



**SWEEP**

SOUTHWEST ENERGY EFFICIENCY PROJECT

# Annual Report 2023



[swenergy.org](http://swenergy.org)



## A message from our Executive Director

As I look back over the past year, both its victories and its setbacks, one thing is crystal clear: the work that the Southwest Energy Efficiency Project (SWEET) does to reduce energy waste, promote equity, and advance climate solutions has never been more important.

This reality was underscored by the magnitude of the challenges faced in 2023. Seven back-to-back months of global record-breaking heat, including a staggering 31-day span of 110 degree plus temperatures in Phoenix. A housing shortage that is fueling an affordability crisis for families across America, along with intensifying transportation pollution as workers are forced to drive further and further between their jobs and where they can afford to live. Skyrocketing utility bills adding to the energy burden already borne by low-income households.

But SWEET responded to meet these challenges, doggedly pursuing our mission to ensure a healthy, equitable, and low carbon future for all – by harnessing energy efficiency, electrification, and clean transportation solutions.

Over the past 12 months, our expert staff testified before state lawmakers across the Southwest, on cutting edge policies to decarbonize buildings and improve the efficiency of everyday consumer appliances. We served as expert witnesses in public utility commission proceedings on how to design utility rates and incentives to minimize consumer bills and maximize energy savings. SWEET staff used their technical expertise to shape national energy standards and provide assistance to local building officials and elected officials as they navigated the complicated world of building energy codes. We brainstormed with HVAC installers, heat pump manufacturers, and building contractors on how to build and train the efficiency and electrification workforce needed to meet the growing demand as we electrify the buildings and transportation sectors. Relying on our decades of policy experience, we provided advice and recommendations to state energy offices across the region on how to design programs to leverage the benefits of the unprecedented federal monies flowing from the Inflation Reduction Act (IRA) and Bipartisan Infrastructure Law.

Working shoulder to shoulder with our Allies and buoyed by your support, we were able to translate these efforts into on-the-ground victories across the Southwest, as you'll read in the following pages. While the road was often rocky, and we still have a far distance to travel, you helped us turn 2023 into a year of steadfast progress.

Thank you for being a partner and supporter on our collective journey towards a cleaner, more equitable energy and mobility future.

With gratitude,



Elise Jones





## Organizational highlights

2023 marked the second year of implementing our 2022-25 Strategic Plan. This year, SWEEP continued its trajectory of growth and achievement, bolstered by the valuable contributions of our team and supporters and the addition of two new wonderful team members – enhancing our capacity to drive clean, efficient, and equitable energy improvements in the Southwest region. We also saw increased engagement and contributions from our Allies, Board members, and individual donors, helping fuel our work at record levels.



### Across the Southwest:

Building upon the success of the previous year, SWEEP diligently worked across our six southwestern states to foster region-wide progress in increasing spending on energy efficiency and advancing clean energy and climate solutions. Our focus remained on promoting cost effective solutions for consumers, furthering equity, and enabling the transition from fossil-fueled transportation and space and water heating to electric, a pivotal pathway in achieving our collective goals for greenhouse gas (GHG) reductions and getting to a cleaner, healthier, and more affordable energy future.



### Using federal investments to help climate-vulnerable communities

Recognizing the importance of maximizing equity and climate benefits, SWEEP continued its efforts to leverage federal funding to replicate and amplify innovations in efficiency, electrification, and decarbonization across the Southwest region. With our support, all but one of our Southwest states secured federal Climate Pollution Reduction Grants to support their development of Climate Action Plans that address the unique challenges and opportunities in each state to build a resilient and low carbon future. SWEEP staff are hard at work ensuring these plans serve as robust roadmaps for reducing emissions and saving energy – and contain innovative projects that can attract the next round of transformational IRA funding.



