Electric Utility DSM Program Spending Trends in the Southwest

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First Year Savings as a Fraction of Retail Electricity Sales

Annual Energy Savings as a % of Retail Sales, by program year
Electric Utility Energy Efficiency Program Trends in the Southwest
A Decade of Electric Utility DSM Programs: Overall Impacts

- Nearly 15 TWh/yr of electricity savings as of 2014
- Six avoided baseload power plants (300 MW each)
- ~$6 billion in net economic benefits for households and businesses
- 10 million tons of avoided CO$_2$ emissions during 2005-14
Key Issues and Developments – Arizona

- 2014 attack on EERS defeated!
- Utilities continuing to meet or exceed standards (IOUs) or internal goals (SRP)
- Both SRP and TEP achieved about 2.0% savings in 2014 (TEP) or FY2015 (SRP)
  - APS planning to increase savings ~20% in 2015
  - New EE program plans getting reviewed and approved in a more timely manner
- IRP process improved
- ACC and utilities looking at new technologies and programs strategies
Key Issues and Developments – Colorado

- **Xcel Energy**
  - New DSM plan with numerous program enhancements and new programs approved
  - New upstream programs for LED lighting and comm. AC equipment proving to be successful
  - Pilot programs underway for multifamily housing, wifi-enabled smart thermostats, comm. building optimization, small business energy reports
  - Decoupling proposal soon to be unveiled

- **Black Hills Energy**
  - Settlement reached on new DSM plan – savings of 1.0-1.2% of sales during 2016-18
Key Issues and Developments – Nevada

- **NV Energy**
  - LRAM replaced with a shareholder incentive that is a fraction of the DSM spending level
  - Energy savings on the rise again!
  - LED lamps going gangbusters
  - New DSM plan for southern NV calls for growth in DSM program funding and energy savings during 2016-18, but pushback from consumer advocate
  - Concerns about cost effectiveness of Residential AC program and Home Energy Reports under state’s TRC test
Key Issues and Developments – New Mexico

- **PNM**
  - New two-year DSM plan approved including MF retrofit program and midstream incentives for some commercial products
  - Now working on a 2017-18 DSM plan
  - Decoupling proposed in a rate case that is underway

- **SPS** - Settlement reached on new DSM plan which calls for increased energy savings in 2016

- **EPE** - Achieved 1.2% savings as a fraction of sales in 2014—best in the state!
Key Issues and Developments – Utah

- **Rocky Mountain Power**
  - Increasing funding and striving for higher savings, driven by their 2015 IRP
  - Adding new savings measures, changing incentives, doing more direct installation
  - Energy savings goals increasing to about 1.2% of sales in 2015, 1.4% of sales in 2016
  - DSM tariff rider moving up to 4% in January
  - Utility proposing a fixed (higher) DSM funding level along with a shareholder incentive mechanism in forthcoming legislation
Key Issues and Developments – Wyoming

- **Rocky Mountain Power**
  - Increasing funding and striving for higher savings, driven by their 2015 IRP
  - Introducing many of the program changes and enhancements from Utah including Home Energy Reports, small business enhanced incentives, and midstream lighting incentives
  - Energy savings goals are about 0.3% of sales in 2015, 0.5% of sales in 2016
  - 2015 IRP calls for savings growing to 0.7-0.8% of sales per year by 2018-19
2015 ACEEE State Energy Efficiency Scorecard

Source: American Council for an Energy-Efficiency Economy
Challenges and Opportunities

- Increase energy savings in spite of strengthening federal standards and more stringent building energy codes
- Take advantage of new and emerging energy savings technologies and strategies
- Redefine cost effectiveness methodologies to recognize full benefits of EE measures, or shift to Utility Cost test
- Expand EE efforts as a cost-effective Clean Power Plan compliance strategy
New Energy Efficiency Technologies

- LED lamps for all lighting applications
- Wifi-enabled smart thermostats
- Heat pump water heaters & clothes dryers
- New energy management & control systems (e.g., variable speed controls for RTUs)
- Electrochromic “smart” windows
SWEEP:
Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:
www.swenergy.org

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