PNM Energy Efficiency Program

Southwest Regional Energy Efficiency Workshop

November 8-9, 2010
1. 2010 Programs
2. Results and Budgets
3. New & Innovative
4. Key Issues & Challenges
2010 Program List
Residential

- Refrigerator Recycling
- Residential Lighting
  - Up-stream, buy-down
- Low Income Refrigerator and Lighting
- Easy Savings
  - Low-income kits
- Community CFL
- Load Management
  - Power Saver (direct load control)
- Market Transformation
2010 Program List
Non-Residential

Commercial Comprehensive
• Retrofit rebates
• New construction rebates
• QuickSaver™ (less than 100 kW, direct-install program)

Refrigerator Recycling

Load Management
• Power Saver (less than 150 kW)
• Peak Saver (150 kW and greater)

ENERGY STAR® Homes

Large Customer Self-Direct
2010 Program Plan Filing

New Plan Filed September 15, 2010

- PRC decision expected mid-April, 2011
- Continuation of most programs
- Expansion of targets for commercial programs
- New low-income programs
- $18M program budget

2011 – 2013 Savings Targets

- 2011 – 58 GWh
- 2012 – 70 GWh
- 2013 – 80 GWh
THANKS TO PNM,
energy savings
are in the bag.

Mario Paz
Smith’s Food & Drug

How did Smith’s Food & Drug save enough energy to power nearly 150 homes? It started with replacing the lighting in freezers and coolers with LED lights that require less energy. These new lights enhance customers’ shopping experiences, and will save Smith’s up to $10,000 annually per store. This is just one example of how PNM is helping businesses improve energy efficiency. To find out more about Smith’s Food & Drug and other business stories, go to PNM.com/powerstories.

The power to make life better. Together.
## Energy Savings – Actual & Projected

<table>
<thead>
<tr>
<th>Program</th>
<th>2009 Savings (kWh)</th>
<th>2010 Savings (kWh)</th>
<th>2011 Savings (kWh)</th>
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</thead>
<tbody>
<tr>
<td>Refrigerator Recycling</td>
<td>4,613,659</td>
<td>5,272,000</td>
<td>5,283,840</td>
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<td>ENERGY STAR Homes</td>
<td>838,812</td>
<td>1,111,500</td>
<td>392,611</td>
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<td>Residential Lighting</td>
<td>15,662,796</td>
<td>14,987,700</td>
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<td>Commercial Comprehensive</td>
<td>6,707,095</td>
<td>27,000,000</td>
<td>33,279,280</td>
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<td>Low Income Refrigerator &amp; CFL</td>
<td>312,103</td>
<td>923,000</td>
<td>1,151,000</td>
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<td>Easy Savings</td>
<td>3,376,909</td>
<td>1,632,000</td>
<td>1,556,000</td>
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<td>Load Management</td>
<td>664,679</td>
<td>764,932</td>
<td>639,114</td>
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<td>Energy$mart for Renters</td>
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<td>1,246,048</td>
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<td>Community CFL</td>
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<td>Business Lighting</td>
<td>6,593,981</td>
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<td>Lrg. Customer Self-Direct</td>
<td>243,000</td>
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<td><strong>Total</strong></td>
<td>39,890,345</td>
<td>52,089,132</td>
<td>58,489,363</td>
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</table>

**Total Program Costs**

- $12.1M
- $16.3M
- $18.2M
Projected Energy Savings

2008 IRP Targets
New & Innovative
PNM QuickSaver™

Small Business Customers
• Less than 100 kW demand

PNM–Approved Contractors
• Conduct on-site surveys & prepare proposals
• File paperwork & perform the installations
• PNM pays contractors per measure

Covered Measures
• Lighting
• Refrigeration

Customer Costs
• Customer pays balance to contractor
• 50% to 75% of costs covered by PNM

Contractor Training
• Lighting design fundamentals
• Typical retrofits
• Retrofit kit contents
• NM licensing
• 23 contractors – 18 active
• 1 GWH completed – 3 GWH pending
QuickSaver™ Customer Profile

Fat Tire Cycles

Project Profile

Facility Size: Approximately 3,000 square feet
Retrofit Completion: Summer 2010
Project Duration: 2 ½ days
Project Cost: $5,781.60
Costs Covered by PNM: $4,370.89
Customer Project Costs: $1,410.71
Rebate Percentage of Total Project Cost: 75.6%
Average Yearly Savings: $2,913.92
Estimated Annual kWh Savings: 29,139 kWh
Out-of-Pocket Payback with Energy Savings: 7 Months
Project Contractor: Facility Solutions Group
New & Innovative
Continuous Commissioning

Pilot/Case Study
• Hospital complex
• 12,000 point BMS

Savings Opportunity
• Search for anomalies
• Optimize air handling, chiller, VAV
• 1.8 GWH annual savings

Customer Benefit
• Performance contract
• 13 month payback
• Low cost/no cost measures

Lots of Program Issues ????
• Savings methodology
• Persistence of savings
• Incentive structure
• M&V process
• Qualifying measures
• Pre-qualifying inspections/approvals
• Contractor qualifications
• Stand-alone program or custom
Issues & Challenges

Regulatory Uncertainty
• Lost revenue recovery, incentives, de-coupling

Rate Shock
• Rising base rates and EE rates

Annual Variations in NTG

Integration of EE Forecast & Load Forecast
Thank You!

Steve Bean
Manager, Energy Efficiency Design
505-241-4475
Steven.Bean@pnm.com

Beware the Phantom of the Outlet!
Learn more at PNM.com/unplug

The power to make life better. Together.