### **Fostering faster adoption of heat pumps**

In 2023, SWEEP continued to champion the widespread adoption of heat pumps as an effective and efficient alternative to traditional fossil-fueled furnaces and water heaters, even in cold winter climates. With advancements in technology, escalating fossil fuel prices, enhanced consumer education, and advocacy efforts, heat pumps continued to grow in popularity. SWEEP, building on its commitment to progress, updated research reaffirming the cost-effectiveness of heat pumps and heat pump water heaters (HPWHs). The resulting study highlighted that these technologies are now even more economical than they were just a few years ago, even more so when factoring in available IRA and other incentives. Our research demonstrated that new homes equipped with heat pumps, rather than gas furnaces, can achieve a more than 30% reduction in annual heating costs, contingent on their climate zone. SWEEP's ongoing efforts to promote heat pump adoption included its leadership role in the Beneficial Electrification League's Colorado chapter. This coalition, comprising utilities, local governments, and other stakeholders, advocates for the integration of energy-efficient electric appliances in homes, businesses, and industrial facilities through its LoveElectric.org website and educational webinars.

### **Spurring building decarbonization**

As part of our commitment to reducing climate emissions and transitioning away from fossil fuels in the built environment, SWEEP actively engaged in discussions on decarbonizing space and water heating across the Southwest and embracing a shift to cleaner, electric equipment and appliances, including heat pumps and HPWHs. This transformative transition necessitates envisioning a new future for gas utilities, modernizing and expanding the grid to accommodate increased electricity loads, and ensuring affordability, especially for under-resourced households. Our ongoing efforts involved participation in various forums across the region, from legislative arenas to public utility commission dockets, fostering dialogue on this critical transition.



## Arizona

SWEEP made mixed progress in Arizona in 2023, marking another year of hard-fought efforts to advance energy efficiency in a challenging political and policy environment.

On a positive note, we played a pivotal role in supporting the restoration of Arizona's energy office, housed in the new Office of Resiliency. Alongside our partners, SWEEP encouraged Arizona's new Governor, Katie Hobbs, to revive the state's dormant energy agency to ensure that the state now has a dedicated entity to spearhead energy efficiency initiatives and secure vital federal funding for critical clean energy and emission reduction projects.

Unfortunately, the Arizona Corporation Commission's approval of substantial rate hikes for the customers of Tucson Electric Power and Southwest Gas in 2023 posed significant setbacks for Arizona ratepayers, casting a shadow over the state's energy landscape. These decisions were paired with rejection of cost-effective policy proposals by SWEEP to improve regulatory transparency, increase energy savings, and provide relief to low income customers. Despite these adverse developments, SWEEP, in collaboration with its partners, stands firm in its resolve to fight for clean, efficient, and affordable energy for Arizonans. SWEEP's ongoing efforts underscore the organization's dedication to creating a positive impact on Arizona's energy future, even in the face of temporary setbacks.



“Every time a city adopts a stronger building code, they are embracing a more energy efficient future for their community. Every time a city weatherizes an existing home, they are improving residents' quality of life and responding to climate change in a cost effective manner.”

*Caryn Potter, Arizona Representative*

## Colorado

SWEEP continued its impactful journey in Colorado throughout 2023, achieving significant milestones and influencing positive changes through climate, transportation, land use, and energy equity initiatives.

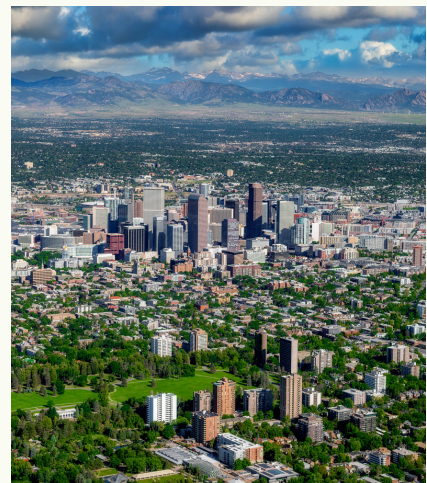
With support from SWEEP and our partners, Colorado adopted the groundbreaking Clean Cars II standards in the fall. These second-generation regulations require automakers to progressively increase the sale of electric vehicles (EVs) in the state, aiming for an 82% market share by 2035. The adoption of Clean Cars II not only offers consumers a wider range of EV choices but also contributes significantly to reducing climate emissions and improving air quality.

