

Energy Efficiency Policy and Program Trends in the Southwest

Howard Geller



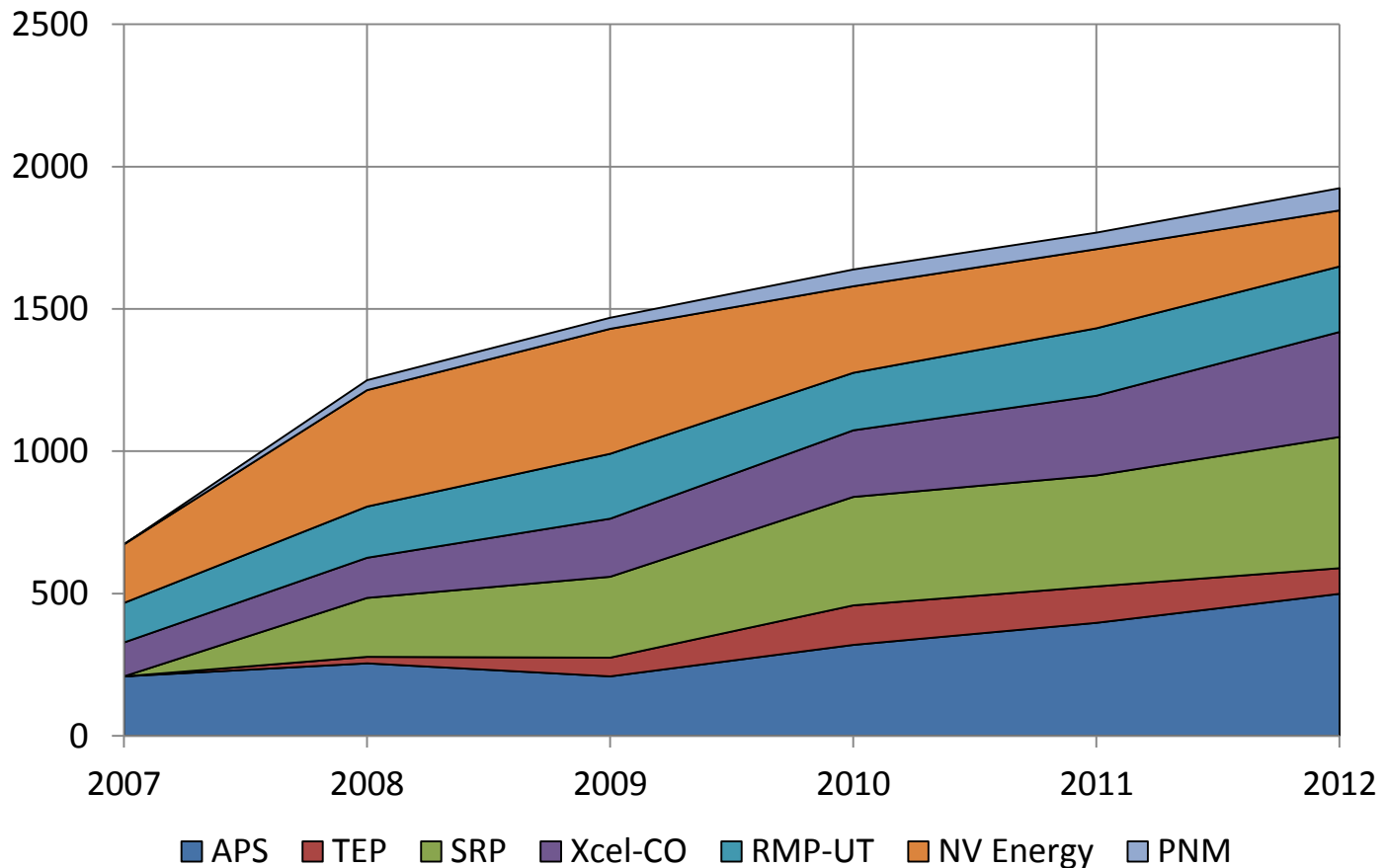
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Electric Utility DSM Program Spending Trends in the Southwest

