



ARIZONA CORPORATION COMMISSION

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Commission Approves New Energy Efficiency and Renewable Projects to Benefit APS Customers

PHOENIX—The Arizona Corporation Commission today approved two projects for APS that will help achieve greater energy efficiency, lower costs, and advance the use of solar technology for many of its customers.

Energy Star Plus

The new Energy Star Plus component of the Residential New Construction Program is the last element of APS' 2010 Renewable Energy Standard (RES) Implementation Plan that remained for the Commission to review and approve. This measure would create a higher level of energy efficiency for APS' Residential New Construction Program.

Energy Star Plus provides incentives for builders who achieve a higher level of energy efficiency in their newly constructed residential homes. The higher savings from Energy Star Plus will be achieved on a cost-effective basis, with significantly improved energy savings for customers. In turn, creating more efficiency reduces energy demand, minimizing the need to build costly infrastructure in the future.

In making this higher level of efficiency eligible for incentives, the Residential Program is moving toward the goal of net zero energy homes – homes that produce as much energy as they use – a goal of the Building American Program developed by the U.S. Department of Energy. The program goals include reduced whole house energy use, reduced construction time and waste, improved indoor air quality and comfort, and clean on-site power systems.

Builders will use a variety of energy efficiency upgrades in order to meet the performance standard, including:

- All upgrades will meet current Energy Star Homes standards
- HVAC ductwork run through air conditioned areas of the home, rather than through hot attic spaces
- Vinyl frame, low E windows with a low Solar Heat Gain Coefficient
- High energy air conditioning equipment, with a 15 Seasonal Energy Efficiency Ratio or higher.
- Higher efficiency water heaters.
- High efficiency lighting and appliances.

The incentive for meeting the existing Energy Star Homes program standard is \$400 per home, while the incentive for meeting the new, higher Energy Star Plus standard is \$1,000. The estimated lifetime energy savings per for homes built in 2010 is 93,024 kilowatt hours.

AZ Sun Program

The AZ Sun Program will expand APS' procurement approach by undertaking the development of utility-owned renewable projects. Under this proposed program—beginning in 2010 and continuing through 2014—APS will install 100 megawatts (MW) of ground-mounted solar photovoltaic (PV) systems. The company will place resources where they will benefit the distribution system the most, which may also include utility-scale systems located on customer premises, thereby qualifying as distributed energy under the Commissions Renewable Energy Standards.

The AZ Sun program will begin with a capital investment of approximately \$500 million to be made from 2010 through 2014 to develop the 100 MW of solar generation capacity. The cost of the actual systems deployed will be based on competitive procurement processes, and will likely vary with the size of the system facilities.

“I commend APS for this forward-thinking energy-efficient residential new construction program,” said **Commissioner Paul Newman**. “I encourage APS, local governments and the local real estate community to consider improving building codes that will reduce pollution from power plants, save water, and save ratepayers money. Additionally, APS' AZ Sun program will put solar in the ground and provide APS experience with solar photovoltaics. Since APS will contract with solar companies to build the projects, AZ Sun will provide jobs for the solar industry as well.”

“My hope is that with today's decision on the Arizona Sun Program, we will jump-start the process for APS to finally build their own solar projects,” said **Commissioner Sandra Kennedy**.

“The approval of the AZ Sun program will solidify Arizona's status as the solar energy hub of the nation,” **Chairman Kris Mayes** said. “The solar energy projects approved today will provide Arizonans with cleaner energy, more stable rates and hundreds of new jobs.” Mayes added, “The ACC's approval of APS' Energy Star Plus Homes program demonstrates Arizona's commitment to making new homes more efficient from the first day of construction. This program encourages homebuilders to make the “negawatt” a basic part of their construction plan, so that new homeowners can count on lower electricity bills the second they move in.”

“APS is to be commended for proposing a major utility-scale solar project which will take advantage of economies of scale and will represent a key component in Arizona's energy mix,” said **Commissioner Bob Stump**.

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