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Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: Docket No. RE-00000C-00-0377
Comments on Chairman Spitzer's Proposal and Commissioner Mundell's Letter on
Renewable Energy and Energy Efficiency

Dear Arizona Corporation Commissioners:

Thank you for the opportunity to comment on Chairman Spitzer's Proposal and
Commissioner Mundell's Letter on Renewable Energy and Energy Efficiency.

Renewable energy technologies offer unparalleled opportunities for rural economic
development and stable electricity rates, and Arizona is in an excellent position to benefit
from its renewable energy resources: its huge solar energy potential is internationally
recognized, but the state also has tremendous wind energy resources as well, with 2,600
megawatts (MW) of cost-effective (class 4+) wind energy potential.

The Interwest Energy Alliance represents some of the nation's leading companies in the
wind energy industry, including FPL Energy, GE Wind, PPM Energy, RES-North
America, SeaWest and Vestas America. Together with our partner coalition, the Western
Business Coalition for New Energy Technologies, we bring together over 150 companies
in a four-state region representing all renewable energy and energy efficiency
technologies, including 40 companies in Arizona (see attached lists).

We applaud the Corporation Commission's initiative in exploring how best to leverage
Arizona's wealth in renewable energy resources and would like to offer the following
recommendations for the record.

Adopt the Cost Evaluation Working Group recommendation to increase the renewable
energy percentage in the existing Environmental Portfolio Standard (EPS) to 1.1 percent
through 2007

The EPS has provided a boost to Arizona's renewable energy industry, particularly for solar community. It is important to maintain regulatory certainty by continuing the existing EPS rule through 2007, which will maintain the conditions that promise to make Arizona an international leader in this rapidly growing renewable energy market.

Leverage Arizona's wealth of renewable energy resources by implementing an additional Renewable Energy Portfolio Standard

A Renewable Portfolio Standard (RPS) would provide tremendous economic, consumer, environmental and risk-mitigation benefits to Arizona, and we recommend the adoption of such a mechanism by the Corporation Commission, in addition to the existing EPS rule. Even though many renewable energy technologies, such as wind, are cost-effective now, standards are needed to encourage the utilities to evaluate them fairly in their resource planning.

The economic development benefits of renewable energy are compelling. For example, over 400,000 man-hours are required for the construction of a typical 100 MW windfarm. This provides many construction jobs and a number of full-time operations and maintenance positions, helping small communities to maintain economic vitality. With economic benefits such as these, it is no wonder that rural areas around the country with wind energy resources are eager to see increased new wind energy development in their communities.

With an RPS of 10-20 percent in Arizona, such economic benefits would be multiplied many times, particularly in rural areas, around the state. In addition, all consumers would benefit from the rate stabilization that fixed-price renewable energy resources provide. For instance, the new gas-fired power plants recently constructed have increased the state's exposure to volatile gas price risks. Wind power is the most cost-effective way to mitigate these risks.

States throughout the southwest have adopted or are pursuing aggressive RPS measures, including New Mexico, Nevada and California. Arizona utilities themselves are beginning to purchase wind energy from other states, such as the Salt River Project's wind purchase from PNM in New Mexico. An Arizona RPS would maintain the state's competitive position and ensure that development—and the associated benefits of such development—remains in Arizona.

Pursue cost-effective energy efficiency opportunities by implementing an energy savings goal, with energy efficiency programs and adequate funding to achieve the goal

Energy efficiency programs provide immediate financial and other benefits to consumers and businesses, and, as with renewable technologies, they create jobs and improve the economy. Energy efficiency costs less than any other resource for meeting Arizona's energy needs. Programs in many states have demonstrated that energy savings can be achieved at costs of \$.02 per lifetime kWh saved, which is much less than the cost of conventional generation, transmission, and distribution.

We recommend that the Commission consider the one percent per year energy savings goal proposed by the Southwest Energy Efficiency Project (SWEET) and provide adequate funding to achieve the goal.

Thank you again for the opportunity to provide our recommendations to you on these most important matters. Please do not hesitate to let me know if you have questions on any of our policy recommendations.

Best regards.