The state also took a similarly substantial step forward with the approval of Advanced Clean Trucks and Heavy-Duty Low NOx standards in 2023. These policies set ambitious targets for the deployment of electric and low-emission trucks, particularly focusing on mitigating health-harming pollution in historically-disadvantaged neighborhoods along highways and freight centers.

SWEEP's advocacy efforts also bore fruit as the Colorado Public Utilities Commission adopted ambitious building electrification goals for Xcel Energy, the state's largest utility. This \$67.5 million investment, a 21% increase from the proposed amount, underscores Colorado's dedication to beneficial electrification and energy efficiency.

Simultaneously, the state adopted a progressive Model Building Code, drafted with SWEEP's guidance in 2022, ensuring that new homes and businesses are constructed with the infrastructure to support EV charging, solar panels, and electric appliances.

Finally, SWEEP led the charge for higher environmental standards for Colorado appliances. House Bill 23-1161, a result of our efforts, ensures reduced energy and water waste, diminished toxic pollution, and decreased smog-forming pollution from various consumer products and household appliances.



"This is a pivotal moment in Colorado where we need to plan for the future. Policymakers must recognize that climate-friendly land use is an important lever to tackle transportation pollution and our housing affordability crisis."

*Matt Frommer, Senior Transportation Associate*



## Nevada

In Nevada, SWEEP's successes were emphasized by electrifying transportation and driving policy changes in the energy sector.

EV progress took center stage in Clark County, Nevada, during 2023. In a significant move, the County updated its Title 30 Unified Development Code in August, establishing standards and mandating planning for EV charging capability in new and renovated buildings. As the population center of the state, Clark County is playing a crucial role in accelerating Nevada's transition to an electric transportation future. The updated code ensures that the built environment in Clark County is equipped to support clean, efficient, and cost-effective mobility, making strides towards a much cleaner transportation infrastructure.

The Public Utility Commission of Nevada delivered a substantial win this year by approving a consumer-friendly rate structure for Nevada Power Company customers. In a regulatory proceeding called a General Rate Case, the Commission voted to implement a simplified Time of Use (TOU) rate structure. This structure allows the utility to charge customers different rates for energy at different times of the day, promoting energy usage during off-peak hours. SWEEP proposed an alternative TOU rate during the summer months, designed to incentivize energy shifting and enhance cost and reliability benefits for customers. SWEEP's continued advocacy has not only paved the way for a more attractive and adaptable rate structure but has also contributed to creating fairer energy costs and reduced emissions in Nevada.

During the 2023 Nevada Legislature, we were able to help pass Senate Bill 281, which creates a new resource planning process for gas utilities in the state, similar to electric utility integrated resource planning, with plans filed every three years detailing infrastructure projects that gas utilities intend to build. This will allow regulators and other stakeholders to look at all of the utilities' major projects, consider a range of alternatives, and make decisions in the best interest of customers. This bill additionally mandates that gas utilities' resource plans address the adverse effects of fossil-fuel pollution on low-income and

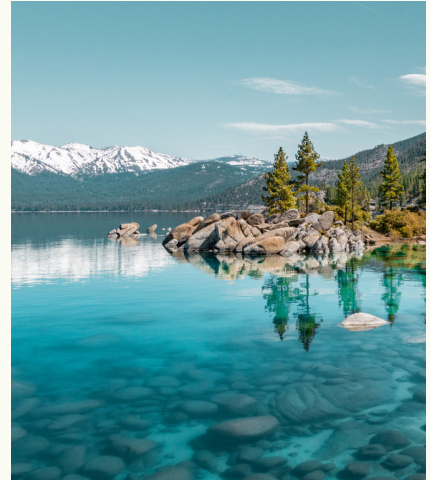


## Nevada

historically underserved communities. It establishes a new platform for discussing the strategies gas utilities employ to decarbonize their systems, ensuring Nevada's attainment of its GHG reduction objectives.

