

Xcel plans green switch

Program would push efficiency

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Xcel Energy announced an ambitious efficiency plan Monday that could significantly reduce Colorado's power consumption — but add millions of dollars to consumers' bills.

The \$138 million, two-year plan would provide rebates to business owners and homeowners who install energy-efficient appliances, recycle a secondary refrigerator or take other measures to cut consumption of electricity and natural gas.

Xcel's customers would pay for the rebates through a surcharge on their monthly bills in 2009 and 2010 if the proposal is approved by the state Public Utilities Commission. Xcel currently passes on about \$21 million a year in so-called demand-side management costs to ratepayers.

Proponents of the plan say it could save customers millions of dollars in the long run.

"This is a major advance in Xcel's energy-efficiency programs," said Howard Geller, executive director of the Boulder-based Southwest Energy Efficiency Project. "The two-year proposal should save consumers and businesses over \$500 million net while reducing fuel use and cutting pollutant emissions."

Geller's estimate includes savings from participating in the programs and from avoiding the construction costs of new power plants. Xcel said the program could cut the need for 120 megawatts of new power.

Critics of energy-efficiency programs argue that only those who participate should pay the costs.

Jim Greenwood, director of the state Office of Consumer Counsel, said Monday that he couldn't comment on the proposal because he hadn't reviewed it.

"Energy efficiency is the low-hanging fruit and will help participants in the programs by immediately lowering their utility bills, if in fact the programs are cost-effective," he said.

Minneapolis-based Xcel is Colorado's largest electric and natural-gas utility, serving 1.6 million customers.

The plan, which Xcel wants to implement Jan. 1, is projected to save a total of 425 million kilowatt-hours of electricity in 2009 and 2010. That's roughly how much power is consumed by 28,000 residential customers over two years.

The proposal could also cut natural-gas consumption by a total of 721,000 dekatherms in 2009 and 2010, or roughly the supply needed to heat about 444,000 homes for two years.

If the plan is approved, an average residential electric bill would increase by \$1.16 per month, Xcel said. Bills for the average small-business electric customer would increase by \$2.03 a month. Typical residential natural-gas bills would increase 78 cents per month, while natural-gas bills for small businesses would rise \$1.26 per month.

"These investments are directed at making homes, buildings, appliances and equipment more efficient," Xcel vice president of marketing Fred Stoffel said in a written statement.

He said Xcel also will direct more help to low-income customers to get them through the second half of this winter — when heating bills are projected to be 30 to 50 percent higher than last year.

The programs include:

- Energy-efficient shower heads: a seasonal program offering free shower heads to customers to reduce the use of natural gas and water.
- Heating-system rebate: Tiered rebate levels based on efficiency ratings for qualifying furnaces and boilers.
- Insulation rebate: for the purchase and installation of attic, attic-bypass and wall insulation.
- Home performance with Energy Star: Rebates for efficiency measures implemented after the homeowner completes an energy audit to identify low-cost to high-cost improvement opportunities.
- School education kits: Free lesson plans for teachers on energy efficiency and efficiency kits for students.

Low-income programs would include rebates for weatherization efforts by single-family homes and multifamily buildings that have at least 66 percent occupancy by qualified residents.

Xcel will also offer free energy assessments and efficiency measures for nonprofit organizations that serve low-income residents.

Skip Arnold, executive director of Energy Outreach Colorado, lauded Xcel's efforts to help low-income families.

"These programs will not only reduce the bills for low-income seniors, low-wage families and disabled people, they will also make their homes safer and more comfortable," Arnold said.

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