

THE \$20 BILLION BONANZA



Best Practice Electric Utility Energy Efficiency Programs and Their Benefits for the Southwest



Southwest Region Highlights (Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming)

The Bottom Line: Households and businesses in the Southwest region can save \$20 billion through greater commitment to energy efficiency.

Energy efficiency is the lowest-cost, cleanest, and least risky resource available to electric utilities in the Southwest. By implementing best practice energy efficiency programs, electric utilities would:

- Save their customers **\$20 billion net**
- **Cut electricity use in 2020 by 21%** and peak demand by 18%
- **Avoid 32 large power plants**
- Save 50 billion kilowatt hours per year by 2020, equivalent to **the electricity use of 4.6 million typical households**
- Support **28,000 new jobs** and boost economic activity in the region
- Cut air pollution and **improve public health**
- Reduce CO₂ emissions by nearly 32 million metric tons per year by 2020, equivalent to taking **6.2 million passenger vehicles off the road**
- Reduce water consumption by **18.5 billion gallons** per year by 2020

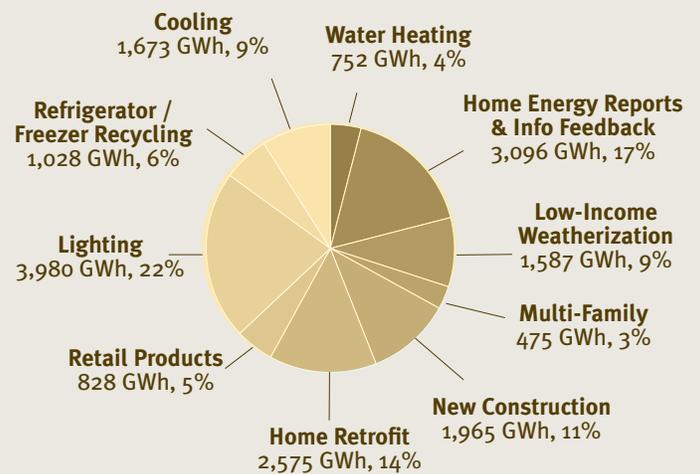
We'll Get There by Employing Best Practices

To reap the benefits listed above, all of the region's utilities should ramp up their energy efficiency funding significantly during 2013–2020.

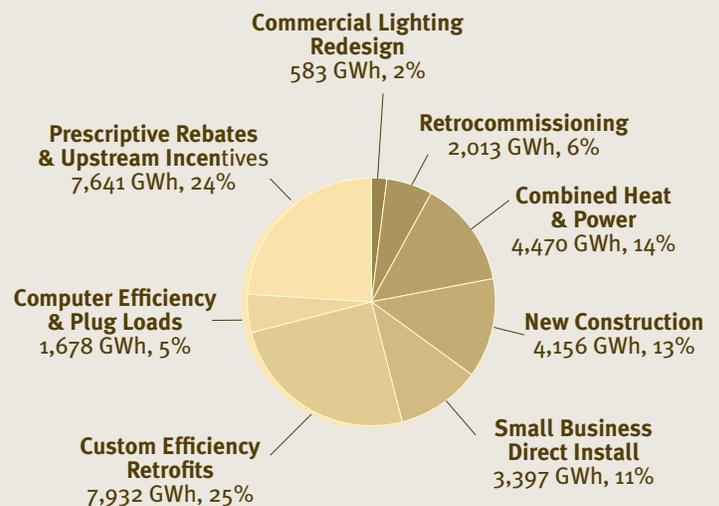
Best Practice utility energy efficiency programs include education, technical assistance and financial incentives for all customers.

Utilities should promote all cost-effective energy efficiency measures including energy-efficient lighting, appliances, air conditioning systems, electronic devices, control systems, building envelope retrofits and better performing new homes and commercial buildings.

TOTAL RESIDENTIAL ELECTRICITY SAVINGS IN 2020 BY PROGRAM (GWh)



TOTAL COMMERCIAL & INDUSTRIAL ELECTRICITY SAVINGS IN 2020 BY PROGRAM (GWh)





THE \$20 BILLION BONANZA — Southwest Region Policy Recommendations

Each state should adopt policies to ramp up energy savings and achieve the benefits summarized below:

- **Adopt Goals or Requirements:** All states should adopt energy savings goals or requirements so that utilities implement Best Practice energy efficiency programs.
- **Remove Disincentives:** State utility commissions or legislatures should decouple utility fixed cost recovery from electricity sales so that utilities are not harmed financially when they implement energy efficiency programs for their customers.
- **Reward Performance:** State utility commissions should establish performance-based incentives that enable utility shareholders to earn a reasonable profit when utilities implement effective energy efficiency programs for their customers.
- **Maximize Participation and Electricity Savings:** Electric utilities and utility commissions in each state should commit to fully fund all cost-effective efficiency programs.
- **Involve all Utilities:** All utilities in the southwest, from the smallest to the largest, should provide robust energy efficiency programs to their customers.