"SWEEP's call for sustainable energy practices aligns with the evolving landscape of the gas industry. We advocate for transparency, oversight, and a shift towards cost-effective alternatives to ensure a sustainable and affordable energy future for Nevada residents."

*Caitlin Gatchalian, Nevada Representative*





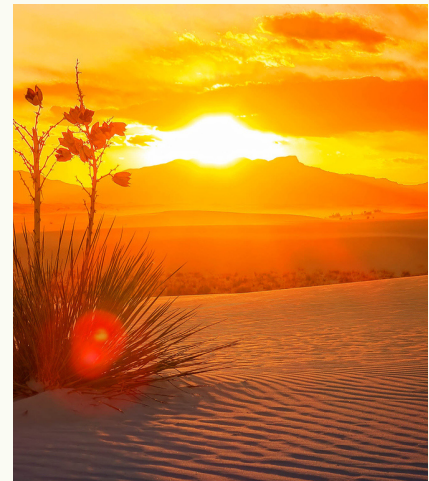
## New Mexico

In the pursuit of advancing energy equity and fostering environmental stewardship, SWEEP achieved significant victories in New Mexico in 2023, building upon the momentum of the previous year's successes.

In a pioneering move, New Mexico embraced the second-generation Clean Car II standards, urging automakers to increase EV sales. These standards aim for an 82% market share of EVs by 2035, placing New Mexico among the first states in the Southwest – alongside Colorado – to champion this bold initiative.

At the same time, New Mexico committed to the Advanced Clean Trucks and Heavy-Duty Low NOx standards in 2023 to address the health-harming pollution from heavy trucks. These policies set goals for deploying electric and low-emission trucks, particularly focusing on disadvantaged and climate-vulnerable neighborhoods.

On the planning front, SWEEP, with a coalition of climate and environmental advocacy groups, voiced our support for the State of New Mexico and the City of Albuquerque's application submissions for the Climate Pollution Reduction Grant Program. Administered by the Environmental Protection Agency, this program allocates funds for planning grants to engage in GHG emissions reduction. The \$3 million grant for the state and \$1 million for Albuquerque, part of the federal IRA, will enable comprehensive climate action, emphasizing community engagement. SWEEP is poised to contribute to the successful implementation of this climate plan, but not just in New Mexico; we are working collaboratively with state and local leaders to maximize the effectiveness and benefits of robust climate plans in states across the Southwest



"EVs are much more efficient than their gasoline counterparts, which means they save a lot of money. With the incentives available through the Inflation Reduction Act, it's a no-brainer for governments to replace every fleet vehicle with an EV going forward."

*Tammy Fiebelkorn, New Mexico Representative*

## Utah



In Utah, SWEEP continued its longstanding collaboration with our partner Utah Clean Energy (UCE) to promote cleaner and more efficient buildings and transportation systems.

A notable victory in 2023 unfolded in the realm of efficient and affordable housing in Utah. With unwavering support from SWEEP and UCE, the Utah Housing Corporation, responsible for administering federal low-income housing tax credits in the state, undertook significant expansion of incentives for energy efficiency and EVs in new affordable housing projects. This initiative represents a pivotal step towards addressing energy equity in underserved communities, offering low-income residents utility bill savings and promoting healthier, more comfortable homes. The Utah Housing Corporation's commitment to energy efficiency is highlighted by these new incentives, encouraging affordable housing developers to raise the bar for energy innovations that save energy and reduce pollution, creating a win-win scenario for all stakeholders.