Craig Cox

Executive Director
Interwest Energy Alliance

**WESTERN
BUSINESS
COALITION
FOR NEW
ENERGY
TECHNOLOGIES**

Member List, December 2003

21 Wheels (Boulder, Colo.)
A-C-E Builders, Inc. (Kingman, Ariz.)
Add Energy (Scottsdale, Ariz.)
Advanced Energy Systems (Denver, Colo.)
Advanced Thermal Systems (Reno, Nevada)
Aerofire, Inc. (Lafayette, Colo.)
Agro Management Group (Colorado Springs, Colo.)
Ahearn Associates (Phoenix, Ariz.)
Air Engineering A/C and Heating (Scottsdale, Ariz.)
All American Energy (Denver, Colo.)
Altair Energy (Golden, Colo.)
American Solar Electric (Phoenix, Ariz.)
Aspen Skiing Company (Aspen, Colo.)
Bergey Wind Power Company (Norman, Okla.)
Boulder Biodiesel (Boulder, Colo.)
Boulder Community Hospital (Boulder, Colo.)
BP America (Denver, Colo.)
BP Solar Corporation (Frederick, Md. and Scottsdale, Ariz.)
Burnham-Beck & Sun (Fort Collins, Colo.)
Calpine (Denver, Colo.)
Carol K. Werner, LLC (Merino, Colo.)
Center for Applied Research (Denver, Colo.)
Center for Resource Management (Denver, Colo.)
CH2M Hill (Denver, Colo., Salt Lake City, Utah and Tempe, Ariz.)
Cielo Wind (Austin, Tex.)
Clearwater Strategic Community Investing (Boulder, Colo.)
Community Energy (Boulder, Colo.)
Community of Civano (Tucson, Ariz.)
Community Office for Resource Efficiency (Aspen, Colo.)
Community Power Corporation (Littleton, Colo.)
Conservative Energy Systems (Mesa, Ariz.)
Delta-Montrose Electric Association (Montrose, Colo.)
Deluge, Inc. (Phoenix, Ariz.)
Desert Sun Solar (Phoenix, Ariz.)
Disgen (Lakewood, Colo.)
Domani, LLC (Denver, Colo.)
Dorsey & Whitney LLP (Salt Lake City, Utah and Denver, Colo.)
Dutko Group (Denver, Colo.)
E Star Colorado (Denver, Colo.)
Econergy International Corp. (Boulder, Colo.)
EMC Engineers, Inc. (Lakewood, Colo.)

Energy Systems Engineering (Basalt, Colo.)
ENSAR Group, Inc. (Boulder, Colo.)
enXco (Minneapolis, Minn.)
ERTH Inc. (Longmont, Colo.)
ETA Engineering Inc. (Tempe, Ariz.)
etc Group, Inc. (Salt Lake City, Utah.)
EV Solar Products (Chino Valley, Ariz.)
Financial Energy Management, Inc. (Englewood, Colo.)
First Solar (Scottsdale, Ariz.)
Flagstaff Renewable Fuels (Flagstaff, Ariz.)
Forest City Stapleton, Inc. (Denver, Colo.)
Forest Energy Corp. (Show Low, Ariz.)
FPL Energy (Juno Beach, Fla.)
FuelCellStore.com (Boulder, Colo.)
GE Wind Energy (Tehachapi, Calif.)
General Solar (Mesa, Ariz.)
GeoSource Distributors, Inc. (Oro Valley, Ariz.)
Geotech Environmental Equipment, Inc. (Denver, Colo.)
Global Concepts, Inc. (Albuquerque, N.M.)
Global Solar Energy, Inc. (Tucson, Ariz. and Littleton, Colo.)
Hamlin Electric Services (Ft. Morgan, Colo.)
Hill Air Force Base (Ogden, Utah.)
Holcim (U.S.) Inc. (Florence, Colo.)
Hydrogen Technologies Company (Ft. Collins, Colo.)
HydrogenWorks (Denver, Colo.)
Idalex Technologies, Inc. (Arvada, Colo.)
ImaginIt, LLC (Golden, Colo.)
Independent Bankers of Colorado (Denver, Colo.)
Institute of Ecolonomics (Ridgway, Colo.)
Intermountain Solar Technologies, Inc. (South Jordan, Utah.)
Julander Energy Company (Denver, Colo.)
Juxtamark, Inc. (Louisville, Colo.)
Kinko's (locations throughout Arizona, Colorado, New Mexico and Utah)
Kiowa County Growers (Eads, Colo.)
Kyocera Solar, Inc. (Scottsdale, Ariz.)
Lightly Treading, Inc. (Denver, Colo.)
M2M Matrix (Englewood, Colo.)
Mason Engineering, Inc. (Elizabeth, Colo.)
Maynard/David Partnership, Inc. (Arvada, Colo.)
McNeil Technologies (Golden, Colo. and Albuquerque, N.M.)
McStain Enterprises (Boulder, Colo.)
MHB Engineering, L.C. (Draper, Utah.)
Microgy Cogeneration Systems, Inc. (Golden, Colo.)
Mile High Plumbing & Heating (Prescott Valley, Ariz.)
Millennium Energy (Golden, Colo.)
Murray, Franke, Greenhouse, List & Lippitt, LLP (Denver, Colo.)
NativeSUN (Kykotsmovi, Ariz.)
Natsource (New York, N.Y.)
Natural Lighting Company, Inc. (Phoenix, Ariz.)
Neumeon Dynamics Co. (Colorado Springs, Colo.)
New Belgium Brewing Company (Fort Collins, Colo.)
New Mexico Solar Energy Association
NextWave Energy, Inc. (Denver, Colo.)
Nexwind Energy, Inc. (Chandler, Ariz.)
North Canyon Solar (Phoenix, Ariz.)
Northern Arizona Wind and Sun (Flagstaff, Ariz.)

