Demand Side Management and Energy Efficiency Activities

Bobbi Sterrett
Supervisor, Conservation & DSM

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Southwest Gas Profile

- Over 1.8 million customers in portions of Arizona, Nevada, and California
- The largest distributor of natural gas in Arizona and Nevada
- 99% residential and commercial customers
Recent Events

- Arizona DSM Plan
  - Current programs
  - Pending modifications

- Initial portfolio of Conservation & Energy Efficiency (CEE) Programs approved in Nevada

- New Technologies (opportunities)
Arizona DSM Programs

- Six current programs
  - Low-Income Energy Conservation
  - ENERGY STAR® Home
  - Consumer Products
  - Commercial Equipment
  - Distributed Generation
  - Technology Information Center
# Arizona DSM Programs

<table>
<thead>
<tr>
<th>Cumulative Savings</th>
<th></th>
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<tbody>
<tr>
<td>Therms</td>
<td>246,393</td>
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<tr>
<td>kWh</td>
<td>8,104,687</td>
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<tr>
<td>CO₂ (tons)</td>
<td>1450</td>
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<tr>
<td>NOₓ (lbs)</td>
<td>54</td>
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<tr>
<td>SO₂ (lbs)</td>
<td>14</td>
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</table>
Arizona DSM Programs

• Proposal filed June 2009
  – Program modifications
  – New programs
    • Solar Thermal Advantage Rebate
    • Large Commercial Energy-Efficient Boiler

• Rate and Regulatory Incentive Docket
  – Establish energy efficiency standards
  – Necessary regulatory changes
    • Utility indifferent to level of sales
    • Align utility and customer interests
Nevada CEE Programs

- Three-year program approval
- Eight programs
- Decoupling approved
  - General Revenues Adjustment (GRA)
  - Effective November 1, 2009
  - CEE programs implemented when decoupling approved
Nevada CEE Programs

- Residential Consumer Products
- ENERGY STAR® Home
- Low-Income Energy Conservation
- Commercial Equipment
- Commercial Energy Audits
- Solar Thermal Advantage Rebate
- Technology Information Center
- Energy Education
New Technologies

• Solar
  – Arizona
    • DSM program
    • Demonstration projects
      – Solar thermal water heating with hydronic space heating (Tucson)
      – Solar thermal absorption chiller (Tempe)
  – Nevada
    • CEE program
    • Rulemaking to establish Solar Thermal Systems Demonstration Program (SB 188)

• “Smart” showerhead (evolve)
• ENERGY STAR® requirements
### Estimated Annual Energy Savings and Cost-Effectiveness

<table>
<thead>
<tr>
<th>State</th>
<th>Therms</th>
<th>2008</th>
<th>2009*</th>
<th>2010**</th>
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</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>Therms</td>
<td>138,576</td>
<td>96,266</td>
<td>456,062</td>
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<td></td>
<td>kWh</td>
<td>4,207,846</td>
<td>3,139,600</td>
<td>11,064,136</td>
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<td></td>
<td>Cost-Effectiveness</td>
<td>1.61</td>
<td>1.82</td>
<td>2.51</td>
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<tr>
<td>Nevada</td>
<td>Therms</td>
<td>426,020</td>
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<td></td>
<td>kWh</td>
<td>4,430,245</td>
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<tr>
<td></td>
<td>Cost-Effectiveness</td>
<td>1.60</td>
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<tr>
<td>California</td>
<td>Therms</td>
<td>193,331</td>
<td>39,944</td>
<td>1,002,425</td>
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</table>

*Actual numbers for the first three quarters of 2009.
**Estimated numbers for the year 2010.
ARRA Activities

• Arizona
  – Distributed Generation $825,000
  – Appliance Rebate Program $6.2 million

• Nevada
  – Energy Efficiency Appliance Replacement Program $2.5 million