

**BEFORE THE  
ARKANSAS PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF THE CONTINUATION, )  
EXPANSION, AND ENHANCEMENT OF ) DOCKET NO. 13-002-U  
PUBLIC UTILITY ENERGY EFFICIENCY )  
PROGRAMS IN ARKANSAS )**

**MOTION FOR THE EXTENSION OF CURRENT ENERGY EFFICIENCY  
PROGRAM PORTFOLIOS THROUGH 2015 PROGRAM YEAR AND  
FOR 2015 BUDGET FLEXIBILITY**

COME NOW General Staff (“Staff”) of the Arkansas Public Service Commission (“Commission”); the Consumer Utilities Rate Advocacy Division of the Arkansas Attorney General’s Office; Entergy Arkansas, Inc.; CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas; Southwestern Electric Power Company; SourceGas Arkansas Inc. (f/k/a Arkansas Western Gas Company); Arkansas Oklahoma Gas Corporation; The Empire District Electric Company; Oklahoma Gas and Electric Company; Arkansas Community Action Agencies Association, Inc.; Audubon Arkansas; Arkansas Advanced Energy Association, Inc.; and Sierra Club, (these entities will be collectively referred to as the Parties Working Collaboratively or the “PWC”), and submit the above entitled Joint Motion. In this Joint Motion, the PWC respectfully requests that the Commission extend certain filing deadlines and procedural schedules associated with the Commission’s Energy Efficiency (“EE”) initiatives to allow adequate time for the PWC to address the Commission’s directives set forth in Order No. 7 in this docket, as well as to allow adequate time for the results of those and other outstanding

issues to be integrated in to each utility's planning process for developing its respective program plans. In support of this Motion, the PWC states as follows:

1. On January 30, 2013, in Order No. 2 of this docket, the Commission approved an extension of the utilities' current EE Program Portfolios for Program Year 2014 and the Commission rescheduled the filing of the 2015-2017 EE Program Portfolios in the TF dockets for June 1, 2014.<sup>1</sup>
2. On September 9, 2013, in Order No. 7 of this docket, the Commission approved the revised filing deadlines and procedural schedules proposed by the PWC for immediate use in the preparation and approval of the next three-year EE planning and program cycle for Program Years 2015-2017. In addition, the Commission issued several directives to the PWC relating to a variety of new Commission initiatives. The Commission directed the PWC to (1) file an EE Potential Study Request For Proposal ("RFP") and supporting testimony for Commission review and approval; (2) file a proposed general collaborative process for governing the PWC; (3) engage a facilitator(s) to assist in developing a unified weatherization approach and standardization of core Commercial and Industrial ("C&I") programs across fuels and utilities; and (4) work cooperatively to recommend a reasonable third-party estimate of the cost of compliance with carbon regulation and to recommend a set of collaboratively-developed non-energy benefits ("NEBs") for

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<sup>1</sup> Docket No. 13-002-U, Order No. 2, p. 11.

use as a portfolio and program screening tool to assess the available EE resources.<sup>2</sup>

3. On November 8, 2013, the PWC filed comments and testimony in response to Order No. 7, proposing a plan to utilize the Independent Evaluation Monitor (“IEM”) as the facilitator for the Weatherization Collaborative (addressing the Commission’s directive regarding a unified weatherization approach) and to issue a Request for Qualifications (“RFQ”) for the C&I Collaborative facilitator. Additionally, the PWC filed a recommendation for the RFP for an Arkansas-specific EE Potential Study and a non-consensus recommendation for estimating carbon costs. On January 10, 2014, the PWC also filed its proposed collaborative procedural guidelines.
4. On December 16, 2013, in Order No. 12 of this docket, the Commission approved the IEM as the facilitator for the Weatherization Collaborative and the PWC’s recommended plan to engage a facilitator for the C&I Collaborative.<sup>3</sup>
5. The PWC has begun the process of developing the unified weatherization programs by holding an in-person meeting and several phone/web conferences. Data is being collected to develop a “gap analysis” of the current weatherization programs that the PWC described in its November 8, 2013 comments. The PWC is also planning a technical conference which should provide valuable information to assist in successfully designing weatherization programs.