Ockham Energy Services (Lakewood, Colo.)
The Ormond Group (Phoenix, Ariz.)
Poma of America, Inc. (Grand Junction, Colo.)
Power Energy Fuels, Inc. (Lakewood, Colo.)
PPM Energy (Portland, Ore.)
Prebon Energy Inc. (Salt Lake City, Utah.)
Prowers County Development, Inc. (Lamar, Colo.)
PureVision Technology, Inc. (Fort Lupton, Colo.)
RE Solar (Logan, Utah.)
Renewable Energy Development Corporation (Salt Lake City, Utah.)
Rentech, Inc. (Denver, Colo.)
RES North America LLC (Palm Beach Gardens, Fla.)
RETEC Group, Inc. (Salt Lake City)
Ridge Company (Fort Collins, Colo.)
RMH Group, Inc. (Lakewood, Colo.)
Sacred Power Corp. (Albuquerque, N.M.)
Science and Safety Resources Inc. (Bailey, Colo.)
SeaWest WindPower, Inc. (San Diego, Calif.)
Shell WindEnergy, Inc. (San Diego, Calif.)
Sher and Associates (Evergreen, Colo.)
Solar Energy International (Carbondale, Colo.)
Solar Solutions (Silver Cliff, Colo.)
Solar Wholesale (Mesa, Ariz.)
SolarFarms, Inc. (Phoenix, Ariz.)
Sound Geothermal Corporation (Roosevelt, Utah.)
Southwest Energy Efficiency Project (Boulder, Colo.)
Southwest Windpower (Flagstaff, Ariz.)
St. George Steel Fabrication, Inc. (St. George)
Sterling Bio-Technologies Corp. (Sterling, Colo.)
Tasco Engineering, Inc. (Lehi)
Toyota Motor Sales, U.S.A., Inc. (Englewood, Colo.)
Transportation Techniques, LLC (Denver, Colo.)
Universal Entech, LLC (Phoenix, Ariz.)
UQM Technologies (Golden, Colo.)
URS Corporation (Salt Lake City, Utah, Denver, Colo., Phoenix, Ariz.)
Vail Resorts (Vail, Colo.)
Valley Geothermal (Longmont, Colo.)
Versar, Inc. (Northglenn, Colo., and Tempe, Ariz.)
Vestas-American Wind Technology, Inc. (Portland, Ore.)
Western Colorado Power Co. (Telluride, Colo.)
Western Resource Advocates (Boulder, Colo., Scottsdale, Ariz. and Salt Lake City, Utah)
Western Wind Energy (Tucson, Ariz.)
WestStart (Denver, Colo.)
Windward Engineering (Spanish Fork, Utah.)
Wulc & Associates (Santa Fe, N.M.)
Xanterra Parks & Resorts (Bryce Canyon, Zion and Grand Canyon National Parks and Aurora, Colo.)
Zilkha Renewable Energy (Houston, Tex.)

Western Business Coalition for New Energy Technologies

www.newenergytechnologies.org