COLORADO PUBLIC UTILITY COMMISSION ADOPTS LANDMARK ENERGY EFFICIENCY POLICIES Should Greatly Expand Energy Efficiency Programs Implemented by Xcel Energy

(Denver, CO) – The Colorado Public Utilities Commission (PUC) has issued a decision in a docket related to energy efficiency and other demand-side management (DSM) programs implemented by Xcel Energy, the largest electric utility in Colorado. The decision establishes energy savings goals for Xcel Energy’s DSM programs, provides the utility with an opportunity to earn a profit on its DSM programs, sets new rules for DSM program cost recovery, and addresses other policies related to DSM programs implemented by Xcel Energy.

If the goals established by the PUC are met, Xcel energy will reduce peak power demand by 944 MW in 2020 and lower electricity use that year by nearly 3.7 billion kilowatt-hours (kWh), all as a result of energy efficiency programs implemented during 2009-2020. The goals call for the utility to help its customers reduce their electricity use in 2020 by about 11.5%, from energy efficiency programs implemented during 2009-2020.

“These are ambitious but achievable energy savings goals,” stated Howard Geller, Executive Director of the Southwest Energy Efficiency Project (SLEEP). “Achieving the goals will cut load growth in half and eliminate the need for two large power plants over the next 12 years. The goals are also consistent with energy savings and emissions reductions expected from utility energy efficiency programs in Governor Ritter’s Climate Change Action Plan. SWEEP applauds the PUC for setting strong energy efficiency goals.”

The new policy also enables Xcel Energy to earn a profit on its DSM expenditures as long as it achieves at least 80% of its energy savings goal in any one year, in addition to recovering the costs for its DSM programs. The incentive is tied to energy savings achieved and the net economic benefits of the programs, and is capped at 20% of the utility’s DSM expenditures. This incentive will enable Xcel to make a profit by helping its customers reduce their electricity use and utility bills. Even with the incentive, SLEEP estimates that households and businesses in Colorado will realize over $1.5 billion in net benefits as a result of DSM programs implemented during 2009-2020. “The performance-based incentive is a win-win policy for Xcel Energy and its customers,” Geller stated.
Xcel Energy provides electricity to over 1.3 million customers in Colorado. The decision issued by the Colorado PUC today responds to legislation adopted in 2007, House Bill 07-1037. SWEEP played a major role in developing and supporting this legislation, and was an intervener in the docket that led to the Colorado PUC Order decision issued today. For more details regarding the PUC decision, see
http://www.dora.state.co.us/puc/DocketsDecisions/decisions/2008/C08-0560_07A-420E.doc

About SWEEP: The Southwest Energy Efficiency Project (SWEEP) is a public interest organization dedicated to advancing energy efficiency in six southwest states. See www.swenergy.org.

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