

Status of Utility Energy Efficiency Policy and Programs in the Southwest

Howard Geller



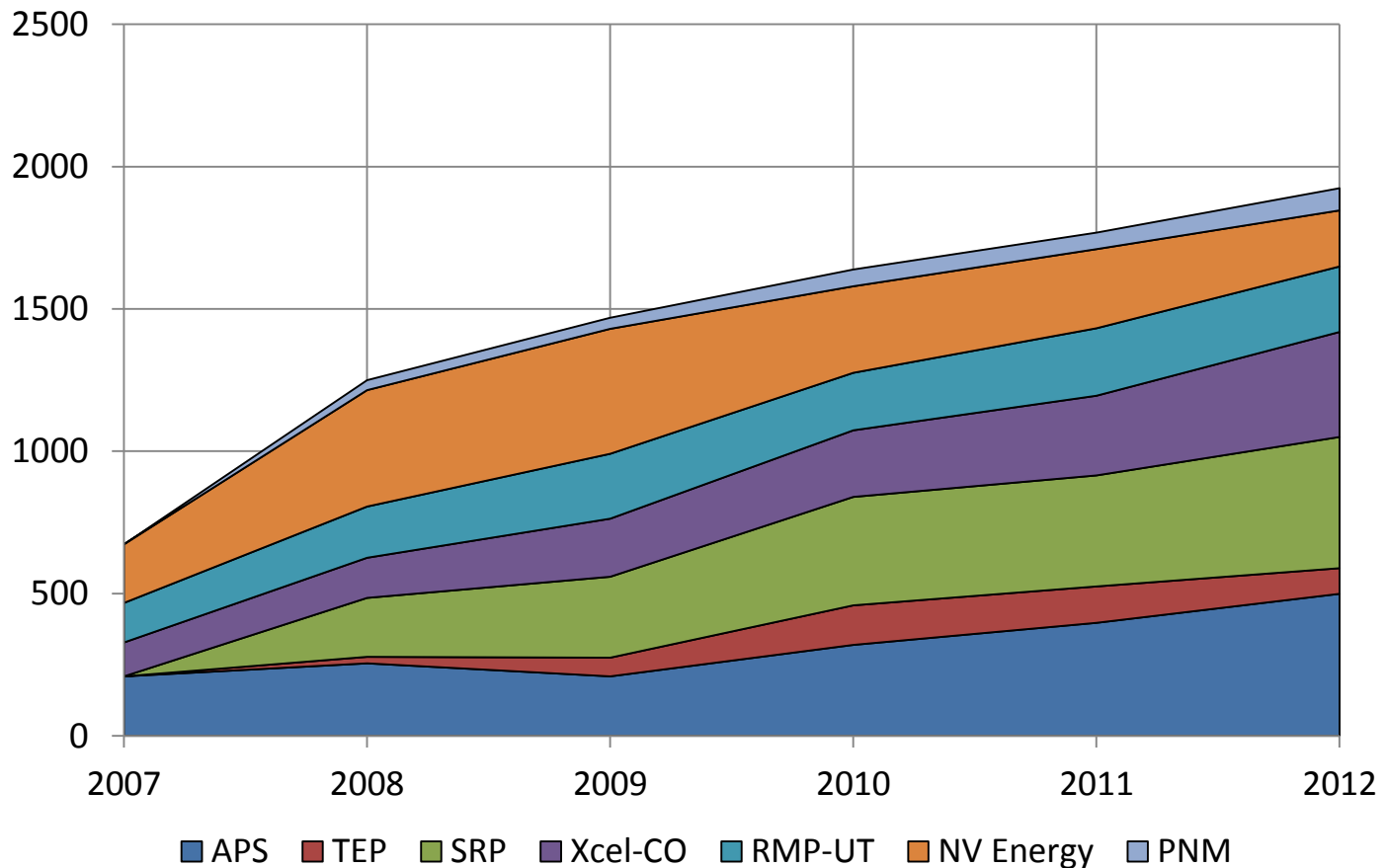
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Electric Utility DSM Program Spending Trends in the Southwest

