFLs have always been shown to be energy efficient. Also, commercial customers
3 have large lighting load, allowing for more CFLs to be installed. MEC determined a B/C ratio of
4 10.28. Staff's B/C ratio is 4.33.

5 *Recommendations*

6 54. This program is shown to be cost-effective, and Staff has recommended approval
7 with a budget of \$3,550.

8 **Commercial Lighting Program**

9 55. MEC requests approval of this new program to help commercial customers replace
10 less efficient lighting with higher efficiency equipment. The program would provide a rebate for
11 the per-watt savings associated with the lighting change (not including CFLs). Participating
12 customers or their contractors would provide information about the estimated reduction in wattage
13 from replacing existing lighting with higher efficiency lighting. MEC would then provide a \$0.04
14 per-watt rebate.

15 *Proposed Budget*

16 56. MEC has proposed annual spending of \$1,335 going forward.

17 *Cost Effectiveness*

18 57. Commercial customers generally have large lighting loads, allowing for increased
19 savings. MEC determined a B/C ratio of 12.66. Staff's B/C ratio is 2.58.

20 *Recommendations*

21 58. Staff has recommended approval of the Commercial Lighting Program with a
22 budget of \$1,335. Staff has recommended that the Program be monitored carefully to make certain
23 that savings are indeed occurring as projected.

24 **Special Data Collection**

25 59. MEC's budget includes \$6,000 for Special Data Collection related to low-income
26 weatherization. MEC would ask participants in the residential low-income weatherization
27 program to volunteer for a monitoring program. For approximately 20 low-income residences,
28 MEC would pay the cost of an energy audit and collect data both before and after the

1 weatherization improvements are installed, and monitor the impacts on their utility bills for a 12-
 2 month period after completion of the weatherization. MEC believes such actual data will assist it
 3 in refining the residential low-income weatherization program to become more cost effective.
 4 Data collection is not a Program but is measurement and evaluation.

5 *Proposed Budget*

6 60. The proposed budget would be \$6,000 as set forth in the Amended Supplemental
 7 Filing.

8 *Recommendations*

9 61. Staff has recommended approval of the low-income weatherization program
 10 Special Data Collection. This type of knowledge is essential to move forward with energy
 11 efficiency in an innovative manner, and the data collected would be specific to MEC's customers.
 12 Staff recommends that the Commission order MEC to provide Staff with the data and analysis
 13 from the Special Data Collection.

14 **General Administration**

15 62. MEC's proposed budget includes \$14,000 in general administrative costs. These
 16 costs include plan preparation, securing Commission review, approval of the implementation
 17 plans, and reporting and notices required by A.A.C. R14-2-2405 thru -2409.

18 63. Additionally, when new or modified EE/DSM programs are introduced there are
 19 non-recurring costs incurred to develop and distribute new or revised educational literature and
 20 other advertising, to prepare application forms, to update MEC's website, to implement accounting
 21 procedures to track revenue and expenses and to set up and install any required software. These
 22 are one-time charges or charges that apply across several programs; they are listed as general
 23 administrative costs and are not allocated to particular programs.

24 **BUDGET AND ANALYSIS**

25 64. MEC's and Staff's proposed budgets and B/C ratios are shown below in Table 2.

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Table 2
Mohave Electric Cooperative
Proposed Program Budget and B/C Ratios

<u>EXISTING PROGRAMS</u>	<u>MEC's and Staff's Proposed Budget</u>	<u>MEC's B/C Ratios</u>	<u>Staff's B/C Ratios</u>
Residential Energy Review & Audit	\$23,920	1.22	1.30
High-Efficiency Heat Pumps	\$51,147	1.32	3.17
Operation Cool Shade Tree	\$8,855	2.69	2.70
Good Cents EE New Home	\$465	3.10	1.72
Education & Outreach Support ¹	\$6,000	3.38	N/A*
CFL Give-away	\$7,331	3.29	2.33
Total Existing	\$97,718		
<u>NEW PROGRAMS</u>	<u>MEC's and Staff's Proposed Budget</u>	<u>MEC's B/C Ratios</u>	<u>Staff's B/C Ratios</u>
Residential Lighting	\$32,555	1.91	3.85
Residential Low-income Weatherization	\$350,900	1.13	1.00**
Residential Refrigerator/Freezer Recycling	\$45,933	3.21	2.30
Commercial Lighting Discount CFL	\$3,550	10.28	4.33
Commercial Lighting	\$1,335	12.66	2.58
Total New	\$434,273		
Special Data Collection	\$6,000	N/A	N/A
General Administration	\$14,000	N/A***	N/A***
Total Existing plus New Programs	\$551,991		

* Staff's review of this program did not include a cost-benefit analysis since this is an education program. Measuring results of educational programs is difficult because the goal of these programs is to change behavior.