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<sup>2</sup> Docket No. 13-002-U, Order No. 7, pp. 86-90.

<sup>3</sup> Docket No. 13-002-U, Order No. 12, p. 9.

6. With respect to the Commission's C&I program development directive, the PWC has developed a list of qualified candidates and issued the necessary RFQ to engage a facilitator for the C&I Collaborative, consistent with the approach previously described in the PWC's comments.
7. Additionally, the PWC is awaiting Commission approval of the RFP for the EE Potential Study discussed above, as well as direction from the Commission on carbon costs. The results of the Potential Study and the carbon costs will influence many facets of program design, including avoided cost, NEBs, and energy savings targets.
8. Notwithstanding the PWC's efforts thus far toward accomplishing all of the Commission's directives issued in Order No. 7, it has become apparent through the meetings and discussions conducted by the PWC that the current schedule for a number of EE filings over the next few years is not practical or feasible. As discussed herein, the proposed schedule set forth in Order No. 7 for the implementation of unified weatherization and C&I programs does not provide adequate time for the PWC to fully develop such programs. Further, once those PWC efforts are completed, and once the Commission addresses the other pending issues set forth above, the utilities will require additional time to fully incorporate the unified weatherization and C&I program approach and other Commission directives into their next three-year EE Program Portfolios. The need for extensions of the filing deadlines and procedural schedule approved by Order No. 7 is further supported given the number of outstanding tasks before the PWC.

9. The Commission has requested, by April 1, 2014, a weatherization collaborative report with recommendations for implementation of the unified weatherization approach. In order to comply with this Commission directive, the PWC will need to provide a recommendation for inter-fuel and inter-utility weatherization program design and estimated kW and kWh contribution to each electric utility portfolio and the estimated therm contribution to each natural gas utility portfolio. Based upon the work and discussions conducted to date, the PWC recommends delaying this filing until at least October 1, 2014 in order to provide the PWC with adequate time to develop the program design for this new Commission initiative. The PWC further notes that a Commission decision with respect to that program is required before utility program plans can be completed.
10. In addition to developing the next three year program design, the PWC still has several other tasks to complete, including (1) selecting and hiring a C&I Facilitator; (2) completing the Weatherization Collaborative meetings; (3) completing the potential study if the recommended RFP is approved; and (4) developing the NEBs for approval by the Commission. Again, when these tasks are complete, each utility will need to incorporate this information into its planning process for development of its respective EE Program Portfolios.
11. Therefore, in order to allow adequate time not only for the completion of these tasks, but also for the incorporation of the valuable data resulting from these tasks, the PWC proposes to delay the filing of the next three-year EE Program Portfolios until at least June 1, 2015, under the conditions outlined below.

12. To enable the PWC to complete the pending tasks and thoroughly analyze the resulting data, the PWC recommends the following with regard to the next three-year EE Program Portfolio filings:
  - a. Delay the next three-year EE Program Portfolio filings, including the statewide programs Arkansas Weatherization Program and Energy Efficiency Arkansas, until at least June 1, 2015 with anticipated approval no later than November 27, 2015. The EE Program Portfolios would cover Program Years 2016-2018;
  - b. For Program Year 2015, utilize the existing Program Year 2014 budgets and incentive structure, but increase savings targets to 0.90% of retail sales for electric utilities and 0.50% of retail sales for natural gas utilities as directed by the Commission in Order No. 7.<sup>4</sup> In addition, the PWC recommends that the baseline be calculated on the 2013 retail sales adjusted for self-direct customers' sales;
  - c. Continue the 10% budget flexibility provision for Program Year 2015, which allows utilities the unilateral ability to shift up to 10% of any program budget to another without notice, as well as reinstate the budget flexibility provision which allows utilities to increase their overall EE portfolio budgets by up to 10% without formal notice to meet the increased savings targets provided that the utilities reasonably anticipate that the overall portfolios will remain cost effective with the 10% budget flexibility;

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<sup>4</sup> Docket No. 13-002-U, Order No. 7, p.24.

