

Energy-efficiency goals for Xcel could save customers up to \$250 million by 2020

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Xcel Energy customers could save up to \$250 million by 2020 under new energy-efficiency goals set by the Colorado Public Utilities Commission on Wednesday.

The commission increased the energy-efficiency target by 30 percent over the 2008 goal to 356 gigawatt-hours, or 356 million kilowatt-hours, by 2013.

Average residential use is about 625 kilowatt-hours a month.

The energy-efficiency program was set up under a bill that passed the state legislature in 2007.

Since the aim is for Xcel to sell less energy, the bill provided for incentives — a quick recovery of costs through a direct charge on customer bills — and a bonus.

The PUC raised the bonus Wednesday from \$13.1 million to \$17.4 million if Xcel reaches the new target.

If the utility reached 110 percent of the target, it would get \$21 million.

"Xcel gets to keep a small portion of the \$250 million in net economic benefits," said PUC Chairman Ron Binz.

To meet the new goal, Xcel will have to expand energy-efficiency programs and increase customer incentives, said Howard Geller, executive director of the Southwest Energy Efficiency Project.

"This decision puts Colorado and Xcel in the top tier in the country when it comes to energy efficiency," said Geller, whose Boulder-based group promotes energy efficiency.

Fewer kilowatt-hours used by customers reduces Xcel's fuel and production costs, Binz said.

The efficiency gains over the 2012-20 period are large enough to avoid the need for one new power plant, according to the energy-efficiency project's calculations.

"This commission knows that the cheapest kilowatt-hour is the one that isn't used," Binz said.

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