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

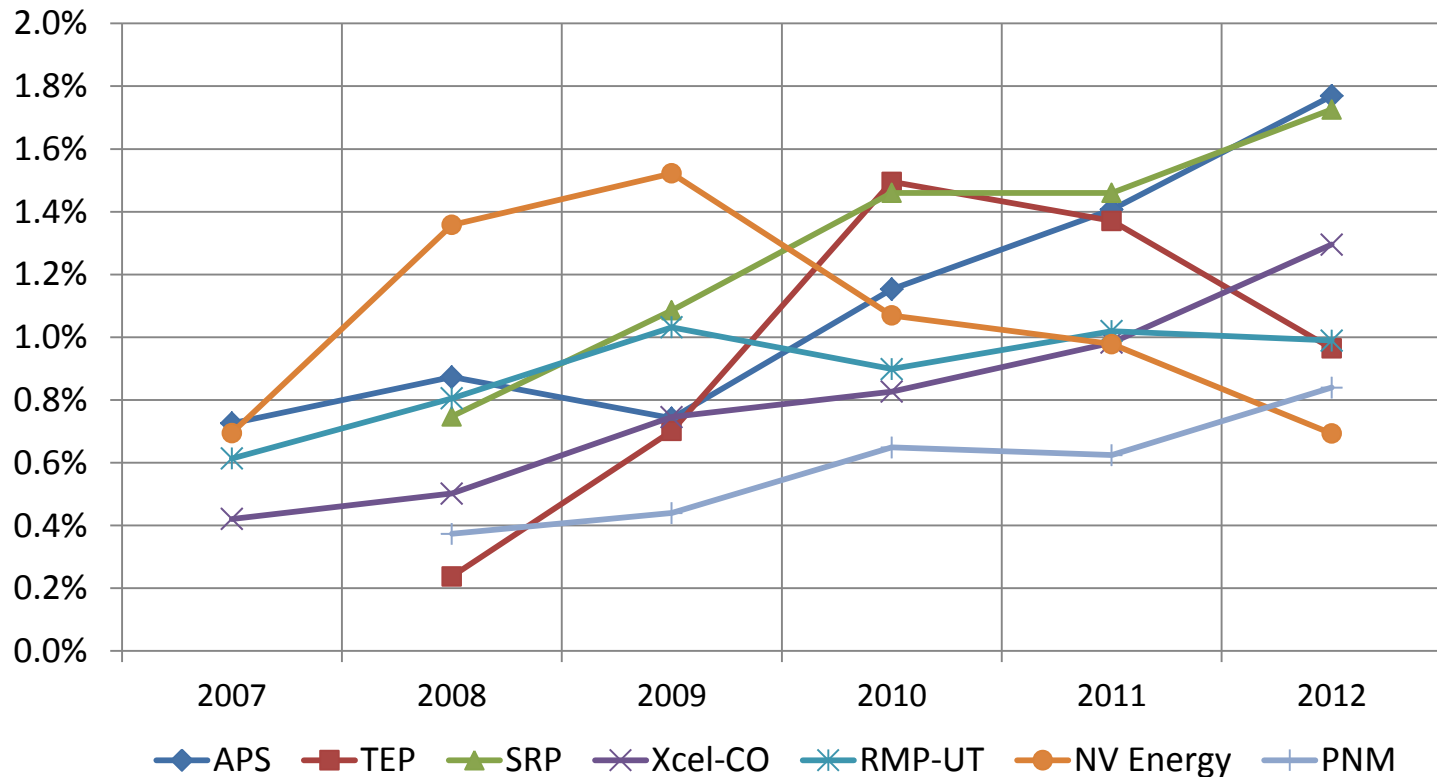
First Year Savings by Utility (GWh/yr)

