

Segue Energy Consulting

Thank you for the opportunity to share my thoughts and opinions about the Environmental Portfolio Standard Changes and the potential for a Renewable Portfolio Standard.

Investment in energy efficiency and renewables (especially distributed renewables) provides benefits to our planet, our state, our local communities and the renewable energy system owners.

a. The Planet benefits from reducing green house gas emissions, preservation of non-renewable natural resources, and the potential for easing of fossil-fuel-fired political tension.

b. The State of Arizona and local communities benefit from reduced air pollution, easing the strain on the electric power grid, freeing up energy dollars (efficiency) and keeping more energy dollars in the community (renewables) in addition to the planetary benefits.

c. System Owners benefit from a clean, quiet, independent, secure source of energy; energy cost savings after system payback; and the knowledge that they are helping their communities and the planet Arizona (the sunniest state in the Union) should increase its commitment to renewable energy. A larger mix of energy resources is more secure and sustainable. A Renewable Portfolio Standard (RPS) of 15-20%, implemented gradually over the next 15 to 20 years is do-able and makes good sense for Arizona. We still need a solar set aside such as in the existing EPS (or as a part of a new RPS) because solar has some benefits/values that are unmatched by any other energy source. These benefits are frequently not captured by strictly economic evaluations. The current levels could probably be increased a bit, and the expiration eliminated without too much pain.

Please maintain adequate funding for the EPS. The RPS probably needs only modest additional funding because many renewables are close to cost-competitive with natural gas generation.) Efficiency make economic sense under almost any type of evaluation, but still needs funding in order to change the status quo and get people using unfamiliar products and processes. Perhaps some energy savings goals for the various service areas in Arizona along with direction to set aside funding to meet these goals would be a good idea. I believe an increase in the surcharge to support these activities (including what you call "Demand Side Management" but I call energy efficiency) is supportable.

If there is any information or analysis I might be able to provide, I would be happy to help. I recently relocated to Arizona from Washington DC where I worked for the US DOE as analyst and manager for the National Solar Program.

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