

Update on Utility Energy Efficiency Programs in the Southwest

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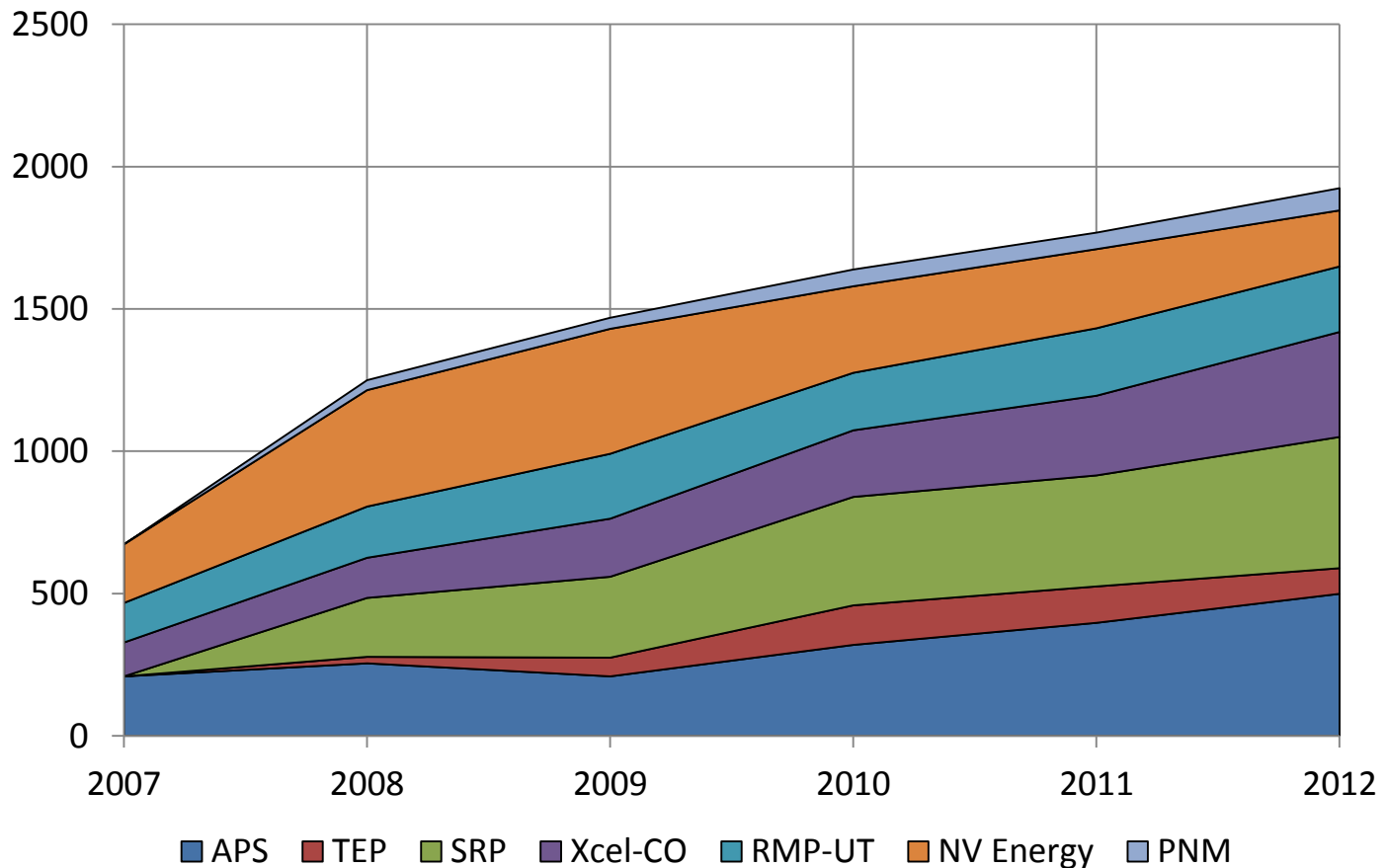
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Electric Utility DSM Program Spending Trends

State	Electric DSM Program Spending/Budgets (million \$ per year)						
	2002	2004	2006	2008	2010	2012	2013 (est.)
AZ	4	4	19	45	94	120	140
CO	11	21	18	28	66	97	105
NV	3	11	30	55	46	37	50
NM	1	1	1	10	24	27	35
UT	9	16	27	36	51	46	51
WY	~0	~0	~0	~0	3	4	5
Region	29	54	95	174	284	331	386