- d. If necessary to meet increased goals, utilities may request permission from the Commission to modify individual program budgets for Program Year 2015;
- e. Allow self-direct customers to extend existing certificates of exemption through 2015;
- f. Delay the policy changes ordered by the Commission in Order No. 7 of this docket, including the revised incentive structure, changes to cost-benefit analysis assumptions (including carbon cost estimates and development of NEBs) for implementation as a part of the next three-year plan cycle in Program Years 2016-2018.
- g. Adjust the EE filing schedule approved by Order No. 7, as outlined in the table below, including the delay by one year of the Energy Efficiency Cost Recovery Rider ("Rider EECR") Rate Transition Filing year from 2015 to 2016. The Rider EECR Transition Filing is the year in which the effective date moves to January 1 of the year following the Rider EECR filing and the true-up transitions to a full one year lag for rate recovery.

**PWC Proposed Filing Dates**

<b>EE Filing/Event</b>	<b>Current Schedule</b>	<b>Proposed Schedule</b>
Uniform Weatherization Program Design Recommendation	April 1, 2014	October 1, 2014
2015 EECR Rate (2015 Budget / 2014 true-up)*	April 1, 2015	April 1, 2015
2014 Annual Report	May 1, 2015	April 1, 2015
Order Approving 2015 EECR Rate	May 28, 2015	May 28, 2015
Effective date of 2015 EECR Rate**	June 1, 2015	June 1, 2015
3-Year Program Portfolio Filing (2016-2018)	June 1, 2014	June 1, 2015
2016 EECR Rate (Transition Filing) (2016 Budget / no true-up)*	May 1, 2015	June 1, 2015
Order Approving 3-Year Plan Filing	November 27, 2014	November 27, 2015
Order Approving 2016 EECR Rate	September 1, 2015	November 27, 2015
Effective date of 2016 EECR Rate	January 1, 2016	January 1, 2016
2015 Annual Report and 2017 EECR Rate (2017 Budget / 2015 true-up)	May 1, 2016	May 1, 2016
Order Approving 2017 EECR Rate	September 1, 2016	September 1, 2016
Effective date of 2017 EECR Rate	January 1, 2017	January 1, 2017
2016 Annual Report and 2018 EECR Rate (2018 Budget / 2016 true-up)	May 1, 2017	May 1, 2017
Order Approving 2018 EECR Rate	September 1, 2017	September 1, 2017
Effective date of 2018 EECR Rate	January 1, 2018	January 1, 2018
2017 Annual Report and 2019 EECR Rate (2019 Budget / 2017 true-up)	N/A	May 1, 2018
Order Approving 2019 EECR Rate	N/A	September 1, 2018
Effective date of 2019 EECR Rate	N/A	January 1, 2019

\*The Transition filing with 'no true-up' year is currently approved for the 2015 EECR Rate, the adjusted schedule moves the Transition Filing with 'no true-up' to the 2016 EECR Rate.

\*\*The 2015 EECR Rate will be effective through December 2015 and will be superseded by the 2016 EECR Rate Transition on 1/1/16.

13. The PWC recommends the proposal outlined above as a reasonable modification of the currently-approved schedules that is mutually beneficial to all parties involved and supportive of the EE program objectives established by the Commission in Order No. 7. Approval of this proposal will encourage the



continuation of successful EE programs for the 2015 Program Year, while also providing adequate time to complete the potential study and to develop the Commission-directed unified weatherization and C&I programs.

WHEREFORE, for the above-stated reasons, the PWC hereby respectfully requests that the Commission approve the recommendations set forth in the preceding paragraphs, and for all other necessary and proper relief to which it is entitled.

Respectfully Submitted,

**GENERAL STAFF OF THE ARKANSAS  
PUBLIC SERVICE COMMISSION**

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been served on all parties of record by electronic mail via the Electronic Filing System on this 14th day of February, 2014.

By: */s/ Fran C. Hickman*  
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