



ARIZONA CORPORATION COMMISSION ISSUES PROPOSAL TO ELIMINATE STATE'S ENERGY EFFICIENCY STANDARDS

November 2014

The Arizona Corporation Commission – the elected body that determines electric and gas rates in Arizona – issued a proposal to eliminate Standards that save energy and reduce the utility bills of Arizona residents and businesses. These Standards have been instrumental in conserving Arizona's precious resources, including water, and reducing power plant pollution.

1. The proposal would abolish Arizona's successful Electric and Natural Gas Energy Efficiency Standards.ⁱ
2. A bipartisan Corporation Commission unanimously adopted these Standards in 2010. They require the state's monopoly electric and natural gas utility companies to work with consumers and make investments to save energy, reduce utility bills, and cut total energy costs. Electric utilities are required to achieve 22% electricity energy savings for utility customers by 2020; natural gas utilities are required to achieve six percent savings by 2020.
3. The Standards were adopted to rein in costs, support local job creation, and prevent future spikes in utility bills. It costs less for us to save electricity than it does for us to generate it.ⁱⁱ By slashing energy waste, the Standards prevent customers from spending money on more expensive alternatives.
4. The Standards led to the creation and expansion of energy-saving programs that have served hundreds of thousands of Arizona residents and businesses.ⁱⁱⁱ
5. In just three years, the Standards have saved Arizona consumers and businesses more than \$540 million. They have also saved enough electricity to power 133,000 homes.^{iv}
6. If fully implemented, the Standards will save Arizonans billions of dollars on their utility bills and create more than 10,000 in-state jobs.^v
7. Arizona has received national recognition for these Standards and its energy-saving programs. In the last few years we have climbed from the 29th to the 15th most energy-efficient state in the nation.^{vi} This proposal would jeopardize that success.
8. If this new proposal is adopted, regulated utilities will no longer be required to cut energy waste. Without this accountability, energy-saving programs could be eliminated, putting Arizona consumers and businesses at greater financial risk of rising energy costs.



SOUTHWEST ENERGY EFFICIENCY PROJECT

Saving Money and Protecting the Environment Through More Efficient Energy Use

HOW TO OPPOSE THE ELIMINATION OF ARIZONA'S STANDARDS

1. Contact Arizona's Corporation Commissioners and urge them to oppose elimination of Arizona's Energy Efficiency Standards and any reopening of Arizona's Energy Efficiency Rules:

- Chairman Bob Stump: 602-542-3935; stump-web@azcc.gov
- Commissioner Bob Burns: 602-542-3682; RBurns-web@azcc.gov
- Commissioner Susan Bitter Smith: 602-542-3625; BitterSmith-web@azcc.gov
- Commissioner Brenda Burns: 602-542-0745; Burns-web@azcc.gov
- Commissioner Gary Pierce: 602-542-5560; Pierce-web@azcc.gov

2. File comments (an original and 13 copies) opposing the elimination of Arizona's Energy Efficiency Standards and any reopening of Arizona's Energy Efficiency Rules with the Corporation Commission's Docket Control Center. Comments are due on or before November 18, 2014.

Send comments to: Arizona Corporation Commission Docket Control Center, 1200 West Washington Street, Phoenix, Arizona 85007.

Be sure to reference Docket No. E-00000XX-13-0214 on all comments.

SWEEP will print and file your comments for you if you email them to ezuckerman@swenergy.org.

ⁱ See: <http://images.edocket.azcc.gov/docketpdf/0000157723.pdf>

ⁱⁱ From 2011-2013, Tucson Electric Power Company's (TEP) cost for energy efficiency ranged between \$6-11/MWh, or 8 times less than the next cheapest option. In its 2014 Integrated Resource Plan TEP's next cheapest option was a combined cycle natural gas plant which had a 2014 levelized cost of \$88/MWh. Source: Tucson Electric Power Company 2014 Integrated Resource Plan; 2011, 2012, & 2013 Tucson Electric Power Company Annual Demand Side Management Reports.

ⁱⁱⁱ Arizona Public Service, "APS DSM Program Overview," Presented at the 2013 ACEEE National Conference on Energy Efficiency as a Resource.

^{iv} See Annual Demand Side Management Reports from Arizona Public Service and Tucson Electric Power from 2011-2013.

^v Southwest Energy Efficiency Project, "The \$20 Billion Dollar Bonanza: Best Practice Electric Utility Energy Efficiency Programs and Their Benefits for the Southwest," http://swenergy.org/publications/20BBonanza/20B_Bonanza-COMLETE_REPORT-Web.pdf; Lawrence Berkeley National Laboratory, "Analysis of the Energy Efficiency Standard (EES) and Decoupling on Arizona Public Service and Tucson Electric Power."

^{vi} American Council for an Energy Efficiency Economy, The State Energy Efficiency Scorecard 2009-2013.