



ARIZONA CORPORATION COMMISSION

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Commission Approves Energy Efficiency Programs that Save APS Customers Money

(Phoenix) The Arizona Corporation Commission approved new programs that promote energy efficiency and cost savings to Arizona Public Service Company (APS) customers. Those programs add no additional cost to customers but provides more opportunities for them to manage their usage.

The Commission approved new programs being introduced by APS as part of its energy efficiency plan, also called a Demand-Side Management Plan (DSM). Those programs include a Smart Thermostat which allows customers to remotely control their thermostat, new devices customers can have installed to improve their air conditioner's performance, and a Conservation Behavior Program that better informs participating customers of their energy usage and when peak demands are anticipated so they can reduce their usage.

Each year utilities must file a Demand-Side Management Plan (DSM) to the Commission to show how they are meeting energy efficiency requirements by creating programs that are cost effective, promote energy efficiency, load management, or demand response. In 2010, the Commission approved energy efficiency rules requiring Arizona utilities to achieve annual energy savings of at least 22% by 2020. Over the years, the Commission has approved several cost saving measures for APS customers including Time of Use Programs, Low Income Weatherization Assistance, and programs which provide incentive for energy efficiency upgrades in new construction projects.

A collaboration between Commissioners Andy Tobin and Bob Stump laid out additional measures for APS to further its energy efficiency goals and help customers save money.

Commissioners ordered APS to spend up to \$4 million to develop a residential battery storage program and a program to facilitate energy storage technologies through demand response or load management. That type of program will allow customers to lower energy use during times of peak demand.

"Energy storage is the Holy Grail for energy savings," said Commissioner Bob Stump. "We made significant steps here to advance the technology that will impact the future of the grid and provide significant benefits to the customers who will be able to better manage their usage."

APS is currently administering a pilot program to evaluate the potential of energy storage technology. Under a new programs APS will have 120 days to propose a new energy storage program to the Commission.

"I want to thank my fellow Corporation Commissioners and staff in helping our efforts on energy storage," said Commissioner Andy Tobin. "This technology is critical to reducing demand during peak hours. This decision will encourage expansion of battery/energy storage technology that will help consumers save money and energy."

"I am a firm believer that energy storage unlocks the potential for the future of grid-scale solar and rooftop solar," said Chairman Doug Little. "This is a great example of the Commission's dedication to innovation that benefits the public."

"I am pleased to see many of the emerging technologies we examined in our 8 technology workshops in 2014 and 2015 included in APS's 2016 DSM plan," said Commissioner Bob Burns. "I have been working with the

utilities and stakeholders to develop energy storage in the utilities' Renewable Energy and Emerging Technologies dockets for years now, and am pleased to see another venue in which APS will be presenting a plan to include this technology.”

The Commission also ordered APS to implement programs that would reduce usage during peak

