

The Coconino County Energy Efficiency Program

In Coconino County approximately 40% of the population, or 44,000 persons, live near or below the poverty level. These residents face the coldest winter weather in the state, and much of their housing stock is substandard and severely energy inefficient. To address this, Coconino County's Community Services Department, Housing Rehabilitation Program, Rural Environmental Corps, and Sustainable Building Program, in partnership with the City of Flagstaff's Sustainability Program and Integrated Solutions for a Sustainable Flagstaff initiative, have partnered to design and implement the Coconino County Energy Efficiency Program (CCEEP).

CCEEP is designed to have a major impact on the energy efficiency of the housing stock in the region by providing needed upgrades such as sealing of air leaks, ceiling and floor insulation, duct repair, programmable thermostats, and furnace tune-ups. On average, a \$2000 investment in energy efficiency through such improvements immediately reduces a home's energy consumption by 30%. It also mitigates the impact on customers of future gas price increases and reduces our carbon footprint from residential energy use. New jobs for energy auditors and insulation installers, and new opportunities for construction business owners and managers are generated by this program. CCEEP includes a workforce development initiative to fill these jobs.

The opportunity for funding for CCEEP is provided by a rate increase request that has been filed with the Arizona Corporation Commission by Coconino County's natural gas provider, Unisource Energy Services (UES). By means of the enclosed resolution we request your support for a \$1.2 million demand side management surcharge from this rate case. This surcharge represents less than 1 cent per therm on top of the current price of approximately \$1.30 price per therm, so the impact on the ratepayer would be minimal. We request that 50% of this increase come to the CCEEP program, and the other 50% to community action agencies in other counties served by UES.

CCEEP and its many partners request your support of the enclosed resolution that will put our region at the forefront of a nationwide effort to reduce energy use, promote sustainable economic development, and stimulate the creation of the kind of green jobs that we all seek for Flagstaff and Coconino County.

Resolution of support for the Coconino County Energy Efficiency Program

A RESOLUTION OF THE CITY OF FLAGSTAFF TO SUPPORT A DEMAND SIDE MANAGEMENT SURCHARGE TO PRODUCE \$1.2 MILLION FOR ENERGY EFFICIENCY PROGRAMS FOR LOW AND MODERATE INCOME CUSTOMERS OF UNISOURCE ENERGY SERVICES

Resolution No. 2009 -

WHEREAS, the City of Flagstaff is desirous of undertaking energy efficiency retrofits in residential and commercial structures; and

WHEREAS, Unisource Energy Services (UES) currently has an open rate case before the Arizona Corporation Commission (ACC); and

WHEREAS in July 2008 the ACC approved plans by TEP and UES to create and expand outreach programs to educate consumers on ways to conserve energy and reduce their utility bills; and

WHEREAS the ACC is exploring the possibility of establishing state-wide energy efficiency standards; and

WHEREAS the proposed Coconino County Energy Efficiency Program (CCEEP) presents a comprehensive strategy for helping to address the three tenets of a sustainable society by facilitating increased social equity, implementing environmental conservation measures, and encouraging widespread regional economic development; and

WHEREAS the proposed CCEEP will work closely with and parallel to Coconino County Community Services and the City of Flagstaff's Sustainability Program, and both jurisdictions are home to Unisource Energy Services customers; and

WHEREAS the City of Flagstaff has committed to significant reductions in greenhouse gas emissions, through a series of measures, to 7% below 1990 levels by the year 2012; and

WHEREAS It is possible today to cost-effectively reduce energy and water use in existing residential, light commercial and municipal building stock by 30% using readily available technologies, building practices, standards, and skills; and

WHEREAS proposed programming will utilize existing local building science professionals, contractors, non-profit agencies, public-private partnerships and a workforce development program based on the model of the Civilian Conservation Corps, to offer energy and water conservation services targeting County-wide residential, commercial and municipal structures; and

WHEREAS the City and County through the proposed programming will realize reduced resource consumption, reduced greenhouse gas emissions, the widespread generation of a local

“green-collar” workforce, and the return of millions of dollars to the local economy through job creation and reduced utility expenses; and

WHEREAS Coconino County, the second largest county in the nation, has above-average poverty rates, unemployment and utility expenses; and

WHEREAS Unisource Energy Services in November 2008 asked the Arizona Corporation Commission to approve a rate increase for its gas customers of approximately 6%; and

WHEREAS Coconino County has a substantial portion of UES customers and has Arizona’s coldest climate; and

WHEREAS this program will act as a pilot program to leverage additional funding for energy efficiency programs; and

WHEREAS this level of funding can be obtained for less the 1 cent per therm if applied to all UES sales of natural gas, thus not imposing a noticeable burden on other customers; and

NOW, THEREFORE, BE IT RESOLVED THAT *THAT the Mayor and Council of the City of Flagstaff supports the establishment of annual funding of \$1.2 million in a DSM surcharge to fund energy efficiency retrofits for low and moderate income UES customers using a combination of grants and loans on a sliding scale, with 50% of these funds allocated to CCEEP.*

Passed and adopted by the Flagstaff City Council this __ day of June, 2009.

Sara Presler, Mayor

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board

City Attorney