



ARIZONA CORPORATION COMMISSION

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Commission Approves Energy Efficiency Rules for Gas Utilities *Rules to Reduce Natural Gas Usage 6% by 2020*

PHOENIX—The Arizona Corporation Commission today approved rules to increase the use of energy efficiency programs by Arizona’s gas utilities and their customers. Gas utilities will be required to achieve annual energy savings of at least 6 percent by 2020, with the savings to increase incrementally as a percent of retail energy sales in each prior calendar year to reach that goal. The companies will be able to reach this goal through both demand side management (DSM) and renewable energy resource technology (RET) programs.

Up to one-third of the energy savings can result from energy efficient building codes and up to one-third of the savings can come from energy efficient appliance standards. Utilities can also count energy savings from individual customers who adopt efficient home or business practices and technologies. In addition, utilities can count all energy savings resulting from RET projects that displace gas usage by customers.

On June 1 of odd years, each utility will be required to file an implementation plan with the Commission describing how they intend to meet the standard for the next one to two calendar years. The initial implementation plan will be due within 30 days of the effective date of the rules.

Today’s vote on energy efficiency for gas utilities follows the approval of energy efficiency rules passed on July 27, which require Arizona’s electric utilities to reach a savings of 22 percent energy efficiency by 2020.

The approved Gas Energy Efficiency rules will now be sent to the Arizona Secretary of State to open a notice of proposed rulemaking. Following approval by the Secretary of State, the rules would go to the Attorney General for endorsement before implementation.

“The gas energy efficiency rules will give customers of Arizona’s gas utilities the tools they need to save money every month on their bills,” said **Chairman Kris Mayes**. “By requiring the gas companies to reduce the amount of gas we use in our state by six percent Arizona continues to move toward a more sustainable and energy efficient future.”

“Virtually every household and business receiving gas utility service will be able to lower their monthly gas bill by employing at least one energy efficiency measure,” said **Commissioner Sandra Kennedy**.

“I applaud Chairman Mayes for championing these rules, and staff for seven years of workshops to refine these rules. Only a handful of states have passed gas energy efficiency,” said **Commissioner Paul Newman**. “Arizonans send over \$2 billion/year out of state to buy natural gas, and burning less gas will save ratepayers tens or perhaps hundreds of millions of dollars over the lifetime of the rules. These rules will unify the approach taken by utilities, advocates and businesses by fostering better building codes and providing rebates for energy savings. By reducing natural gas—a fossil fuel—we will reduce

greenhouse gas emissions that negatively impact climate change.”

“Protecting the pocketbooks of ratepayers is my highest priority and cost-effective energy efficiency measures help reduce utility bills,” said **Commissioner Gary Pierce**.

“These rules are especially important during these difficult times since they will provide an opportunity for ratepayers to reduce costs and increase efficiencies,” said **Commissioner Bob Stump**.

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