** Based on Staff's recommended spending cap of \$2,600 per customer.

*** These expenses cannot be allocated to specific programs.

65. Staff has recommended approval of the programs shown in Table 2 above and recommends they be approved with budget levels shown and as discussed herein.

BUDGET SHIFTING

66. MEC has requested the authority to shift approved funds between programs where cost-effective to do so. MEC would notify Staff of any plan to shift funds not less than 30 days prior to implementing the shift. If Staff notifies MEC in writing that it opposes the shift of funds, no shift would occur unless MEC obtains Commission approval.

67. Staff has recommended that MEC be allowed to shift up to 25 percent of a program's budgeted funds between approved energy efficiency programs, within customer classes.

TARIFF SURCHARGE

68. MEC requested a DSM Adjustment Tariff surcharge of \$0.000799 per kWh to cover the costs of its EE Plan budget of \$551,991. Staff calculates a surcharge of \$0.000792 per kWh. A residential customer using the MEC Residential average of 877 kWh per month would see a monthly cost of about 69¢ and an annual cost of about \$8.34. The variables leading to the proposed surcharge are shown in Table 3.

Table 3
Mohave Electric Cooperative
Calculation of DSM Surcharge

Projected 2014 kWh Sales	696,686,417 kWh
Total Program Cost	\$551,991
Surcharge (Cost/Sales)	\$0.000792
Monthly kWh Avg.	877
Monthly Cost	\$0.69
Annual Cost	\$8.34

69. MEC does not have an approved DSM surcharge at this time. The Commission did not establish a cost recovery mechanism for DSM programs until the recent rate case Decision No. 73352. In Decision No. 73352, the Commission stated:

...

1 We agree with Staff that it is appropriate in this rate proceeding to specifically
2 approve a DSM adjustor mechanism, as recommended by Staff during the hearing.
3 Therefore, the initial rates of the DSM adjustor mechanism will be the same as the
4 DSM cost recovery tariff that is approved in Docket No. E-01750A-11-0228
5 (MEC's 2012-2013 Electric Energy Efficiency Implementation Plan and Demand
6 Side Management Program docket). Subsequent changes to the DSM adjustor rates
7 will be set in connection with the Electric Energy Efficiency Implementation Plan
8 submitted by MEC and approved by the Commission pursuant to the Electric
9 Energy Efficiency Standards rules, or as otherwise ordered by the Commission.

10 70. Staff sees the proposed surcharge as having a minimal effect on customer bills, yet
11 providing the necessary revenue to carry out the EE programs recommended.

12 71. Staff has recommended that the DSM Adjustment surcharge of \$0.000792 per kWh
13 be approved.

14 **WAIVER REQUEST**

15 72. MEC is requesting that the Commission accept the level of investment for DSM
16 and EE programs set forth in its 2012-2013 EE Plan (extended through 2015) and the resulting
17 energy savings as reasonable and appropriate and waive the requirements of A.A.C. R14-2-
18 2418(C) and R14-2-2404 to the extent they are not achievable. Staff agrees.

19 **SUMMARY OF RECOMMENDATIONS**

20 73. Staff has recommended the following:

- 21 a. MEC's DSM and EE Plan should be approved with a total budget of \$551,991
22 as discussed herein.
- 23 b. The Residential Energy Review Program should be approved with a budget of
24 \$23,920 for the first year and each year thereafter until further order of the
25 Commission.
- 26 c. The High-Efficiency Heat Pump Rebate Program should be approved with a
27 budget of \$51,147 for the first year and each year thereafter until further order
28 of the Commission.