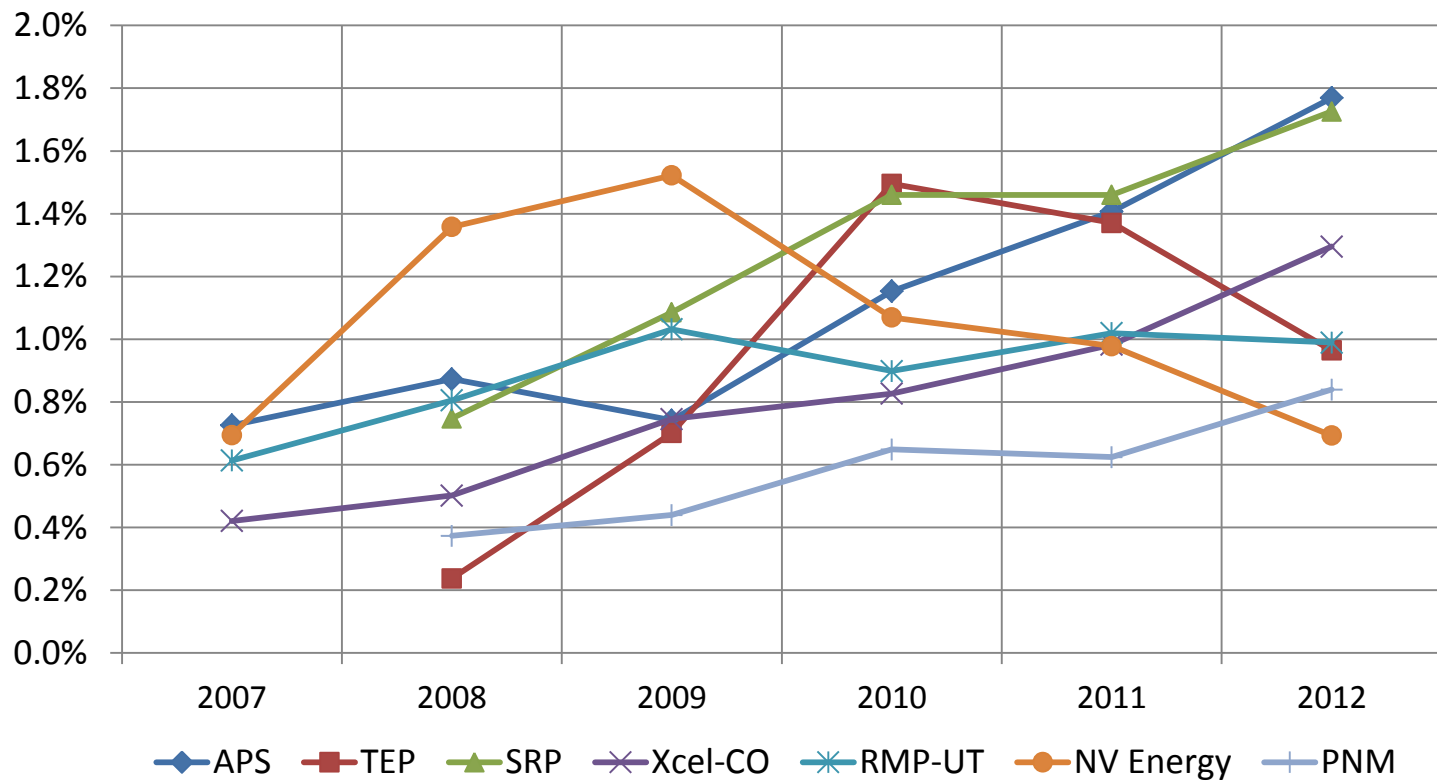
First Year Savings by Utility (GWh/yr)

Savings from Programs Implemented Each Year



Energy Savings Trends by Utility

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



Arizona

- ❑ EERS calls for IOUs to achieve savings of 1.75% in 2012 and 2.0% in 2013 (w/ 10% DR credit)
- ❑ APS achieved 1.8% savings in 2012 (first year savings as a fraction of sales), 25% more than savings achieved in 2011
- ❑ TEP suspended programs in 2012 due to inadequate cost recovery and Commission inaction but restarted some programs in March 2013; pending rate case settlement calls for rate basing of DSM investment with 5 year amortization along with lost fixed cost recovery
- ❑ SRP also ramping up EE programs, achieved savings equal to 1.7% of sales in 2012 (including savings from pre-paid meters)

Colorado

- ❑ Xcel Energy and Black Hills Energy ramped up DSM programs over past 5 years in response to savings goals and incentives set by the PUC
- ❑ Xcel achieved 1.3% savings as a fraction of sales in 2012 (net savings basis), 27% more than savings in 2011
- ❑ 2013: Two dockets with Xcel starting in mid-year
 - Strategic Issues – Reviews savings goals, incentive mechanism and other key policies
 - 2014 DSM Program Plan
- ❑ Rural co-ops provide about 25% of electricity in CO and do very little to promote EE; legislation planned that includes EE standards for co-ops

Nevada

- ❑ Energy savings count towards RPS compliance, up to 25% of standard each year
- ❑ DSM funding levels and savings reduced in 2010-12 due to deep economic recession, less need for EE resources in short run, and excess energy savings credits from previous years
- ❑ NV Energy still achieved 1% savings in 2011 and 0.7% savings in 2012 as fraction of sales
- ❑ Utility receiving lost revenue recovery in addition to cost recovery, proving to be very controversial
- ❑ Proposed legislation establishes separate savings standards and replaces LRR with decoupling and a performance-based shareholder incentive

New Mexico

- ❑ Energy savings requirements for IOUs: 5% savings in 2014 and 8% savings in 2020 (from programs implemented starting in 2008)
- ❑ Program approval has been challenging as has been approval of shareholder incentives
- ❑ PNM slowly ramping up programs; achieved about 0.8% savings in 2012 and proposing to achieve around 0.9% savings under new DSM plan
- ❑ Enacted 2013 legislation establishes 3% tariff rider for program funding, changes cost effectiveness test from TRC to UCT, and reduces 2020 standard from 10% to 8% (compromise with utilities and PRC)

Utah

- ❑ Utah does not have utility EE goals or standards, nor an electric utility disincentive removal or shareholder incentive mechanism
- ❑ Rocky Mountain Power (RMP) does have IRP requirements which drives investment in DSM programs; UCT is the principal benefit-cost test
- ❑ RMP has been achieving about 1% savings per year since 2009
- ❑ 2012-13 expansion includes Home Energy Reports and proposed C&I Strategic Energy Management program

SWEEP:

Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:

www.swenergy.org

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