New Mexico: Energy Efficiency Policy

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Office of Governor Bill Richardson
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Executive Order

- Governor Richardson announced statewide energy efficiency goals
  - 20% reduction in per capita energy use statewide from 2005 levels by 2020
  - Interim goal of 10% by 2012
  - All economic sectors

- Lead by Example goal for Executive Branch state agencies
  - State buildings ops: 20% below 2005 by 2015
  - State fleet and transpo: 20% below ’05 by 2015
EE Actions

• 2008 Legislation
• Hired Lead by Example Coordinator
• SWEEP Policy Study
• State Gov’t Implementation Plans
  – Transportation
  – Energy Use
2008 Legislation

Strengthening Efficient Use of Energy Act

• HB 305 (Lujan); signed by Governor
• Requires all elec and NG utilities to acquire “all cost-effective and achievable” EE
• Establishes “floors” for elec IOUs
  • 5% EE savings from 2005 sales by 2014
  • 10% by 2020
• Normal cost recovery + directs PRC to develop incentives that allow the opportunity to earn a profit on cost-effective energy efficiency that is financially more attractive than developing supply-side
• Authorizes EE programs targeting low-income
SWEEP Policy Options Study

- Examines 25 policy options and associated economic & emission benefits
- NM Climate Change Implementation Team ranked policy options
  - Bang for the buck
  - Do-ability
  - Near-term
  - Social reality
<table>
<thead>
<tr>
<th>Option</th>
<th>Savings Potential (trillion Btu/yr)</th>
<th>2012</th>
<th>2020</th>
<th>2025</th>
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<tbody>
<tr>
<td>Electricity demand side management</td>
<td>8.5</td>
<td>36.8</td>
<td>50.6</td>
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<td>Building code upgrades</td>
<td>2.4</td>
<td>11.6</td>
<td>20.6</td>
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<td>Lamp efficiency standards</td>
<td>2.5</td>
<td>14.0</td>
<td>17.6</td>
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<td>Natural gas demand side management</td>
<td>2.0</td>
<td>9.9</td>
<td>13.8</td>
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<td>Reduced driving</td>
<td>2.1</td>
<td>10.0</td>
<td>16.1</td>
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<tr>
<td>Industrial energy efficiency</td>
<td>2.0</td>
<td>8.8</td>
<td>13.5</td>
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<tr>
<td>Clean car and updated CAFE standards</td>
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<td>16.4</td>
<td>26.8</td>
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<td>Feebates</td>
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<td>4.0</td>
<td>5.1</td>
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<td>Local government and K-12 schools</td>
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<td>2.7</td>
<td>4.2</td>
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<td>Public education campaign</td>
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<td>4.3</td>
<td>4.2</td>
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<tr>
<td>Combined heat and power</td>
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<td>3.4</td>
<td>3.4</td>
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<td>Low-income home retrofit</td>
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<td>Residential energy conservation ordinance</td>
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<td>Pay-as-you-drive insurance</td>
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<td>Replacement tire efficiency standards</td>
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<td>2.3</td>
<td>2.4</td>
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<td>State government initiative</td>
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<td>Better enforce speed limits</td>
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<td>Building and HVAC tax credits</td>
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<td>Innovative electricity rates</td>
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<td>Accelerated vehicle retirement program</td>
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<td><strong>TOTAL</strong></td>
<td><strong>39.0</strong></td>
<td><strong>136.9</strong></td>
<td><strong>192.7</strong></td>
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SWEEP Policy Options Study

Examples of policies recommended:

- Low-income energy efficiency assistance
- Energy efficiency requirements for state agencies
- Stabilize VMT (new)
- Energy efficiency for local gov’ts and schools
- Building energy codes and code training/enforcement
- Electric utility EE & natural gas programs
- EE Public education campaign
- Combined heat and power systems (new)
- Industry challenge and recognition program (new)
Total Economic Benefit - $7.2 billion

- DSM options: 58%
- Building and appliance options: 20%
- Industrial options: 11%
- Public sector options: 4%
- Transportation options: 2%
- Education options: 4%
Total CO2 Emissions Reduction in 2020 - 8.7 million metric tons per year

- DSM options: 31%
- Building and appliance options: 21%
- Industrial options: 10%
- Public sector options: 3%
- Transportation options: 3%
- Education options: 3%
State Gov’t - Transportation

- Lead by Example Coordinator drafted implementation plan to reduce fuel use 20% by 2015
  - Create (1) Fleet Management; (2) Transit; (3) Technical Solutions
  - Vehicle acquisition checklists
  - Incentives program to reduce VMT
  - Amend Alt Fuels acquisition act
State Gov’t – Energy Use in Buildings

- Tracking of agency energy use
- Top six energy-consuming agencies designate staff person for energy use reductions
- Clean Energy Development Council to support Infrastructure Capital Improvement Plan requests
- State gov’t outreach to build awareness
Complements Climate Plan

• Set state GHG reduction targets & established stakeholder group
  – 2000 levels by 2012
  – 10% below 2000 by 2020
  – 75% below 2000 by 2050

• Dec. 2006 Climate Change Action EO

• Western Climate Initiative
Thank You

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