Report from the Southwest: Energy Efficiency and Climate Change Action as of 2008

Howard Geller

Presentation at 2008 Market Transformation Symposium
Washington, DC
April 1, 2008
Electric Utility DSM Funding in the Southwest Continues to Grow

<table>
<thead>
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<th>State</th>
<th>2002</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007 (est)</th>
<th>2008 (est)</th>
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<td>10</td>
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<tr>
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<td>11</td>
<td>21</td>
<td>24</td>
<td>18</td>
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<tr>
<td>NV</td>
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<td>11</td>
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<td>4</td>
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<tr>
<td>UT</td>
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</tbody>
</table>

Source: SWEEP data
Energy Savings Are Growing Too

- Xcel Energy (CO) reducing electricity use by ~0.5% per year, planning to save 0.75% per year (from programs each yr)
- Rocky Mountain Power (UT) reducing electricity use by ~0.7% per year
- Nevada Power Co. (southern NV) reducing electricity use by ~0.8% per year
- Sierra Pacific Power Co. (northern NV) planning to reduce electricity use by ~0.9% per year starting in 2008
- All much greater than savings 2-3 yrs ago
Energy Efficiency and State Climate Change Strategies

- AZ, CO, and NM have state climate action plans and all assume more aggressive utility energy efficiency programs saving at least 1% per year.
- But this has had limited influence on efficiency programs “on the ground” so far.
- DSM programs still must be approved by PUCs and they are not necessarily bought into their Governor’s climate plan.
- Xcel Energy (CO) is the only major utility that has proposed DSM expansion in context of helping meet state CO2 goals.
Energy Efficiency and State Climate Strategies (cont.)

- Western Climate Initiative (WCI) developing a regional cap and trade program but implementation is years away.
- Economic arguments and benefits still dominate in DSM policy debates.
- Energy efficiency standards (energy savings requirements) and shareholder incentives are also important drivers.
- Still no coordinated market transformation programs in the Southwest.
- But EE progress in the region is strong!
Summary and Prognosis

- Projected load growth is still relatively high in the southwest region -- ~4%/yr in AZ, 2.7%/yr in UT, and 2.2%/yr in NV
- Building conventional coal plants is already difficult and getting more so
- Energy efficiency is the least-cost resource and is getting more attention and emphasis in utility resource plans due in part to climate change concerns
- Utility energy efficiency programs will continue to grow over the next few years
SWEEP:  
Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:  
www.swenergy.org

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