



SOUTHWEST ENERGY EFFICIENCY PROJECT

Saving Money and Protecting the Environment Through More Efficient Energy Use

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Commission Proposal Would Eliminate Energy Savings Requirements for Utilities

PHOENIX (Nov. 6, 2014)—On the afternoon of Election Day, the Arizona Corporation Commission (ACC) distributed "draft rules containing possible amendments" that proposed to eliminate the rules that set energy savings requirements for utilities.

The Energy Efficiency Standards (EES) currently require the state's utilities, such as Arizona Public Service Company and Tucson Electric Power, to achieve 22% electricity energy savings for utility customers by 2020. When the EES was passed unanimously by a bipartisan ACC in 2010, the energy savings goals catapulted Arizona into the top tier of states nationally for utility energy efficiency policies that reduce utility bills for consumers and businesses.

"Why change a requirement that has been so productive? The EES has saved utility customers \$540 million on utility bills collectively in just the first three years since the Standards went into effect." said Jeff Schlegel, Arizona representative for the Southwest Energy Efficiency Project (SWEEP). "These goals have stimulated a robust industry that helps Arizonans upgrade their businesses and homes through a variety of cost-effective programs."

Arizona utilities offer a wide range of rebates on efficient lights, appliances and air conditioners, building retrofits for older homes and businesses, and incentives for building efficient new homes and offices.

The revisions introduced Tuesday propose to eliminate the energy savings requirements for utilities, which in turn are expected to reduce or shutter energy savings programs.



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"This is a free pass for utilities to give up on energy efficiency," said former Commissioner Kris Mayes in an [Arizona Republic](#) article. "Nothing in the record suggests the Standard is not working." Mayes—who directs the Arizona State University Utility of the Future Center—was chair of the ACC when it passed the EES unanimously on a vote of 5-0.

A report issued by SWEEP in 2012, [The \\$20 Billion Bonanza, Best Practice Electric Utility Energy Efficiency Programs and Their Benefits for the Southwest](#), suggested that Arizona continue to ramp up its energy efficiency programs and listed the benefits of doing so for the period 2010 through 2020:

- Enough electricity saved to provide a year of power to 1.4 million homes
- \$7.3 billion net saved by utility customers through lower utility bills
- 4.1 billion gallons of water saved by reducing the need for power generation at power plants
- Fewer air emissions and improved public health from reduced power generation
- 10,400 new jobs created in building energy retrofit programs

"These are very good reasons to oppose elimination of the EES," said Schlegel. "The electric EES is the single most effective Commission policy for reducing utility bills for customers."

Energy efficiency is widely recognized as the least expensive way for utilities to meet electricity demand. Nationwide, it costs about 3 cents for a utility to save a kilowatt-hour of electricity through efficiency compared to more than 6 cents per kilowatt-hour at the most efficient new power plants fueled by natural gas.

Comments to the Commission are due on Tuesday, Nov. 18, 2014. For documents filed with the ACC regarding this matter, [click this link](#).

About SWEEP

The Southwest Energy Efficiency Project is a public interest organization dedicated to advancing energy efficiency in AZ, CO, NV, NM, UT and WY. For more information, visit <http://www.swenergy.org>