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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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JAN 29 2016

2016 JAN 29 PM 4:30

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IN THE MATTER OF THE APPLICATION )  
OF TUCSON ELECTRIC POWER )  
COMPANY FOR APPROVAL OF ITS 2016 )  
ENERGY EFFICENCY )  
IMPLEMENTATION PLAN AND FOR )  
WAIVER UNDER A.A.C. R14-2-2419. )

Docket No. E-01933A-15-0178

**COMMENTS OF THE ARIZONA  
COMMUNITY ACTION ASSOCIATION**

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Arizona Community Action Association (ACAA) appreciates the opportunity to provide comments on Tucson Electric Power's (TEP) 2016 Energy Efficiency Plan and Staff's Proposed Order.

ACAA is an organization working to implement community-based solutions to ameliorate and ultimately eradicate poverty. A recent report released by the Corporation for Enterprise Development (CFED) shows that 45% of all Arizona households are unable to cover basic expenses for three months if they were to experience a sudden job loss, medical emergency or other financial crisis.<sup>1</sup> Even more troubling is that more than 20% of all Arizona households are in extreme asset poverty, having no wealth or negative net worth, putting Arizona at the fourth highest rate of extreme asset poverty in the United States. These households are in dire straits, with no financial cushion to help them weather a financial crisis or invest in their future. The situation for Tucson residents is even more severe. A third of Tucson

<sup>1</sup> Wiles, R. "Report: About half of Arizona households face perpetual money problems," The Arizona Republic. Available at: <http://www.azcentral.com/story/money/business/economy/2016/01/25/half-arizona-households-face-financial-insecurity-report/79311236/>

1 households are in asset poverty, and half of Tucson households are in liquid asset poverty.<sup>2</sup> Research has  
2 found that households with assets are much less likely to suffer serious hardships in the event of an  
3 economic emergency, and this data suggests that half of Tucson homes are vulnerable to serious hardships  
4 if they experienced a sudden job loss, a medical emergency or another financial crisis leading to a loss of  
5 stable income. In addition to asset poverty, many Tucson families suffer from severe income poverty.  
6 The mean income of the lowest income quintile in Tucson is \$7,990; attempting to balance a family  
7 budget and weathering any potential financial shocks on such an income is a truly Sisyphean task.<sup>3</sup>

8  
9 In light of these difficult circumstances for the most vulnerable in Tucson, TEP's Energy  
10 Efficiency Plan represents some positive steps in addressing the needs of low-income households. First  
11 of all, there is a substantial increase in weatherization funds. Weatherization saves families hundreds of  
12 dollars per year and significantly decreases the energy burden they experience, allowing them to dedicate  
13 their resources to other necessities. The CFED report showed that the first thing families cut back on is  
14 doctor's visits when they're tight on cash. Programs like weatherization not only improve the health and  
15 safety of the home itself, but by decreasing energy costs they enable families to afford doctor's visits and  
16 better maintain their health. A welcome improvement to the weatherization program has been the pilot  
17 program replacing old refrigerators and energy efficient lighting as a standard measure for weatherized  
18 homes. Low-income Arizona households have older and less efficient refrigerators than the average  
19 population; the average refrigerator for a household in poverty is five to nine years old, while the average  
20 refrigerator for a household above the poverty line is two to four years old. Nearly twice as many  
21 families above the poverty line have Energy Star refrigerators than below the poverty line in Arizona.<sup>4</sup>  
22 Refrigerator energy consumption has decreased by 35% in the past decade, meaning that low-income  
23 customers who have older refrigerators will likely see significant energy improvements with these  
24  
25

26  
27 <sup>2</sup> "Estimates of Household Wealth and Financial Access in Tucson, AZ," Assets & Opportunity Local Data Center.  
Available at: <http://localdata.assetsandopportunity.org/place/477000>

28 <sup>3</sup> MEAN HOUSEHOLD INCOME OF QUINTILES, 2010-2014 American Community Survey 5-Year Estimates

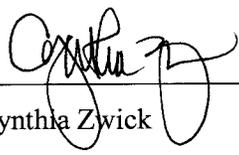
<sup>4</sup> EIA RECS 2009 data

1 upgrades.<sup>5</sup> The same holds true with energy efficient lighting. An average of 64% of the lights used by  
2 families above poverty are energy-efficient, while only 23% of lights used by families in poverty are  
3 energy-efficient.<sup>6</sup> Energy-efficient lighting can use 70-90% less energy than standard, incandescent bulbs  
4 and can save up to \$80 in electricity costs over the lifetime of the bulb.<sup>7</sup> Continuing the program of  
5 replacing less-efficient refrigerators and lighting as a standard weatherization measure will continue to  
6 yield significant energy savings, and these measures should be continued in the future.

7  
8 Finally, I appreciate this increase in support for low-income households has come while at the  
9 same time decreasing the DSM Surcharge. Reducing it from \$0.002311/kWh to \$0.001916/kWh  
10 represents at 17% reduction, saving customers about \$5/year. Although not a huge decrease, for families  
11 in the bottom quintile earning less than \$8,000 per year, this is welcome relief.

12 In conclusion, TEP's Energy Efficiency Plan represents a positive improvement for low-income  
13 customers, and I respectfully encourage the support of the members of the Commission.

14 RESPECTFULLY submitted this 29<sup>th</sup> day of January, 2016.

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19 Cynthia Zwick  
20 Executive Director  
21 Arizona Community Action Association  
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27 <sup>5</sup> DiMascio, Marianne. (2014, September 11). "How your refrigerator has kept its cool over 40 years of efficiency  
28 improvements." Available at: <http://aceee.org/blog/2014/09/how-your-refrigerator-has-kept-its-co>

<sup>6</sup> EIA RECS 2009 data

<sup>7</sup> [https://www.energystar.gov/products/lighting\\_fans/light\\_bulbs/light\\_bulb\\_savings](https://www.energystar.gov/products/lighting_fans/light_bulbs/light_bulb_savings)

1 Original and 13 copies filed  
2 This 29<sup>th</sup> day of January, 2016 with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington St.  
6 Phoenix, Arizona 85007

7 Copies mailed or emailed  
8 this 29<sup>th</sup> day of January, 2016 to:

9 Service List.  
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