

Update on Utility Energy Efficiency Policies and Programs in the Southwest

Howard Geller

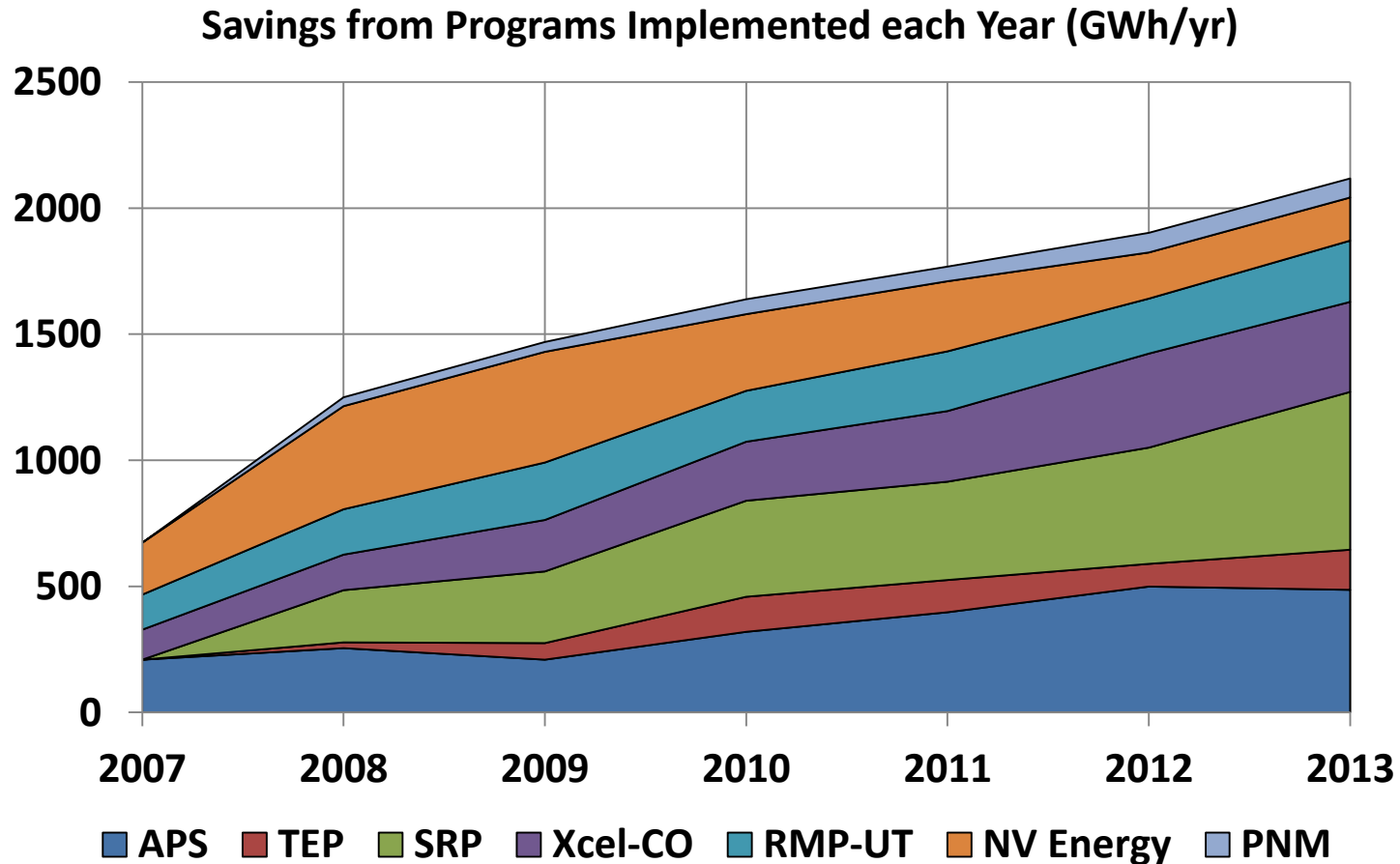


Presentation at the 2014 SWEEP Annual Workshop
Tempe, AZ
Nov. 20-21, 2014

Electric Utility DSM Program Spending Trends in the Southwest

State	Electric DSM Program Expenditures (million \$ per year)							
	2002	2004	2006	2008	2010	2012	2013	2014 (est.)
AZ	4	4	19	45	94	127	124	130
CO	11	21	18	28	66	96	94	105
NV	3	11	30	55	46	38	39	52
NM	1	1	1	10	24	28	29	36
UT	9	16	27	36	51	47	55	82
WY	~0	~0	~0	~0	3	4	5	5
Region	29	54	95	174	284	340	345	410