State	Electric DSM Program Spending/Budgets (million \$ per year)						
	2002	2004	2006	2008	2010	2012	2013 (est.)
AZ	4	4	19	45	94	120	143
CO	11	21	18	28	66	96	106
NV	3	11	30	55	46	39	50
NM	1	1	1	10	24	28	31
UT	9	16	27	36	51	49	55
WY	~0	~0	~0	~0	3	4	5
Region	29	54	95	174	284	335	390

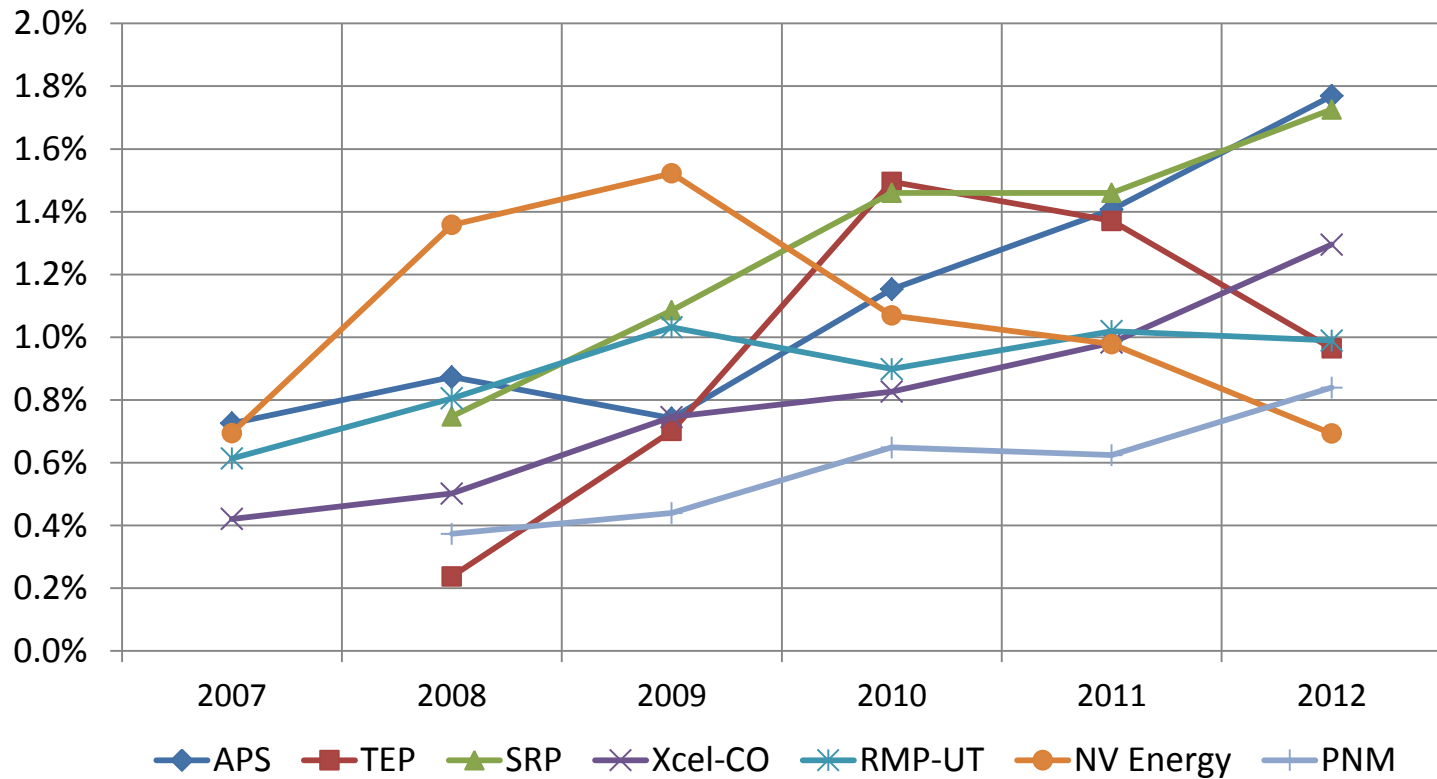
First Year Savings by Utility (GWh/yr)

