

Utah Electric Utility Energy Efficiency Programs: A Success Story

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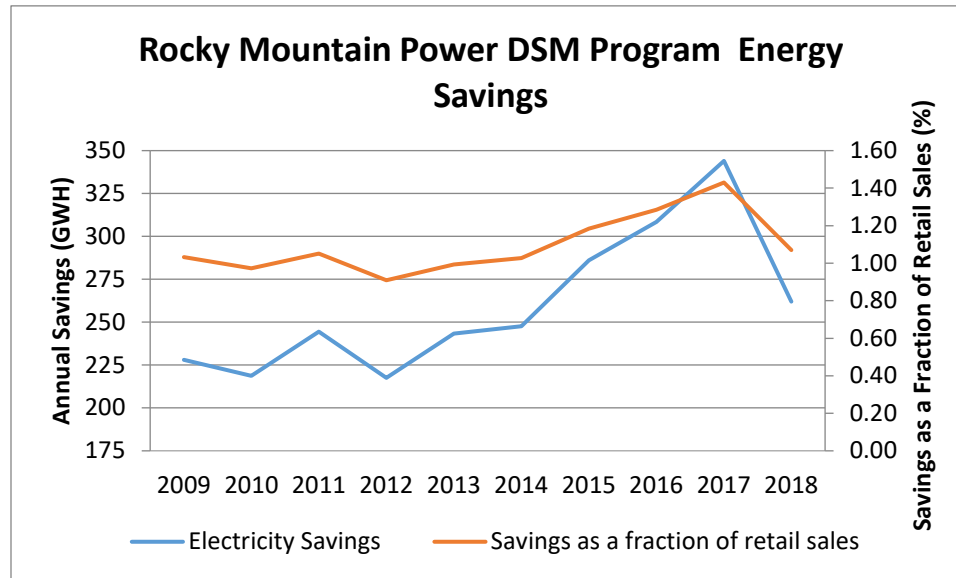
History

- PacifiCorp, doing business in Utah as Rocky Mountain Power (RMP), is Utah's sole investor-owned electric utility providing about 78% of the electricity consumed in the state. In 2018, RMP offered six energy efficiency and other demand-side management (DSM) programs to their customers.
- Several dockets before Utah Public Service Commission (PSC) during 1980-90 established policies pertaining to utility DSM programs. The PSC established the Integrated Resource Plan (IRP) requirements for PacifiCorp in 1992. The IRP is the primary driver of DSM program savings goals.
- In 2002, the Utah Legislature enacted a law allowing for an energy efficiency tariff rider as well as an industrial self-direction bill credits program. In 2003 the PSC approved a DSM tariff rider (Schedule 191) to enable RMP to recover the costs for its approved DSM programs in a timely manner. As of November 2018, the DSM tariff rider was equal to 3.66% of customer bills.
- In 2009, a Joint Resolution on Cost-Effective Energy Efficiency and Utility Demand-side Management (H.J.R. 9) was adopted by the Utah Legislature. H.J.R. 9 urged utilities to promote all available cost-effective energy efficiency and conservation, set voluntary energy savings goals for Rocky Mountain Power and Questar Gas Company, and endorsed supportive regulatory mechanisms such as decoupling.
- In 2009, the rules for Utah's DSM programs were revised. The PSC adopted the Utility Cost Test as the primary cost effectiveness test for DSM programs in Utah.
- In 2012, RMP formed a DSM Steering Committee comprised of representatives from PSC staff, the state's consumer advocate, energy consumers, and energy efficiency advocates. The Committee provides feedback to RMP on DSM program design and policy issues.

Impacts of Energy Efficiency Programs

- RMP invested a total of \$563 million in DSM programs during 2009-18.
- RMP's customers saved 2.6 billion kWh of electricity as of 2018, due to programs and measures implemented during 2009-18. This amount of electricity savings is equal to nearly 11% of total electricity consumption by RMP's customers as of 2018. It is also equivalent to the electricity use of 300,000 typical households served by RMP.
- RMP avoided about 1.8 million metric tons of CO₂ emissions in 2018 due to energy efficiency programs implemented during 2009-18. The reduction in CO₂ emissions is equivalent to taking about 3,000 passenger vehicles off the road.
- RMP's DSM programs are very cost effective. RMP and its customers will save approximately \$1.2 billion net as a result of DSM programs implemented during 2009-18.

- Utility energy efficiency programs increase employment through the production, sales and installation of energy-efficient products and services. A recent U.S. DOE study estimates that there are over 31,000 jobs in Utah related to improving in energy efficiency.



Results for RMP’s DSM Programs, 2009-18

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
DSM Program Expenditures (million \$)	58.2	49.4	45.1	47.1	55.2	81.6	61.2	60.4	55.8	49.1	563
Peak Reduction (MW)	143	159	166	138	116	124	106	116	121	237	N/A
Electricity savings (GWh/year)	228	219	244	218	243	248	286	308	344	262	2,601
CO ₂ emissions reduction (thousand metric tons/year)	157	139	169	150	168	176	201	217	241	183	1,801
Savings as percentage of retail sales	1.03	0.97	1.05	0.91	0.99	1.03	1.18	1.28	1.43	1.07	N/A
Portfolio cost-effectiveness	1.95	1.82	2.17	2.16	2.05	2.16	1.53	1.98	2.23	2.39	N/A
Net economic benefits (million \$)	106.8	91.0	128.0	134.1	141.1	140.2	62.4	116.0	139.8	149.6	1,209

Notes: Peak reduction values from load management programs only; CO₂ emissions reductions assume electricity savings avoid electricity generation by coal-fired and gas-fired power plants in equal amounts; 2008 net economic benefits are an estimate by SWEET.

For more information, contact Kevin Emerson, Utah Clean Energy: (801) 903-2026, kevin@utahcleanenergy.org or Howard Geller, SWEET: (303) 447-0078x1, hgeller@swenergy.org