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Bob Stump, Chairman  
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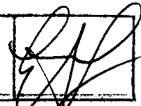
ARIZONA CORPORATION COMMISSION  
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Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007-2996

Arizona Corporation Commission  
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NOV 18 2014

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Re: Docket No. E-0000XX-13-0214

Dear Chairman Stump and Commissioners,

I am writing you today to oppose the proposed changes to the Electric Energy Efficiency Standard and Natural Gas Energy Efficiency Standard.

**Cost-effectiveness**

While cost-effectiveness is an important factor to consider, one must ask, on what time-scale? Cost-effective for whom? Several proposed changes to the Energy Efficiency rule are cause for concern.

The deletion of language of societal benefits and costs in favor of only economic measurements means that benefits that could greatly influence the well-being of customers are potentially lost.<sup>1</sup>

**Termination of programs without approval**

By letting companies terminate programs without approval, rate-payers could become confused about which programs are available to them.

“If an affected utility determines that a DSM program or DSM measure is not cost-effective or otherwise does not meet expectations, the affected utility shall terminate the program or measure and notify Staff and include in its annual DSM progress report filed under R14-2-2409 details of why the program or measure was modified or terminated.”

**Cooperatives and Gas Utilities**

Forcing Cooperatives to participate in the same programs as large utilities doesn't make very much sense. However, Cooperatives should be required to meet energy efficiency objectives as they see fit, not just the large companies like APS and TEP.

<sup>1</sup> R14-2- 2407, "Commission Review and Approval of DSM Programs and Measures."

Energy efficiency is a least-cost resource.<sup>2</sup> The Energy Efficiency Standards have led to the creation and expansion of energy-saving programs that have served hundreds of thousands of Arizona residents and businesses.<sup>3</sup> If fully implemented, the Standards will save Arizonans billions on their utility bills and create more than 10,000 in-state jobs.<sup>4</sup>

We send billions of dollars out of state each year to pay for our energy. Natural gas prices are extremely volatile, and Arizona has no in-state natural gas production.<sup>5</sup> Additionally, Arizona only has one operating coal mine, providing 7-8 million short tons to the Navajo Generating Station.<sup>6</sup> The remaining 14-15 short tons are imported from out of state, causing Arizona ratepayer dollars to leave the state in order to import these fossil fuels.<sup>7</sup> Energy efficiency is a hedge against price volatility, and energy efficiency investments stay in the community, creating positive benefits from economic development.<sup>8</sup>

Please continue to support the Energy Efficiency Standards adopted in 2010.

Sincerely,



Jen Fuller

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<sup>2</sup> "The Best Value for America's Energy Dollar: A National Review of the Cost of Utility Energy Efficiency Programs," American Council for an Energy-Efficient Economy. <http://aceee.org/research-report/u1402>

<sup>3</sup> Arizona Public Service, "APS DSM Program Overview," Presented at the 2013 ACEEE National Conference on Energy Efficiency as a Resource.

<sup>4</sup> Southwest Energy Efficiency Project, "The \$20 Billion Dollar Bonanza: Best Practice Electric Utility Energy Efficiency Programs and Their Benefits for the Southwest," [http://swenergy.org/publications/20BBonanza/20B\\_Bonanza-COMplete\\_Report-Web.pdf](http://swenergy.org/publications/20BBonanza/20B_Bonanza-COMplete_Report-Web.pdf); Lawrence Berkeley National Laboratory, "Analysis of the Energy Efficiency Standard (EES) and Decoupling on Arizona Public Service and Tucson Electric Power."

<sup>5</sup> EIA, "Henry Hub Natural Gas Spot Price" <http://www.eia.gov/dnav/ng/hist/rngwhhdd.htm>

<sup>6</sup> EIA, "Arizona: Profile Overview." <http://www.eia.gov/state/?sid=AZ>

<sup>7</sup> EIA, "Table F17: Coal Consumption Estimates and Imports and Exports of Coal Coke, 2012," [http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep\\_fuel/html/fuel\\_use\\_cl.html&sid=US](http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep_fuel/html/fuel_use_cl.html&sid=US)

<sup>8</sup> Lazar, Jim and Colburn, Ken. (2013) "A Layer Cake of Benefits: Recognizing the Full Value of Energy Efficiency," The Regulatory Assistance Project.