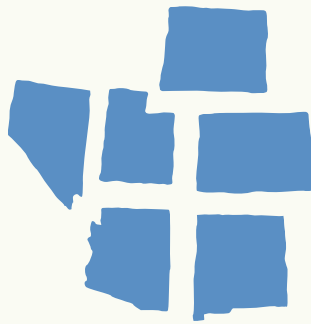
These expanded incentives were incorporated into the State of Utah's 2024 Federal and State Housing Credit Program Allocation Plan. Governing the allocation of low-income housing tax credits to affordable housing projects, the updated Plan not only broadened energy efficiency incentives but also incorporated measures to lower utility costs, improve construction quality, and enhance public health through reduced emissions. Moreover, the Plan introduced incentives for EV charging in affordable multifamily developments, contributing to the accessibility of reduced operating costs and clean air benefits associated with driving EVs. The Plan's requirement for affordable multifamily housing to meet ENERGY STAR standards for new construction was reinforced, ensuring a 15% to 20% energy efficiency improvement over developments built to the minimum energy code. Additionally, it continued to reward bonus points for affordable housing projects certified to meet the Enterprise Green Community standard, promoting environmentally-friendly and sustainable building practices in Utah. SWEEP and UCE's collaborative efforts are responsible for driving this win.



"Utah's plan is a positive move toward ensuring that the state's low-income families enjoy the benefits of energy efficient and healthy housing options, while also removing obstacles for EV adoption. New affordable housing will meet superior levels of efficiency and affordability."

*Kevin Emerson, Building  
Efficiency & Decarbonization  
Director, UCE*





**By-The-Numbers**



*SWEEP's achievements*

**ENERGY SAVINGS**  
*gigawatt hours*

AZ	1,054
CO	600
NM	165
NV	201
UT	306
WY	46

**TOTAL**  
**2,372**

**NET BENEFITS**  
*\$ millions*

286
303
24
116
65
8

**TOTAL**  
**\$802,000,000**

The energy reduced from electric energy efficiency programs implemented in the southwest in 2022 is equivalent to electricity consumption of over 325,000 homes. This reduces GHG emissions by over 1.6 million metric tons, while also generating over \$800 million in net benefits for residents in the Southwest

*Savings and benefits listed above are preliminary as of spring 2024.*



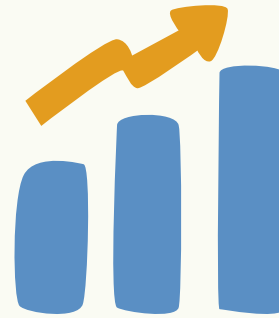
The results of SWEEP's work are apparent in the market share of light-duty plug-in vehicles, which has been growing exponentially at a rate of about 50% per year.



In 2023, plug-in vehicles claimed almost 12% of the light-duty market, up from 3% in 2020.



Additionally, the number of public charging ports installed annually has been increasing steadily by more than 35% per year. In SWEEP's states, there are now more than 300,000 EVs on the road. Residents and businesses in the Southwest purchased more than 100,000 EVs in 2023 alone.



**Financials**

**2023 REVENUES**

Grants & Contributions	\$1,603,444
Contracts	\$519,557
Memberships	\$186,768
Events	\$52,995
Interest	\$23,716

**TOTAL**  
**\$2,386,480**

**2023 EXPENSES**

Programs	\$1,973,836
General & Administrative	\$335,241
Fundraising	\$46,405

**TOTAL**  
**\$2,355,482**



**PRESS COVERAGE**

Nearly 200 pieces of press coverage in both regional and national news sources.



