

# Report from the Southwest: Energy Efficiency and Climate Change Action as of 2008

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# Electric Utility DSM Funding in the Southwest Continues to Grow

State	DSM program budget (million \$ per year)					
	2002	2004	2005	2006	2007 (est)	2008 (est)
AZ	4	4	10	19	32	42
CO	11	21	24	18	25	32
NV	3	11	14	30	38	54
NM	1	1	1	1	4	9
UT	9	16	20	25	30	33
WY	~0	~0	~0	~0	~0	1
<b>Region</b>	<b>29</b>	<b>54</b>	<b>70</b>	<b>93</b>	<b>129</b>	<b>171</b>

Source: SWEEP data

## Energy Savings Are Growing Too

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- ❑ Xcel Energy (CO) reducing electricity use by  $\sim 0.5\%$  per year, planning to save  $0.75\%$  per year (from programs each yr)
- ❑ Rocky Mountain Power (UT) reducing electricity use by  $\sim 0.7\%$  per year
- ❑ Nevada Power Co. (southern NV) reducing electricity use by  $\sim 0.8\%$  per year
- ❑ Sierra Pacific Power Co. (northern NV) planning to reduce electricity use by  $\sim 0.9\%$  per year starting in 2008
- ❑ All much greater than savings 2-3 yrs ago

# Energy Efficiency and State Climate Change Strategies

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- ❑ AZ, CO, and NM have state climate action plans and all assume more aggressive utility energy efficiency programs saving at least 1% per year
- ❑ But this has had limited influence on efficiency programs “on the ground” so far
- ❑ DSM programs still must be approved by PUCs and they are not necessarily bought into their Governor’s climate plan
- ❑ Xcel Energy (CO) is the only major utility that has proposed DSM expansion in context of helping meet state CO2 goals

# Energy Efficiency and State Climate Strategies (cont.)

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- ❑ Western Climate Initiative (WCI) developing a regional cap and trade program but implementation is years away
- ❑ Economic arguments and benefits still dominate in DSM policy debates
- ❑ Energy efficiency standards (energy savings requirements) and shareholder incentives are also important drivers
- ❑ Still no coordinated market transformation programs in the Southwest
- ❑ But EE progress in the region is strong!

## Summary and Prognosis

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- ❑ Projected load growth is still relatively high in the southwest region --  $\sim 4\%/yr$  in AZ,  $2.7\%/yr$  in UT, and  $2.2\%/yr$  in NV
- ❑ Building conventional coal plants is already difficult and getting more so
- ❑ Energy efficiency is the least-cost resource and is getting more attention and emphasis in utility resource plans due in part to climate change concerns
- ❑ Utility energy efficiency programs will continue to grow over the next few years

# **SWEEP:**

*Dedicated to More Efficient Energy Use in the Southwest*

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Resources available online at:

[www.swenergy.org](http://www.swenergy.org)

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