

2006 Progress Report: State of Energy Efficiency Efforts in the Southwest Region

Howard Geller



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Utility DSM Funding in the Southwest is Growing, but Unevenly

| State | DSM program budget (million \$ per year) | | | | | |
|---------------|---|-----------|-----------|-----------|-----------|---------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 (est) |
| AZ | 8 | 4 | 4 | 4 | 9 | 34 |
| CO | 4 | 11 | 13 | 21 | 24 | 20 |
| NV | 2 | 3 | 11 | 11 | 14 | 29 |
| NM | 2 | 2 | 2 | 2 | 2 | 2 |
| UT | 5 | 9 | 12 | 16 | 20 | 25 |
| WY | ~0 | ~0 | ~0 | ~0 | ~0 | ~0 |
| Region | 21 | 29 | 42 | 54 | 69 | 110 |

Key Electricity DSM Developments

- ❑ APS implementing comprehensive programs as of 2006
- ❑ Xcel Energy rolling out new programs in CO under new 8-year DSM agreement
- ❑ NV utilities rapidly expanding DSM programs; savings counted towards RPS
- ❑ Rocky Mountain Power continuing to expand DSM programs in UT
- ❑ PNM developing electricity DSM programs
- ❑ Electricity DSM being planned in WY

Gas DSM Efforts Are Ramping Up Too

- ❑ PNM implementing gas DSM programs; planning to spend \$3.7M in 2007
- ❑ Southwest Gas waiting for approval of gas DSM programs in AZ - \$4.4M per year
- ❑ Questar Gas (UT) has gotten decoupling approved and is planning DSM programs - \$7.4M per year
- ❑ Sierra Pacific Resources implementing some DSM programs in northern NV - \$0.6M per year

Key Policy Developments

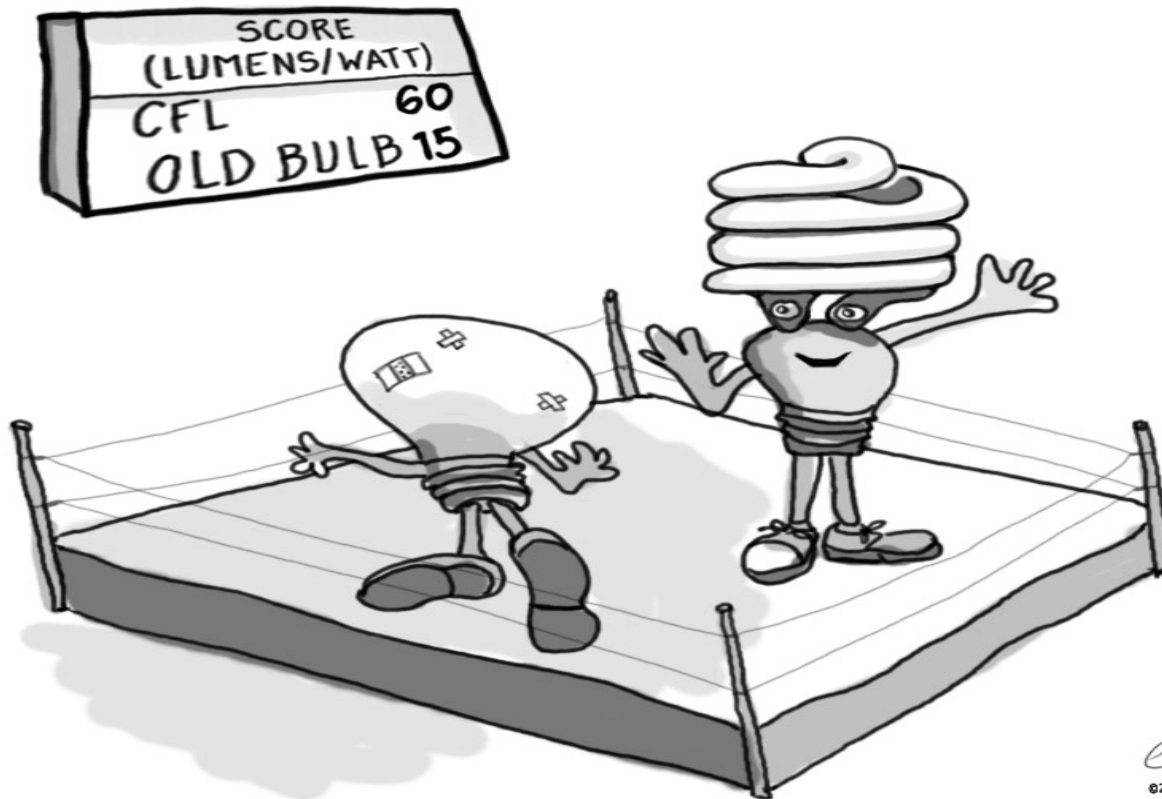
- ❑ Savings from DSM programs added to clean energy standards in NV
- ❑ Gov. Huntsman has adopted a 20% energy efficiency improvement goal in UT
- ❑ Decoupling of gas sales and revenues adopted on a pilot basis in UT
- ❑ AZ climate action plan calls for greatly expanded EE efforts
- ❑ Building code upgrades under discussion in NV, NM and UT
- ❑ New EE policies being developed and discussed in CO, NM, NV and UT

