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**Commissioner**

**ARIZONA CORPORATION COMMISSION**

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**Arizona Corporation Commissioner Andy Tobin Disappointed in Delayed Commission Discussion on Reducing Peak System Demand, Calls for Workshop**

PHOENIX – Corporation Commissioner Andy Tobin released the following statement today on the Commission’s decision at yesterday’s June Open Meeting to not discuss Arizona Public Service Company’s 2016 Demand-Side Management Plan:

“I am disappointed that the Commission decided against even discussing APS’s 2016 Demand Side Management Plan for 2016, along with my proposed amendments that focus on reducing peak system demand and promoting residential energy storage.

“Everyone knows that one of the most significant cost drivers for Arizona electric utilities today is the generation capacity required to meet peak system demand in the evening hours of the day during 4-5 months out of the year. These hours and months add extraordinary cost to ratepayers.

“Demand reduction solutions are ripe for discussion in the context of Energy Efficiency (EE) programs. The Commission should emphasize “peak reduction” through EE to get the most value of APS’s \$70 million budget for these programs.

“One demand reduction solution that has gained widespread interest across the country is energy storage technology. Already, the Commission has ordered APS to engage in a pilot program that further explores this solution. My amendments provide more momentum behind that shift in focus and can easily be funded with the nearly \$26 million in *surplus* funds that are not being used for any program.

“Of those unspent surplus ratepayer dollars, I propose spending \$4 million on incentivizing energy storage technology that reduces customer energy consumption during peak system demand. Although more money could be spent on this incentive, my proposal represents an important first step in bringing energy storage into the conversation about reducing peak system demand. Arizona should be America’s leader in advancing energy storage.”

“Arizonans deserve to see their Commission openly discuss and vote on the important energy and water issues of the day—and in this case, that is reducing peak system demand through a variety of solutions including energy storage. I look forward to taking up this matter again at next month’s Open Meeting.

“I will be calling for a Peak System Demand Workshop to discuss ways of reducing costs to ratepayers during peak system demand, including, but not limited to, energy storage and other efficiencies.

“It’s time to reduce rhetoric and discuss facts.”

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