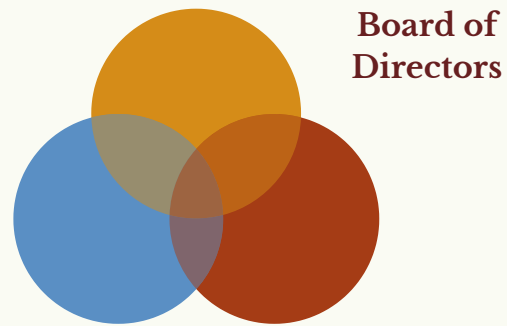
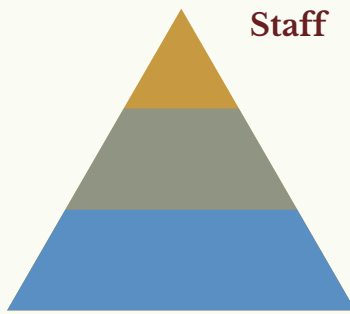
**BILLS PASSED**

12 bills passed in state legislatures with active support from SWEEP and UCE.



**WEBINARS**

Over a dozen webinars both produced and co-organized by SWEEP staff, attended by over 500 attendees.

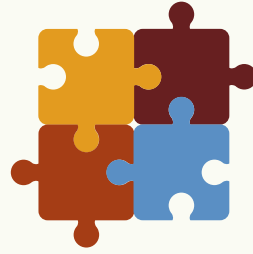


- Elise Jones** *Executive Director*
- Christy Bolognani** *Buildings Program Associate*
- Justin Brant** *Utility Program Director*
- Christine Brinker** *Senior Buildings Policy Manager*
- Caitlin Gatchalian** *Nevada Representative*
- Nissa Erickson** *Buildings Associate*
- Kevin Emerson** *UCE Building Efficiency & Decarbonization Director*
- Tammy Fiebelkorn** *New Mexico Representative*
- Matt Frommer** *Senior Transportation Associate*
- Kirsten Frysinger** *Operations Director*
- Howard Geller** *Senior Policy Advisor*
- Michael Kenney** *Senior Program Manager*
- Neil Kolwey** *Industrial Program Director*
- Travis Madsen** *Transportation Program Director*
- Jim Meyers** *Buildings Program Director*
- Caryn Potter** *Arizona Representative*
- Josh Valentine** *Communications Director*

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*Group14 Engineering*
- Patricia Rodriguez**, Board Vice-Chair  
*NV Energy*
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- Howard Geller**  
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- Dr. Mary L. House**  
*CHR, Inc (Caring, Helping and Restoring Lives)*
- Elise Jones**  
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*ACS Energy*
- Daniel Sperling**  
*University of California, Davis*
- Devra Wang**  
*Glass Wing Strategies*
- Brody Wilson**  
*IBM*
- Ellen Zuckerman**  
*Google*



# SWEEP Allies



SWEEP's business Allies in 2023 helped expand our work with utilities, state and local governments, and in the transportation sector through their annual contribution of \$6000 (or \$3000 for nonprofits). The Allies program is a collaborative and immersive partnership designed to directly benefit Ally organizations and companies through SWEEP's advocacy work, policy positions, and mission.

- ACEEE (American Council for an Energy-Efficient Economy)
- Alliance to Save Energy
- American Chemistry Council
- Bernhard
- Cascade Energy
- CLEAResult
- Climate Change Realty
- Daikin
- DNV
- E4TheFuture
- EFI
- Energy Outreach Colorado
- Energy Solutions
- Evergreen Consulting Group
- Franklin Energy
- Google Nest
- Group14 Engineering
- Guidehouse
- ICAST (International Center for Appropriate and Sustainable Technology)
- ICF
- Johns Manville
- Michaels Energy
- NAIMA (North American Insulation Manufacturers Association)
- Opinion Dynamics
- Oracle Opower
- Owens Corning
- Pearl Certification
- Power TakeOff
- Proctor Engineering Group
- Recurve
- Resource Innovations
- Shell Recharge Solutions
- Tesla
- Trane Technologies
- U.S. Green Building Council
- Uplight
- Western Mechanical Solutions



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