Energy Efficiency Issues for the Southwest Region

- ❑ Can the rapid expansion in utility DSM programs in the Southwest continue? Can utility DSM programs reach the funding level of \$200+ million per year?
- ❑ What else can we do to make energy efficiency an important energy resource?
- ❑ Do utilities need more financial incentives?
- ❑ How can we effectively promote “best practice” in energy efficiency?
- ❑ Is it time to start working on energy efficiency at the regional level?

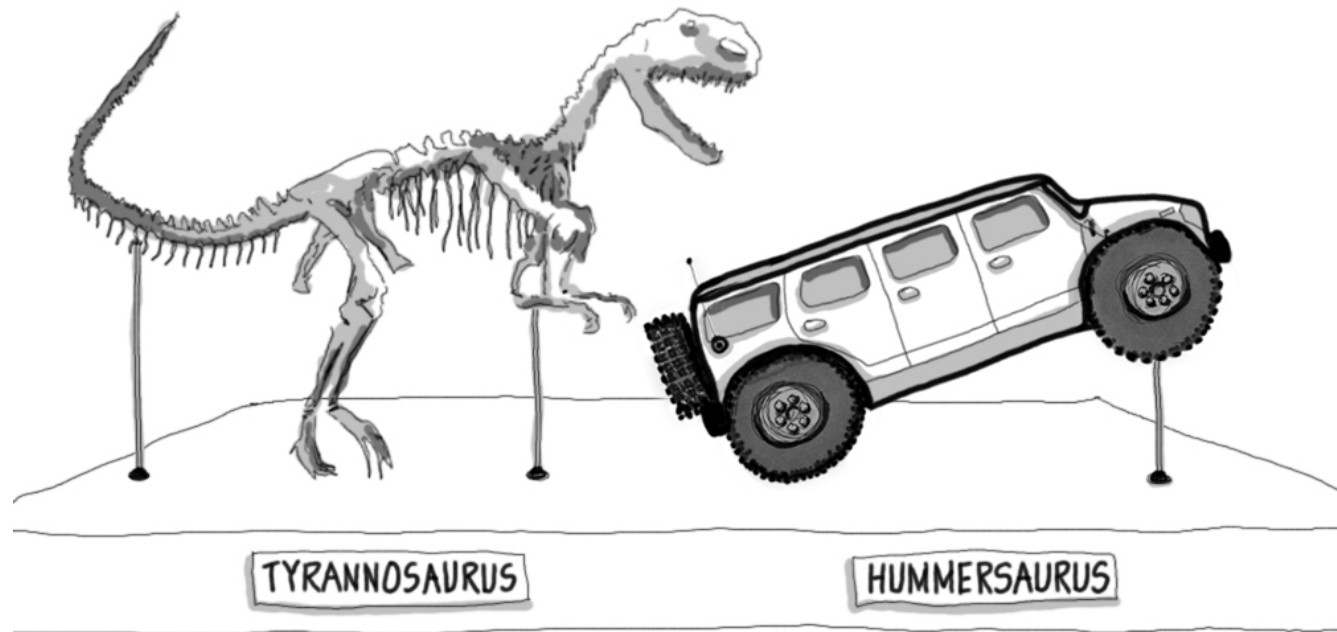
We Are Winning Many Energy Efficiency Battles....

COMPACT FLUORESCENT WINS BULB BATTLE!



But Can We Win the War?

DINOSAUR EXHIBIT 2050



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Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:

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Howard Geller, Executive Director
Southwest Energy Efficiency Project (SWEEP)
303-447-0078
hgeller@swenergy.org