- 1 d. The Operation Cool Shade Tree Program should be approved with a budget of
2 \$8,855 for the first year and each year thereafter until further order of the
3 Commission.
- 4 e. The Good Cents Energy Efficient New Home Program should be approved
5 with a budget of \$465 for the first year and each year thereafter until further
6 order of the Commission.
- 7 f. The Education and Outreach Support Program should be approved with a
8 budget of \$6,000 for the first year and each year thereafter until further order
9 of the Commission.
- 10 g. The CFL Give-away Program should be approved with a budget of \$7,331 for
11 the first year and each year thereafter until further order of the Commission.
- 12 h. The Residential Lighting Program should be approved with a budget of
13 \$32,555 for the first year and each year thereafter until further order of the
14 Commission.
- 15 i. The Residential Refrigerator/Freezer Recycling Program should be approved
16 with a budget of \$45,933 for the first year and each year thereafter until
17 further order of the Commission.
- 18 j. The Residential Low-income Weatherization Program should be approved
19 with a budget of \$350,900, and a spending cap of \$2,600 per customer, for the
20 first year and each year thereafter until further order of the Commission.
- 21 k. The Commercial Lighting Discount CFL Program should be approved with a
22 budget of \$3,550 for the first year and each year thereafter until further order
23 of the Commission.
- 24 l. The Commercial Lighting Program should be approved with a budget of
25 \$1,335 for the first year and each year thereafter until further order of the
26 Commission.

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- 1 m. MEC should provide Staff with all data and analysis from the Special Data
- 2 Collection.
- 3 n. Should MEC discontinue a program upon determining it to be no longer cost-
- 4 effective, MEC should notify Staff in advance of discontinuing the program.
- 5 o. MEC should be allowed to shift up to 25 percent of a program's budgeted
- 6 funds between approved energy efficiency programs, within customer classes.
- 7 p. The DSM surcharge should be set at \$0.000792 per kWh.
- 8 q. The requirements of A.A.C. R14-2-2418(C) and R14-2-2404 should be
- 9 waived for MEC.
- 10 r. MEC's 2012-2013 EE Plan, as modified by the Decision in this case, filed in
- 11 compliance with A.A.C. R14-2-2418(B) should be deemed sufficient in
- 12 meeting the filing requirements of A.A.C. R14-2-213.
- 13 s. MEC should file in Docket Control a revised DSM adjustment tariff,
- 14 consistent with the Decision in this case, within 15 days of the effective date
- 15 of the Decision.

CONCLUSIONS OF LAW

- 17 1. Mohave Electric Cooperative, Inc. is an Arizona public service corporation within
- 18 the meaning of Article XV, Section 2 of the Arizona Constitution.
- 19 2. The Commission has jurisdiction over Mohave Electric Cooperative, Inc. and over
- 20 the subject matter of the application.
- 21 3. The Commission, having reviewed the application and Staff's Memorandum dated
- 22 March 26, 2014, concludes that it is in the public interest to approve Mohave Electric
- 23 Cooperative's Demand Side Management Plan and Energy Efficiency Implementation Plan, and
- 24 the DSM Adjustment Tariff as discussed herein.

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ORDER

IT IS THEREFORE ORDERED that Mohave Electric Cooperative, Inc.'s Demand Side Management Plan and Energy Efficiency Implementation Plan is approved with a total budget of \$551,991 as discussed herein.

IT IS FURTHER ORDERED that the Residential Energy Review Program is approved with a budget of \$23,920 for the first year and each year thereafter until further order of the Commission.

IT IS FURTHER ORDERED that the High-Efficiency Heat Pump Rebate Program is approved with a budget of \$51,147 for the first year and each year thereafter until further order of the Commission.

IT IS FURTHER ORDERED that the Operation Cool Shade Tree Program is approved with a budget of \$8,855 for the first year and each year thereafter until further order of the Commission.

IT IS FURTHER ORDERED that the Good Cents Energy Efficient New Home Program is approved with a budget of \$465 for the first year and each year thereafter until further order of the Commission.

IT IS FURTHER ORDERED that the Education and Outreach Support Program is approved with a budget of \$6,000 for the first year and each year thereafter until further order of the Commission.

IT IS FURTHER ORDERED that the CFL Give-away Program is approved with a budget of \$7,331 for the first year and each year thereafter until further order of the Commission.

IT IS FURTHER ORDERED that the Residential Lighting Program is approved with a budget of \$32,555 for the first year and each year thereafter until further order of the Commission.

