Update on Utility Energy Efficiency Policies and Programs in the Southwest

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# Electric Utility DSM Program Spending Trends in the Southwest

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Seven Major Utilities in the Region: Electricity Savings Are on the Rise

![Graph showing savings from programs implemented each year (GWh/yr) for APS, TEP, SRP, Xcel-CO, RMP-UT, NV Energy, and PNM from 2007 to 2013.](graph.png)
Economic Powerhouse:
Investing in Energy Efficiency Has an Impressive Economic & Environmental Impact

$2.1 Billion Invested
During 2002–2013...

...generated $5.6 billion in net economic benefits for customers

...avoided about 38 million tons of CO2 emissions
Energy Savings Trends by Utility

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

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

- EERS under attack—ACC staff proposal to eliminate EERS has been issued
- Utilities meeting standards and ramping up savings nonetheless
  - SRP achieved 2.3% savings in FY2014
  - APS planning to increase savings ~20% in 2015
  - TEP waiting for new EE plan to be approved which includes new measures and programs
Key Issues and Developments – Colorado

- Xcel Energy
  - New energy savings goals and shareholder incentive mechanism for 2015-2020
  - New DSM plan for 2015-16 includes numerous innovative programs
  - Pilot programs underway for: 1) multifamily housing and 2) wifi-enabled smart thermostats
  - Proposed decoupling in rate case; will be addressed in separate docket

- Black Hills Energy – will file new DSM plan next spring
Key Issues and Developments – Nevada

- NV Energy
  - Implementing new Home Energy Reports and LED lighting programs this year, energy savings on the rise
  - Will file new 3-year DSM plan for southern NV next July
  - PUCN moving forward with a rulemaking to adopt decoupling in place of LRAM
  - Possible EERS legislation in 2015
Key Issues and Developments – New Mexico

- All electric utilities ramping up EE funding in response to 2013 changes to Efficient Use of Energy Act

- PNM
  - Implementing new programs in 2014
  - Filed new two-year DSM plan in October which includes new MF retrofit program and midstream incentives for commercial products
  - Expected to propose decoupling in forthcoming rate case filing
Key Issues and Developments – Utah

- Rocky Mountain Power
  - Increasing funding and striving for higher savings through program enhancements
  - Adding new measures, changing incentives, doing direct installation and expanding Home Energy Reports
  - Energy savings increasing 10%/yr or more
  - One time funding spurt in 2014 due to replacement of AC load control devices
  - 2015 IRP could further boost EE efforts
Key Issues and Developments – Wyoming

- Rocky Mountain Power
  - Implementing or proposing many of the recent program design changes in Utah
    - New residential and C&I measures
    - Funding for energy managers
    - Direct install for small businesses
    - Home Energy Reports pilot
  - But still having difficulty getting participation and achieving energy savings goals
2014 State Energy Efficiency Scorecard

Source: American Council for an Energy-Efficiency Economy
Highlights of the 2014 ACEEE Scorecard

- Colorado moved up to 13th place
- Arizona is top ranking state in the nation outside of New England on the metric of savings as a fraction of electricity sales
- Arizona and Colorado are only southwest states to get at least 10 points (out of 20) in the utility policy and programs area
- Utah scores well for gas utility efficiency programs
Challenges and Opportunities

- Increasing energy savings in spite of proliferating federal standards and more stringent building energy codes
- Maintaining cost effective EE portfolio in face of relatively low avoided utility costs
- Taking advantage of new and emerging energy savings technologies and strategies
- Redefining cost effectiveness methodologies to recognize full benefits of EE measures
- Expanding EE efforts as a cost-effective environmental compliance strategy
SWEEP:
Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:
www.swenergy.org

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