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Arizona Corporation Commission  
Docket Control Center  
1200 West Washington  
Phoenix, AZ 85007-2996

CHP COMMISSION  
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In RE: Docket Number E-00000XX-13-2014

Dear Chairman Stump, Commissioners Burns, Bitter Smith, Burns and Pierce,

We oppose the Arizona Corporation Commission's (ACC) efforts to eliminate the state's energy efficiency resource standard (EERS). These standards, which specifically identify combined heat and power (CHP) as an eligible technology, were adopted unanimously by a bipartisan ACC in 2010.

Horizon Power Systems is Capstone Turbine Corporation's authorized distributor for CHP microturbine applications in Arizona, among other states. We are concerned that eliminating the EERS will undermine CHP deployment by removing an incentive for these projects. CHP projects help Arizona companies enhance their competitiveness by lowering their energy costs as well as providing greater electric reliability through onsite power. These projects also support job growth in the trades by increasing investment in energy efficiency by a broad range of businesses.

The annual demand side management reports of TEP and APS say that energy efficiency investments made in Arizona, including CHP, have already saved Arizona ratepayers \$540 million in the last three years. Going forward, projections suggest Arizona is expected to see billions of dollars of savings. These savings are an important part of maintaining Arizona's industrial and commercial competitiveness. We urge the ACC to reconsider this proposal to eliminate the EERS.

Sincerely,

Sam Henry  
President, Horizon Power Systems

Arizona Corporation Commission  
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