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**BEFORE THE ARIZONA CORPORATION COMMISSION**

In the Matter of the Commission's investigation §  
to address energy efficiency/demand side §  
management ("EE/DSM"), cost-effectiveness of §  
EE/DSM as currently administered, EE/DSM §  
cost recovery methodologies (including the §  
Energy Efficiency Resource Plan proposed in §  
the Tucson Electric Power Company rate case §  
Settlement Agreement, Decision No. 73912), §  
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 §  
§

Docket No. E-00000XX-13-0214

**ORIGINAL**

**COMMENTS OF OPOWER, INC.**

December 2, 2014

Charlie Buck  
Manager, Regulator Affairs  
Opower, Inc.  
760 Market Street, Fourth  
Floor  
San Francisco, CA 94102  
Charlie.buck@opower.com

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**COMMENTS OF OPOWER, INC.**

Opower, Inc. ("Opower") appreciates the extra time granted by the Arizona Corporation Commission ("Commission") for comments on the draft proposed amendments to the Commission's energy efficiency ("EE") rules for electric and natural gas utilities, released on November 4, 2014. Opower submitted comments on the proposal on November 18, 2014, as this was the deadline for informal comments before the Commission voted to extend the deadline on November 21. We therefore are pleased to offer the following comments to the Commission in addition to those filed November 18.

**A. The November 4<sup>th</sup> proposal should not form the basis of a rulemaking**

The draft amendments to the Commission's energy efficiency rules released on November 4 provided no rationale for the broad sweeping changes proposed. If the Commission has specific concerns about aspects of energy efficiency programs in Arizona, such as cost-effectiveness or measurement and evaluation of the programs, Opower recommends holding detailed workshops in which questions can be posed and discussed publicly. In the absence of such a process, the Commission should not seek to

dismantle the very framework that has generated nearly three quarters of a billion dollars in benefits to ratepayers since it was put in place in 2010.

**B. The Existing Energy Efficiency Rules Should be Maintained**

The current energy efficiency framework in Arizona, including the EERS, is critical to the success of energy efficiency programs in the state. It takes a great deal of time and institutional effort for the utilities and their implementation partners to build up the necessary capacity to deliver energy efficiency programs to customers at scale. The EERS provides policy certainty for the utilities and market actors to make the long-term investments required to successfully achieve energy efficiency savings. This stability creates the necessary conditions for a thriving ecosystem of utility implementers, building contractors, retailers and other market actors who create jobs and value throughout the Arizona economy and reduce the long-term cost of energy for all customers.

If the proposed draft amendments are adopted as currently written, this bedrock of policy stability will be removed. The resulting uncertainty around long-term policy goals would lead to a substantial divestment in energy efficiency resources that will negatively impact the entire energy efficiency ecosystem in Arizona, from program implementers to contractors who have built businesses around energy efficiency program partnerships with utilities.

Opower urges the Commission to carefully consider the many benefits realized since the 2010 energy efficiency rules were enacted before it makes any modifications to them that would undermine the progress made to date and hinder opportunities for customers to reduce their utility bills in the future.

**C. The Commission should allow for replies to initial comments**

Between November 6 and November 18, hundreds of comments and petitions against the draft proposal were submitted to the Commission. This is a significant amount of material that deserves careful review and consideration by the Commission and stakeholders. Opower therefore recommends that the Commission provide an opportunity for stakeholders to submit responses to the comments received on November 18 and December 2.

**D. Conclusion**

The current energy efficiency rules in Arizona have delivered exactly what they were designed to deliver over the past four years. The resulting programs offered by the utilities have helped customers save money on their bills while simultaneously lowering the long-term costs of energy in the state. Going forward, we encourage the Commission to build on the successes of this framework, rather than dismantle it entirely, as the current draft proposal would do.

Opower thanks the Commission for extending the timeline for submitting comments on the proposed draft amendments to the energy efficiency rules and appreciates its consideration of parties' input. We look forward to further opportunities for engagement in this important matter.

Respectfully Submitted,

Dated: December 2, 2014



Charlie Buck  
Manager, Regulatory Affairs  
Opower, Inc.  
760 Market Street, Fourth Floor  
San Francisco, CA 94102  
Charlie.buck@opower.com