Savings from Programs Implemented Each Year



Energy Savings Trends by Utility

Net Energy Savings as a % of Retail Sales,
by program year



Arizona



- ❑ Strong EERS calls for IOUs to achieve 2.0% savings in 2013, 20% cumulative savings by 2020
- ❑ APS achieved 1.8% savings in 2012, 25% more than savings achieved in 2011
- ❑ TEP suspended programs in 2012 due to inadequate cost recovery and Commission inaction but programs now approved and restarted
- ❑ APS and TEP recover net lost revenues and receive a performance-based shareholder incentive
- ❑ SRP also ramping up EE programs, achieving savings equal to around 2% of sales in 2012 (including savings from pre-paid meters)

Colorado



- ❑ Xcel Energy and Black Hills Energy ramped up DSM programs over past 5 years in response to savings goals and incentives set by the PUC
- ❑ Xcel achieved 1.3% savings as a fraction of sales in 2012 (net savings basis), 27% more than savings in 2011
- ❑ 2013: Two dockets with Xcel started mid-year
 - Strategic Issues – Reviews longer term savings goals, incentive mechanism and other key policies
 - 2014 DSM Programs Plan
- ❑ Rural co-ops provide about 25% of electricity in CO and do very little to promote EE; legislation needed to motivate stronger EE efforts by co-ops

Nevada



- ❑ Energy savings count towards RPS compliance, new legislation phases EE credits by 2015
- ❑ DSM funding levels and savings reduced in 2010-12 due to deep economic recession, less need for EE resources in short run, and excess energy savings credits from previous years
- ❑ NV Energy still achieved 0.7% savings in 2012; some programs such as DR ramping up in 2013
- ❑ Utility receives lost revenue recovery in addition to cost recovery, proving to be very controversial
- ❑ Need for separate EERS, decoupling (in place of LRR), and a performance-based shareholder incentive

New Mexico



- ❑ Energy savings requirements for IOUs: 5% savings in 2014 and 8% savings in 2020 (from programs implemented starting in 2008)
- ❑ Program approval has been challenging as has been approval of shareholder incentives
- ❑ PNM slowly ramping up programs; achieved about 0.8% savings in 2012 and proposing to achieve around 0.9% savings under new DSM plan
- ❑ 2013 legislation establishes 3% tariff rider for program funding, changes cost effectiveness test from TRC to UCT, and reduces 2020 standard from 10% to 8% (compromise with utilities and PRC)

Utah



- ❑ Utah does not have utility EE goals or standards, nor an electric utility disincentive removal or shareholder incentive mechanism
- ❑ Rocky Mountain Power (RMP) does have IRP requirements which drives investment in DSM programs; UCT is the principal benefit-cost test
- ❑ RMP has been achieving about 1% savings per year since 2009, and both programs and energy savings are now increasing
- ❑ In 2013 the state adopted the 2012 IECC with some weakening amendments for new homes but no amendments for new commercial buildings

Other Policy Trends in the Region

- ❑ Adoption of 2012 IECC energy code expanding
- ❑ Growth in EE financing programs mainly as partnerships between banks/credit unions and utilities/states; also interest in commercial PACE
- ❑ Interest in EE disclosure at time of building sale or rental is increasing, but still no mandatory disclosure requirements in the region
- ❑ Retirement of older coal plants taking place in conjunction with expansion of RE and natural gas resources; EE isn't directly linked in but its still "part of the deal"
- ❑ Growing interest in EVs and policies to support EV adoption

SWEEP:

Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:

www.swenergy.org

Howard Geller, Executive Director

303-447-0078x1

hgeller@swenergy.org

