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Manager
State Regulation and Compliance

Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

MAY 09 2016

May 9, 2016

DOCKETED BY *KC*

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

RE: Arizona Public Service Company's 2015 Demand Side Management
Implementation Plan. Docket No. E-01345A-15-0095
Notice of Reduction to Measure Incentive Levels and Federally Mandated
Change to SEER Rating

Pursuant to Commission Decision No. 74406:

Arizona Public Service Company may, upon providing
30-day advance notice to the Commission, reduce
incentive levels in order to more effectively manage
program spending or respond to market conditions.

Arizona Public Service Company ("APS") hereby provides this 30-day notice of its
intent to update the Home Energy Rating System (HERS) maximum scores to qualify
for incentives in the ENERGY STAR Residential New Homes Program and to eliminate
incentives for installed heat pumps and air conditioning systems with Seasonal Energy
Efficiency Ratio (SEER) below 14 effective July 1, 2016 in the Residential HVAC
program.

Residential New Construction Program

In order to correlate with the increasing market energy code baselines, APS is lowering
the Residential New Construction program's maximum allowable HERS scores. In
addition to requiring that all participating homes meet EPA ENERGY STAR Version 3
program specifications, APS is going to implement the following Version 3 maximum
HERS scores, that are still within the previously approved range:

MEASURE	Revised HERS
Maximum HERS Score for Zone 2 (Phoenix Metro, Yuma)	70
Maximum HERS Score for Zone 4, 5 (Prescott, Flagstaff)	74

Residential Existing Homes AC Rebate Program

The Department of Energy (DOE) guidelines for Arizona have changed to require all
newly sold and installed heat pumps and air conditioning systems to increase the

minimum efficiency rating from 13 SEER to 14 SEER. Equipment that does not meet these minimum criteria cannot be sold or installed in Arizona beginning July 1, 2016. The APS AC Rebate program minimum equipment criteria will be changed on that date to match the new DOE standard.

Product Class	Energy Conservation Standard
Split System Air Conditioner	14 SEER & 12.2 EER if < 45,000 BTU 14 SEER & 11.7 EER if > 45,000 BTU
Package Air Conditioner	14 SEER & 11.0 EER
Split System Heat Pump	14 SEER & 8.2 HSPF
Package Heat Pump	14 SEER & 8.0 HSPF

If you have any questions, please contact me at (602)250-3341.

Sincerely,



Kerri A. Carnes

KC/ks

cc: Tom Broderick
Barbara Keene