Update on Utility Energy Efficiency Policies and Programs in the Southwest

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Presentation at 2019 SWEEP Regional Workshop
Nov. 7, 2019
Electric Utility DSM Program Spending Trends
Energy Savings Trends for Major Electric Utilities in the Southwest

Savings from Programs Implemented each Year (GWh/yr)
First Year Energy Savings Trends

Annual Energy Savings as a % of Retail Sales, by year


APSTEP SRPXcel-CORMP-UTNV EnergyPNM
## Gas Utility DSM Program Spending and Saving Trends

<table>
<thead>
<tr>
<th>Utility</th>
<th>DSM Program Funding (Million $)</th>
<th>DSM Program Savings (thousand Dtherms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NMGC</td>
<td>4.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Dominion</td>
<td>24.2</td>
<td>23.3</td>
</tr>
<tr>
<td>SW Gas (AZ)</td>
<td>3.0</td>
<td>4.6</td>
</tr>
<tr>
<td>Xcel Energy</td>
<td>12.9</td>
<td>13.7</td>
</tr>
<tr>
<td>Region</td>
<td>44</td>
<td>46</td>
</tr>
</tbody>
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Recent Developments - AZ

- APS continuing to operate DSM programs at reduced funding and savings levels in 2019, but rebound hoped for starting in 2020
- New TEP DSM plan finally approved; restores funding for EE programs through 2020
- EERS ends in 2020; discussions underway about setting new energy savings targets as part of utility IRPs or through an updated EERS
- SRP increased EE spending and energy savings in FY19, trend expected to continue in FY20-FY25
- SRP Board approved new sustainability goals including EE, DR, EV, BE and carbon emissions targets for 2035—should lead to robust DSM funding and programs for years to come
Recent Developments – CO

- Xcel Energy 2019-20 DSM Plan approved
  - Energy savings goal over 500 GWh/yr, up from 400 GWh/yr in 2015-18
  - Budget for electric EE programs increased to over $90M
  - Geo-targeting, res. battery, EV charging, water heater and behavioral demand response pilots
- Dispute in ongoing Xcel rate case about timing of implementing decoupling
- Black Hills Energy 2019-21 DSM plan approved with increased funding levels and savings goals
- New policy adopted to value avoided carbon emissions - at least $46/ton of CO₂
- Discussions underway about possible expansion of DSM programs implemented by Tri-State G&T
Recent Developments – NV

- NV Energy implementing new 2019-21 DSM plan
  - Includes new residential lighting, pool pumps and low-income programs
  - Savings increasing in 2019, but spending flat
  - Settlement reached to further increase both spending and savings in 2020—savings target of 1.25% of sales

- NV Energy proposed adding Flexpay pre-pay metering to its DSM programs starting in 2020, but proposal withdrawn in response to opposition
Recent Developments – NM

- 2019 DSM program plans and budgets are mostly a continuation of status quo
- SPS and NMGC have submitted new three-year plans; PNM will do so next year
  - Settlement reached on SPS plan; includes new HPWH program, new C&I LED lighting measures, and SEM...but dropping DR program
- New EE legislation adopted earlier this year
  - Includes savings requirements for 2021-30
  - Allows EE/DR budget up to 5% of revenues
  - Requires approval of decoupling by PRC if a utility requests it
- PRC rulemaking underway to adopt new policies
Recent Developments – UT/WY

- Rocky Mountain Power reduced its energy savings achievements in Utah in 2018-19, due to targets specified in PacifiCorp’s 2017 IRP.
- PacifiCorp’s 2019 IRP calls for a very modest increase in savings in Utah, but a larger increase in savings in Wyoming, during 2020-23.
- RMP reorienting program design to focus on most cost-effective measures:
  - Res. evaporative coolers and smart thermostats
  - C&I LED fixtures and controls
  - More midstream and upstream measures
- RMP having success using its DR program to help with solar power integration.
Summary

- Energy savings goals moving up in CO and NV; budgets/savings also increasing at SRP
- DSM budgets and energy savings have declined for APS and RMP, but rebound a possibility
- New policies should bump up energy savings in NM
- Major challenges and opportunities looking forward
  - Duration of the Res. and C&I LED lighting transition
  - How to maintain program savings when lighting declines
  - Expansion of DR as renewables penetration grows
  - Declining avoided costs; valuation of carbon benefits
  - Integrate beneficial electrification/fuel switching into DSM programs?
Thank You!

To Workshop Sponsors as well as SWEEP Allies that have renewed (or plan to renew) membership for 2020!
SWEEP:
Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:
www.swenergy.org

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