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

RE: Notice of Staff Request for Informal Comments
Docket No. E-0000XX-13-0214
Investigation to address energy efficiency/demand side management ("EE/DSM"), cost effectiveness of EE/DSM as currently administered, EE/DSM cost recovery methodologies, need or not for EE/DSM performance incentives, EE/DSM as part of the Commission's Integrated Resource Plan process, and possible modification of current EE/DSM and Integrated Resource Plan rules.

On November 4, 2014, the Utilities Division released possible amendments to the Commission's energy efficiency rules for gas and electric utilities. FirstFuel Software appreciates the opportunity to provide input and respectfully submits the following comments on the revised energy efficiency rules that were released in Docket No. E-0000XX-13-0214.

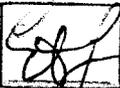
FirstFuel Software is an energy intelligence company that helps utilities rapidly deliver energy efficiency in commercial building portfolios through effective engagement of their commercial customers. FirstFuel uses advanced analytics to benchmark and assess building energy performance remotely, creating rich energy profiles that can be used to identify efficiency opportunities, increase customer participation, and deliver, monitor, and verify energy savings. Based on patent-pending IP and advanced research, FirstFuel remotely disaggregates whole building consumption data into its end uses and patterns of activity – without on-site visits or installed devices. FirstFuel combines utility-based electric interval and gas meter data with high frequency weather and climate data, and GIS mapped building characteristics to produce a consistent, reliable view of how energy is being used inside the building.

Since 2011, FirstFuel has analyzed 4 billion kWh of energy consumption and conducted remote audits of over 250 million square feet of commercial, government, and institutional space across thousands of buildings. We have identified 600 million kWh of total savings opportunities. Founded in 2010 and privately held, FirstFuel's office is located at 420 Bedford St. Suite 200, Lexington, MA. 02420.

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FirstFuel Recommends Keeping Arizona's Existing Energy Efficiency Standards.

FirstFuel urges the Arizona Corporation Commission (ACC) to keep Arizona's existing energy efficiency standards in place. "Energy efficiency is the cheapest resource utilities can use to meet their customers' needs and improve energy reliability and security."¹ Utilities and customers accrue numerous benefits from the implementation of increased energy efficiency. On the utility side, energy efficiency benefits include: production capacity cost savings, production energy cost savings, T&D capacity savings, avoided line losses, and avoided costs of compliance with future regulation.² On the customer side, benefits can include: reduced energy bills, operation & maintenance cost savings, increased property value, and reduced environmental and health impacts.³

On August 10, 2010, the ACC unanimously adopted Arizona's Efficiency Standards through Decision #71819. The ACC approved standards put the state on a trajectory to achieve 22% electricity savings and 6% natural gas savings by 2020.⁴ To date, Arizona has achieved nearly 1.75% electricity savings, which is the fourth highest in the country.⁵ These energy efficiency standards are both attainable and consistent with savings standards or targets adopted in Delaware, Maryland, Massachusetts, New Jersey, New York, Rhode Island and Vermont.⁶ Furthermore, Arizona is currently the leading state in the region with respect to utility energy efficiency polices as well as the level of energy savings being achieved.⁷ Eliminating Arizona's standards would diminish the progress and future potential of energy efficiency savings within the state and effectively be a huge step backward for utilities, state energy policy, and Arizona consumers. According to American Council on Energy Efficiency (ACEEE), Arizona has jumped from 29th to the 15th most efficient state in the nation in just the past 5 years.⁸ Arizona's progress on energy efficiency is particularly impressive given the short period of time the state has had for implementation of these standards.

FirstFuel strongly supports the existing energy efficiency standards in Arizona and urges the Commission to keep these in place. Energy efficiency standards send a strong message to the marketplace. FirstFuel is deployed at utilities across the U.S., Canada, and Europe, and without exception has noted that high energy efficiency program targets create healthy markets, channel resources, and establish incentives to find cost-effective efficiency that the market would otherwise fail to realize on its own. In addition, recent innovations at the intersection of building

¹ Doing More and Using Less: Regulatory Reforms for Electricity and Natural Gas Utilities can Spur Energy Efficiency. <http://www.nrdc.org/energy/files/doingmoreusingless.pdf>

² Lazar, J and Colburn, K. RAP. (September 2013). Recognizing the Full Value of Energy Efficiency.

³ Ibid.

⁴ <http://images.edocket.azcc.gov/docketpdf/0000116125.pdf>

⁵ <http://www.aceee.org/blog/2014/11/commission-staff-proposal-would-encro>

⁶ Southwest Energy Efficiency Project, "The \$20 Billion Dollar Bonanza: Best Practice Electric Utility Energy Efficiency Programs and Their Benefits for the Southwest," .p. 13.

http://swenergy.org/publications/20BBonanza/20B_Bonanza-COMLETE_REPORT-Web.pdf; Lawrence Berkeley National

⁷ Ibid. p. 24.

⁸ American Council for an Energy Efficiency Economy, The State Energy Efficiency Scorecard 2009-2013 <http://www.aceee.org/research-report/e13k>

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science, advanced analytics, and software have opened up exciting new possibilities for the delivery of utility energy efficiency programs. FirstFuel analytics are helping utilities to discover a vast opportunity of operational improvements in commercial buildings that can be implemented at little to no cost. Current FirstFuel deployments are finding 50% retrofit savings and 50% are operational savings with commercial building portfolios. Identifying operational energy conservation measures has traditionally been a challenging endeavor since it requires analyzing thousands of energy consumption data points and walk through audits/surveys. Data analytics and engagement platforms are stepping in to uncover significant new untapped low hanging fruit of operational savings in the commercial sector, savings that were previously hidden, and in a cost-effective manner.

In closing, FirstFuel urges the ACC to keep the Energy Efficiency Standards in place and not to reopen the Energy Efficiency Rules. FirstFuel acknowledges that there were a multitude of changes presented in the revised Energy Efficiency Rules, and the allotted time frame to respond was extremely limited. FirstFuel encourages the ACC to allow for longer review in the future to ensure a comprehensive evaluation of impactful proposed rule changes such as the ones released on November 4, 2014. FirstFuel also requests the ACC to consider a Reply period given the substantial nature of the proposed changes.

FirstFuel Software appreciates the opportunity to comment. We look forward to supporting the utilities, the Commission, utilities division, and other stakeholders in developing, incorporating, and deploying new technologies and approaches that can increase the consumer, environmental, and economic benefits of energy efficiency programs in Arizona.

Date: November 18, 2014

Respectfully Submitted,



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