Nevada Electric Utility Energy Efficiency Programs

Updated August 2025

History

- In 2005, Assembly Bill 3 was enacted amending Nevada's Renewable Portfolio Standard and requiring that by 2015, 20 percent of all electricity sold by the state's regulated utilities comes from renewable energy sources. The bill allowed up to 25 percent of the clean generation requirement to be met with energy savings credits from utility-sponsored energy efficiency programs.

- NV Energy, the parent company for Nevada Power Co. (NPC) in southern Nevada and Sierra Pacific Power Co. (SPPC) in northern Nevada, greatly expanded its energy efficiency and other demand-side management (DSM) programs during 2006-09 in response to this favorable legislation. By 2009, NV Energy achieved net energy savings of 439 GWh per year, about 1.5 percent of retail electric sales.

- However, a number of factors worked against energy efficiency in Nevada during 2010-17:

    - Nevada's economy withered during the great recession and electricity consumption fell as a result. The PUCN questioned the need for large investments in energy efficiency programs in this context, and cut NV Energy's DSM budget including eliminating the residential lighting program.

    - NV Energy accumulated excess energy efficiency credits from its successful DSM programs during 2006-2010, meaning the utility was less motivated to implement highly effective programs post-2010.

    - Hostility to DSM programs increased as a result of implementing a lost revenue recovery mechanism.

- In 2013, the Nevada legislature approved SB 252 which gradually phased out the energy efficiency credits that can be counted towards compliance with the Renewable Portfolio standard. Energy savings credits are limited to 10 percent of the standard during 2020-24 and then phased out starting in 2025.

- In 2017, the Nevada legislature adopted Assembly Bill 223 and Senate Bill 150 which led to renewed expansion of utility energy efficiency programs. The bills:

    - Direct the Public Utilities Commission of Nevada (PUCN) to set energy savings goals for NV Energy

    - Allow the PUCN to approve energy efficiency programs as long as they are part of an overall energy efficiency plan that is cost effective

    - Require that at least 5% of energy efficiency expenditures assist low-income households in saving energy

- Direct utilities and the PUCN to account for non-energy benefits in energy efficiency benefit-cost analysis
- Allow the PUCN to adopt a rate adjustment mechanism so that utilities are not harmed financially when they help their customers save energy.

- NV Energy's 2024 IRP authorized significant increases to DSM budgets compared to previous years while maintaining targets at levels aligned with recent performance. For 2026, NV Energy's DSM Budget is $65.7 million with an additional $3 million for additional demand response. With this budget NV Energy is targeting 305 GWh of annual energy savings and over 222 MW of annual demand savings.

Impacts of Energy Efficiency Programs

- In 2024, Nevada Energy ran a **combined 28 residential and commercial DSM Programs (14 in Nevada Power service territory and 14 in Sierra Pacific service territory), of which approximately 90% included measures related to building envelope efficiency and/or efficient HVAC equipment and controls**. Combined, the utilities spent $58.3 million on these Programs in 2024 while capturing more than $181 million in net benefits.

- Over the 15 year period from 2010-24, NV Energy spent a total of $701 million on energy efficiency and demand response programs. This spending equates to the utility spending about 0.95% of its revenues on DSM programs.

- NV Energy's portfolio of energy efficiency programs has been cost effective every year since 2010. The benefit-cost ratio for NVE's efficiency programs implemented in 2024 was 2.58, meaning that for every $1 in costs $2.58 in benefits were achieved. Households and businesses in the state are expected to have realized $693 million in net benefits as a result of NV Energy's electric DSM programs over the past five years. This is a figure which already eclipses the already excellent $653 million in net benefits during the decade from 2010-2019.

- NV Energy's customers saved about 250 million kWh per year from 2010-2019 as a result of DSM programs, a figure that increased to about 280 million kWh per year from 2020-2024.