IT IS FURTHER ORDERED that the Residential Refrigerator/Freezer Recycling Program is approved with a budget of \$45,933 for the first year and each year thereafter until further order of the Commission.

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...

1 IT IS FURTHER ORDERED that the Residential Low-income Weatherization Program is
2 approved with a budget of \$350,900, and a spending cap of \$2,600 per customer, for the first year
3 and each year thereafter until further order of the Commission.

4 IT IS FURTHER ORDERED that the Commercial Lighting Discount CFL Program is
5 approved with a budget of \$3,550 for the first year and each year thereafter until further order of
6 the Commission.

7 IT IS FURTHER ORDERED that the Commercial Lighting Program is approved with a
8 budget of \$1,335 for the first year and each year thereafter until further order of the Commission.

9 IT IS FURTHER ORDERED that Mohave Electric Cooperative shall provide Staff with all
10 data and analysis from the Special Data Collection.

11 IT IS FURTHER ORDERED that should Mohave Electric Cooperative, Inc. discontinue a
12 program upon determining it to be no longer cost-effective, Mohave Electric Cooperative, Inc.
13 shall notify Staff in advance of discontinuing the program.

14 IT IS FURTHER ORDERED that Mohave Electric Cooperative, Inc. shall be allowed to
15 shift up to 25 percent of a program's budgeted funds between approved energy efficiency
16 programs, within customer classes

17 IT IS FURTHER ORDERED that the DSM surcharge shall be set at \$0.000792 per kWh.

18 IT IS FURTHER ORDERED that the requirements of A.A.C. R14-2-2418(C) and R14-2-
19 2404 are waived for Mohave Electric Cooperative, Inc.

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1 IT IS FURTHER ORDERED that Mohave Electric Cooperative, Inc.'s 2012-2013 EE Plan,
2 as modified by the Decision in this case, filed in compliance with A.A.C. R14-2-2418(B) is
3 deemed sufficient in meeting the filing requirements of A.A.C. R14-2-213.

4 IT IS FURTHER ORDERED that Mohave Electric Cooperative, Inc. shall file in Docket
5 Control a DSM adjustment tariff, consistent with the Decision in this case, within 15 days of the
6 effective date of the Decision.

7 IT IS FURTHER ORDERED that this Order shall become effective immediately.

8
9 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

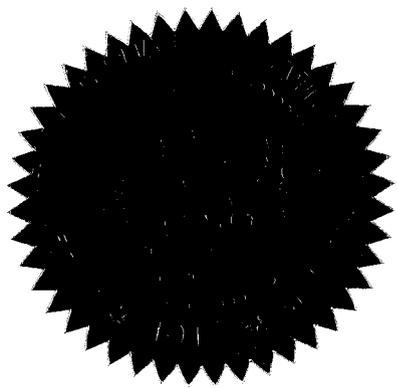
10 
11 _____
12 CHAIRMAN

10 
11 _____
12 COMMISSIONER

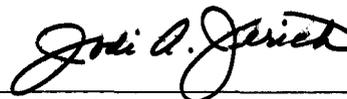
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14 _____
15 COMMISSIONER

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15 COMMISSIONER



16 IN WITNESS WHEREOF, I, Jodi Jerich Executive Director
17 of the Arizona Corporation Commission, have hereunto, set
18 my hand and caused the official seal of this Commission to
19 be affixed at the Capitol, in the City of Phoenix, this
20 18th day of April, 2014.

21 
22 _____
23 Jodi Jerich
24 EXECUTIVE DIRECTOR

24 DISSENT: 
25 _____

26 DISSENT: _____

27 SMO:JJP:sms\BH

1 SERVICE LIST FOR: Mohave Electric Cooperative, Inc.
2 DOCKET NOS. E-01750A-11-0228 and E-01750A-13-0169

3 Mr. Michael A. Curtis
4 Mr. William P. Sullivan
5 Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
6 501 East Thomas Road
7 Phoenix, Arizona 85012

8 Ms. Peggy Gillman
9 Manager of Public Affairs and Energy Services
10 Mohave Electric Cooperative, Inc.
11 P.O. Box 1045
12 Bullhead City, AZ 86430

13 Mr. Steven M. Olea
14 Director, Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Ms. Janice M. Alward
19 Chief Counsel, Legal Division
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