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November 17, 2014

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Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

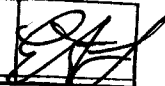
2014 NOV 17 P 3:40

Arizona Corporation Commission
DOCKETED

Re: Docket No. E-00000XX-13-0214

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

NOV 17 2014

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COMMENTS BY COALITION OF COMPANIES

ORIGINAL

Dear Chairman Stump and Commissioners,

We write to ask the Commission to continue the Energy Efficiency Standard. Since the Commission adopted the Energy Efficiency Standard in 2010, Arizona has established itself as a leader in the Southwest and is ranked 15th in the nation for its energy-efficiency policies by the American Council for an Energy Efficient Economy (ACEEE). Recently, ACEEE ranked Arizona 4th in the nation for the amount of electricity saved by utility customers in 2013.

Energy efficiency and demand response programs are the lowest-cost energy resources when compared with the costs of conventional generation. Such programs help to create jobs, reduce risk, produce energy savings, and reduce utility bills for consumers and businesses. Additionally, they contribute to the diversity of energy resources essential for a comprehensive energy strategy that will provide an affordable, reliable and flexible energy system for Arizona.

We ask that the Commission not open up the rule nor eliminate a successful and effective Energy Efficiency Standard as this would create uncertainty and confusion in the marketplace. We support and encourage a broader public dialogue that is focused on improving the delivery of energy efficiency in the state, but we also respectfully suggest that the draft rules issued on November 4, 2014 are not the right step towards achieving that outcome. In addition, if the Commission chooses to continue with the consideration of the draft rule as proposed, we recommend the Commission set a thirty day comment period and a thirty day reply period at the outset of this docket.

We support Arizona's Energy Efficiency Standards, and we oppose the elimination of the Standards as proposed in the draft rule.

- The energy efficiency programs deliver real savings for customers and are proven to be cost-effective. Independent, third party measurement and verification reports to the Arizona Corporation Commission state for every \$1 spent, the programs provide \$2.26 in benefits.
- According to annual reports issued by the Arizona Public Service Company and Tucson Electric Power, between 2008 and 2013, households and businesses saved more than \$926 million on utility bills as a result of Arizona energy efficiency programs, while creating new jobs and helping lower air pollution and water consumption at the same time.
- Eliminating the Energy Efficiency Standards creates regulatory uncertainty, discouraging businesses from making long term plans for investment.

Opening up the Energy Efficiency Rule creates regulatory uncertainty and unneeded complexity.

- We support improving the implementation of energy efficiency in Arizona. However, we are not in favor of opening up the Energy Efficiency Rule.
- The Commission has the flexibility to make improvements to energy efficiency implementation in a more timely and effective manner through its Implementation Plan process.
- We would suggest you develop a process to allow stakeholders to participate, discuss issues, and collectively consider and comment on how to achieve a path forward. If through this process it is decided that at a future date the Energy Efficiency Rule should be opened it can be evaluated at that time.

While we wish to continue our engagement in these discussions in a thoughtful and constructive manner, the fourteen day period severely limited our ability to provide a detailed review and response. We thank you for the opportunity to provide comments and look forward to continued dialogue and participating in Arizona's economic growth.

Sincerely,