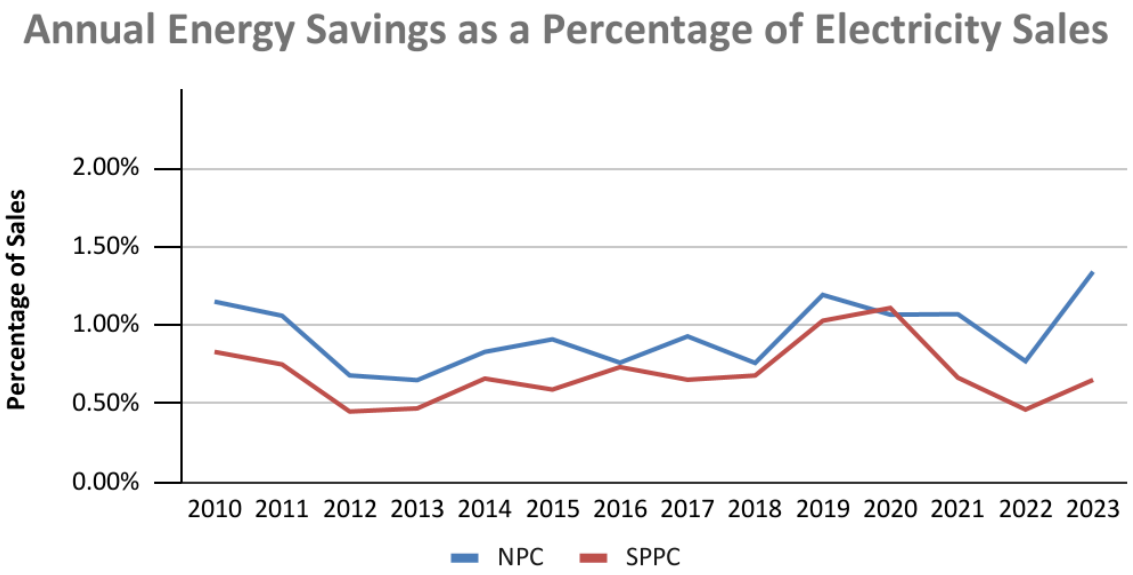
- From 2020-2024, NV Energy achieved an average annual peak reduction of 223 MW from DSM programs. This is slightly greater capacity than the Sun Peak Generating Station (summer peaking gas plant) that produces enough electricity to serve 125,000 customers..

- Saving electricity reduces the operation and pollutant emissions of fossil fuel-fired power plants.DSM programs between 2020-2024 resulted in CO2 emissions reductions of about 686,000 metric tons over 5-years. This is equivalent to removing around 160,000 cars from the road[1].

- Power plants in Nevada cut their water consumption between 2020-2024 by about 191 million gallons as a result of NV Energy's energy efficiency programs. Given that the per capita water usage in the SNWA is 86 gallons/day, this is equivalent to the annual water use of about 6,075 Las Vegas area residents.

[1] https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results (accessed August 2025)

- Beyond lowering bills, energy efficiency is a proven driver of employment in Nevada. Data from the 2024 Energy Efficiency Jobs in America report estimates there are over 13,000 jobs in Nevada related to energy efficiency.



Impacts of NV Energy's DSM Programs by Year 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Expenditures (million $)	46	45	39	39	49	46	49	50	46	45	**454**
Electricity Savings (GWh/year)	304	278	182	175	238	246	225	247	249	327	**2,471**
Peak Reduction (MW)*	56	41	46	62	75	249	261	273	224	226	**534**
CO_2 Emissions Reduction (thousand metric tons/year)**	171	156	107	108	79	81	71	85	68	106	**1,032**
Net Economic Benefits (million $)	49	31	17	16	47	65	78	115	99	136	**653**

* Does not equal sum of individual year values in order to avoid double counting of demand response potentials.

** CO_2 emissions reduction values reported by NV Energy.

Impacts of NV Energy's DSM Programs by Year 2020-2024

Nevada Energy	2020	2021	2022	2023	2024	Total or (Average)
Expenditures ($M)	$43.0	$44.2	$43.6	$58.5	$58.3	**$247.6**
Total Energy Savings (GWh)	317	285	203	328	281	**1,413**
Total Peak Reduction (MW)	231	225	179	234	246	**(223)**
Energy Savings as % Sales (weather-normalized)	1.1	1.0	0.7	1.1	0.9	**1.0**
Water Saved (million gallons)	51.1	37.0	28.0	42.7	31.8	**191**
CO2 Emissions Reduction (thousand metric tons/year)	104.3	147.2	111.2	182.5	140.7	**686**
Net Economic Benefits ($M)	$145.6	$143.8	$116.0	$106.7	$181.3	**$693.3**
Cost Effectiveness (NTRC)	**2.58**	**2.56**	**2.45**	**1.99**	**2.58**	**2.43**

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