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



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

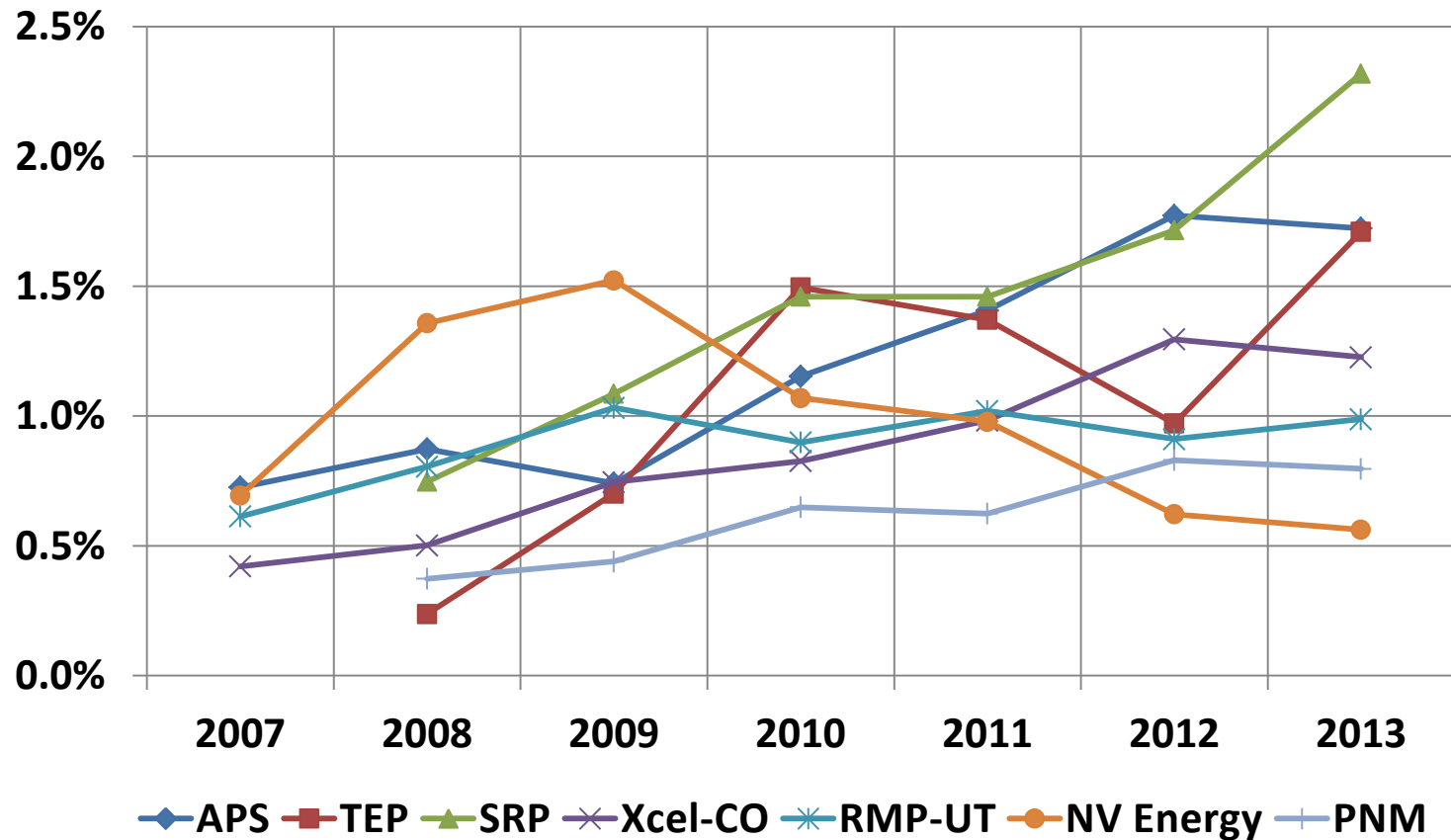


...avoided about 38
million tons
of CO₂ emissions



Energy Savings Trends by Utility

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



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

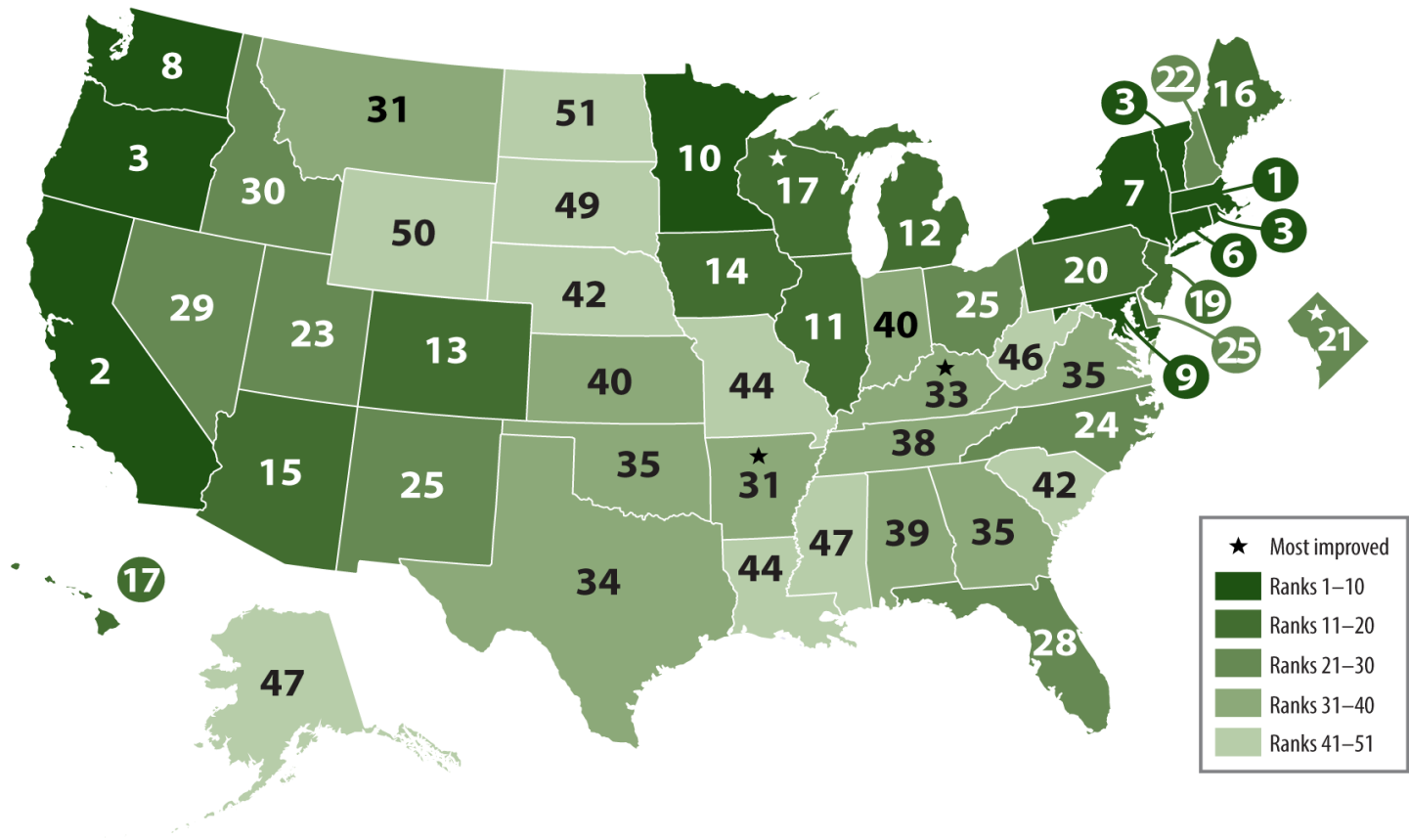
- Increasing funding and striving for higher savings through program enhancements
- Adding new measures, changing incentives, doing direct installation and expanding Home Energy Reports
- Energy savings increasing 10%/yr or more
- One time funding spurt in 2014 due to replacement of AC load control devices
- 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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