Savings from Programs Implemented Each Year



Energy Savings Trends by Utility

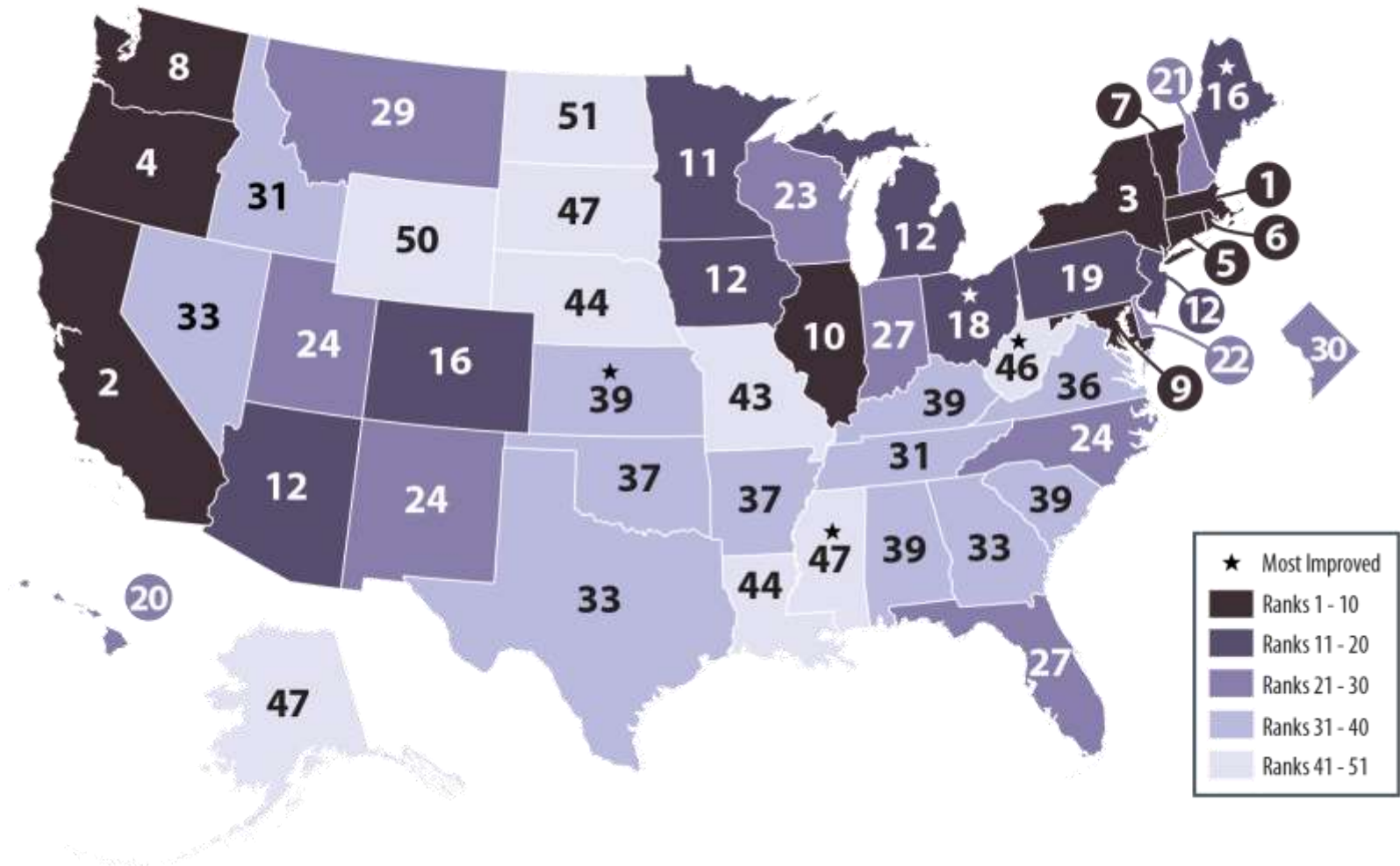
First Year Energy Savings as a % of Retail Sales,
by program year



Key Policy Developments in 2013

- ❑ **AZ:** TEP received approval to restart suspended DSM programs as well as recover net lost revenues
- ❑ **CO:** Review of energy savings goals, shareholder incentives, and other key policies affecting Xcel Energy's DSM programs now underway
- ❑ **NM:** new legislation establishes 3% tariff rider for program funding, changes cost effectiveness test from TRC to UCT, and reduces 2020 standard from 10% to 8% savings
- ❑ **NV:** Energy efficiency credits phased out as an RPS compliance option by 2025; controversial lost revenue recovery policy likely to be scrapped

2013 ACEEE State Energy Efficiency Scorecard



ACEEE Scorecards: Utility Policy and Program Rankings Only

State	Score by Year				
	2009	2010	2011	2012	2013
AZ	20	17	13	11	10
CO	12	16	16	15	14
NV	12	13	13	19	29
NM	24	22	28	22	24
UT	16	12	10	14	22
WY	45	35	41	40	41

Highlights from the 2013 ACEEE Scorecard

- ❑ Arizona ranked 3rd in the country in terms of electricity savings as a fraction of retail electricity sales (1.66%) as of 2012
- ❑ Arizona and Colorado received maximum scores for Energy Efficiency Resource Standards
- ❑ Utah ranked 9th in the country in terms of natural gas efficiency budget per customer in 2012
- ❑ Colorado and New Mexico received high scores for shareholder incentive and disincentive removal policies

Goals and Challenges Looking Forward

- ❑ Maintaining or increasing total energy savings in spite of proliferating federal appliance standards and more stringent building energy codes
- ❑ Achieving higher savings per participant as well as increasing program participation in order to increase total energy savings
- ❑ Adding emerging technologies and innovative program design strategies as the contribution to savings from some traditional measures declines
- ❑ Overcoming concerns about rate impacts, in part by providing and demonstrating value to all customer segments and by maximizing program participation
- ❑ Ensuring that cost-effective energy efficiency program investments are “win-win” for customers and utility shareholders, and are fair

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

