Update on Utility Energy Efficiency Policies and Programs in the Southwest

Howard Geller

ACEEE Energy Efficiency as a Resource Conference
Phoenix, AZ
Oct. 30-31, 2017
## Electric Utility DSM Program Spending Trends in the Southwest

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First Year Energy Savings as a Fraction of Retail Electric Sales

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


APS  TEP  SRP  Xcel-CO  RMP-UT  NV Energy  PNM
Key Issues - Arizona

- Investor-owned utilities continuing to meet or exceed EERS or internal goals (SRP), at least for now
- SRP ramping up its EE budget this year
- But IOU energy efficiency budgets facing challenges
  - TEP has suspended 2017 C&I programs and some res. programs due to inadequate budget
  - APS has cut some C&I incentives due to insufficient budget
- APS has proposed eliminating some of its most effective energy savings programs in 2018, using increasing rooftop solar penetration/duck curve effects as the rationale
- Utilities have drafted IRPs that reduce role for EE resources post 2020, when current EERS expires
Key Issues – Colorado

- Legislature approved PUC setting energy savings goals for Xcel Energy and BHE for 10 more years
- PUC has approved decoupling for Xcel Energy
  - Applies to residential and small comm. customers
  - Based on authorized revenues, not revenues per customer
- DSM Strategic Issues underway for Xcel Energy
  - Xcel has proposed lower energy savings goals starting in 2019, changes to the shareholder incentive mechanism, more emphasis on DR going forward
- Gov. Hickenlooper Executive Order – calls for 2% annual energy savings by 2020
Key Issues – Nevada

- Major EE legislation passed in 2017 and signed into law by Governor Sandoval
  - Requires PUCN to adopt energy savings goals
  - Requires accounting for non-energy benefits
  - Dedicates 5% of total DSM budget to low-income programs
  - Cost effectiveness at portfolio not program level
  - Rulemaking underway to implement new legislation

- NV Energy files new 3-year DSM plan June 2018

- PUCN expected to direct NV Energy to restart a residential lighting program

- Retail energy choice under consideration
Key Issues – Utah/WY

- Rocky Mountain Power (RMP) shifted to capitalization of DSM expenditures in Utah
- RMP’s EE programs are being refined, leading to greater energy savings
  - New midstream residential HVAC program
  - New comm. HVAC tune-up and maintenance program
  - Shifting emphasis to LED fixture replacement and advanced controls in C&I lighting program
  - MF program to be launched in 2018
- But PacifiCorp’s 2017 IRP calls for 20-30% less energy savings in Utah during 2018-2030, compared to the previous PacifiCorp IRP
- RMP proposing to expand EE programs in WY
# 2017 ACEEE Utility Energy Efficiency Scorecard

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<th>Ranking</th>
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<td>Nevada Power</td>
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Source: American Council for an Energy-Efficiency Economy
SWEEP: 

Dedicated to More Efficient Energy Use in the Southwest

Resources available online at: 

www.swenergy.org

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