

INDUSTRY TICKER

CURRENT HAPPENINGS AND EVENTS

Spotlight on Arizona Public Service

The Southwestern states have lagged the rest of the nation in funding for and savings from utility energy-efficiency programs. “This is unfortunate because it is the fastest growing region in the country, and there are vast opportunities for cost-effective energy-efficiency improvements,” says Howard Geller, executive director of the Southwest Energy Efficiency Project (SWEET). Fortunately, the situation is starting to change. Geller reports that funding for electricity utility demand-side management (DSM) programs in Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming

combined (the states covered by SWEET) is expected to exceed \$110 million in 2006, up from \$69 million in 2005, and only \$20 million in 2001 (see state-by-state summary table on page 21).

Geller cites a number of drivers for this increase in DSM funding. The excess generating capacity that this region enjoyed in the 1980s and 1990s is now gone. Air conditioning use is rising and utility load factors are declining. As utilities propose new plants, policymakers and regulators are considering more cost-effective and less-polluting alternatives for meeting increased demand and helping consumers manage and reduce

their rising energy bills. Recent increases in the price of natural gas—the preferred fuel for new power plants in recent years—have made DSM programs that avoid those costs even more valuable.

One of the hot spots of increased DSM spending in the Southwest is Arizona (see page 21). This month’s Rebate Report highlights Arizona Public Service (APS), which serves more than a million customers in 11 of Arizona’s 15 counties and is the largest affiliate of Pinnacle West. A new energy-efficiency program is currently being offered to APS commercial business, school, industrial, and public agency customers. *e&pm*