

Docket E-00000XX-13-0214



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November 18, 2014

Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

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Dear Chairman Stump and Commissioners:

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On behalf of the under-signed energy efficiency manufacturing and services businesses working in Arizona and those interested in bringing new operations to the state, we write to encourage your continued support of energy efficiency programs and policies through your Electric and Natural Gas Energy Efficiency Standards.

Adopted unanimously in 2010, the current Arizona Energy Efficiency Standards (Standards) represent a bipartisan consensus of a wide-range of stakeholders, including utilities, consumer advocates, environmentalists, and business groups. Businesses, such as the ones we represent, invest over \$100 million annually to deliver energy efficiency products and services to businesses and homeowners throughout Arizona.

We have three significant concerns with the proposed revisions to Arizona's Energy Efficiency Standards:

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- 1) **Removing These Standards Jeopardizes Local Jobs** – Energy efficiency measures, such as insulation and duct sealing, are installed house by house and business by business. The work is, by its nature, local. By improving Arizona's energy productivity, we create thousands of local jobs.

Energy efficiency retrofits and upgrades are performed by crews of community-based organizations and/or individuals employed by local, private businesses. These jobs cannot be outsourced to entities or individuals located outside of the State of Arizona. Moreover, the majority of these individuals have received hands-on training skills and certifications that are valuable and transferrable in the public market.

In addition, the reduction in energy consumption means that homeowners and businesses have more money for other expenditures. The proposed revisions would not only create an economic drain on homeowners and businesses, but they would also eliminate an opportunity for Arizonians to fuel the local economy from the savings realized from greater energy efficiency.

- 2) **Additional Complexity and Uncertainty Is Unnecessary** – The Standards have created certainty for utilities, end-use customers, and businesses that provide efficiency services and products. In contrast, the proposed revisions would create artificial starts and stops that would add uncertainty to the industry, thereby making it harder for us to grow and deliver lower utility bills for homeowners and businesses in Arizona. A multi-year planning horizon is important to enable program growth and build customer demand. An energy policy that resembles a

roller coaster is not in any party's interest. Residents, businesses, and investors need a stable energy policy that includes all available sources of energy.

- 3) **The Current Standards are Working** – The current Standards have been a great success for Arizona and have helped homeowners and businesses save hundreds of millions of dollars in lower utility bills, reduced air pollution, and water savings. Since the Commission implemented the Standard, Arizona has improved from being ranked 29th to being the 15th most efficient state in the country, according to the American Council for an Energy-Efficient Economy.

We thank you in advance for your consideration and would welcome the opportunity to discuss in greater depth. Should you have questions or if we can be of assistance, please contact Malcolm Woolf, Senior Vice President of Government Affairs and Policy for Advanced Energy Economy (mwoolf@aee.net; 202-391-0678).

Sincerely,

Pat Stanton, Senior Vice President, Policy and Advocacy,
Conservation Services Group

Mona Tierney-Lloyd, Senior Director, Western Regulatory Affairs,
EnerNOC

Jordan Doria, Manager, Stakeholder Engagement,
Ingersoll Rand

Bruce D. Ray, Director of Governmental/Regulatory Affairs; Associate General Counsel,
Johns Manville

Charles McGinnis, Director, Commercial Real Estate Sales,
Johnson Controls Inc.

Geoff Chapin, CEO,
Next Step Living

Jean Cantrell, Vice President, State Policy & Local Government Relations,
Philips North America

Michael Kaplan, Vice President of Marketing,
Retroficiency

Justin Segall, Co-Founder and President,
Simple Energy