

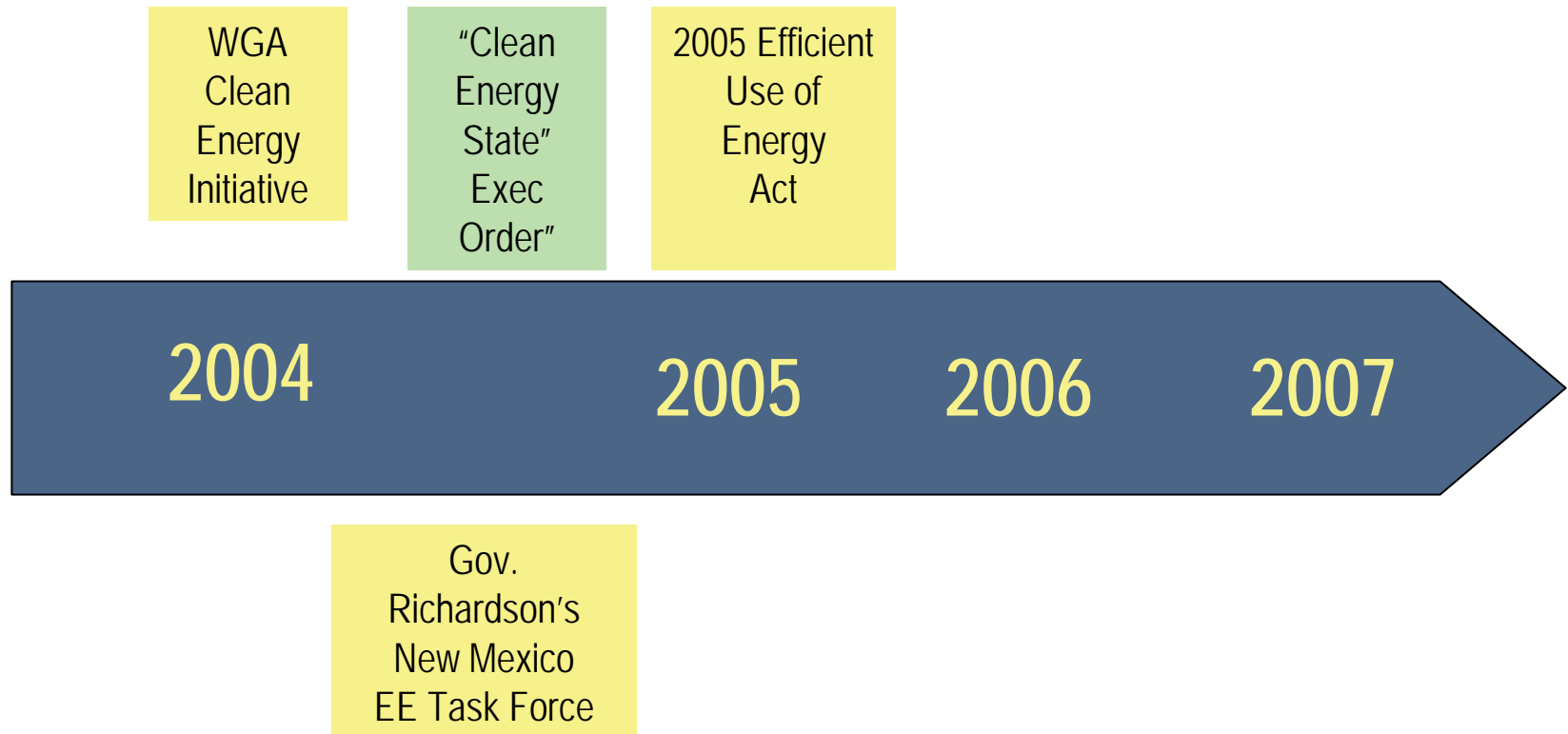
**ACEEE 4<sup>th</sup> National Conference  
Energy Efficiency as a Resource  
October 2, 2007**

# **Now Open for Business: Energy Efficiency in New Mexico**

**Jeff Burks,  
Director of Environmental Sustainability  
PNM Resources, Inc.**



# New Mexico's interest in energy efficiency began in 2004 and....



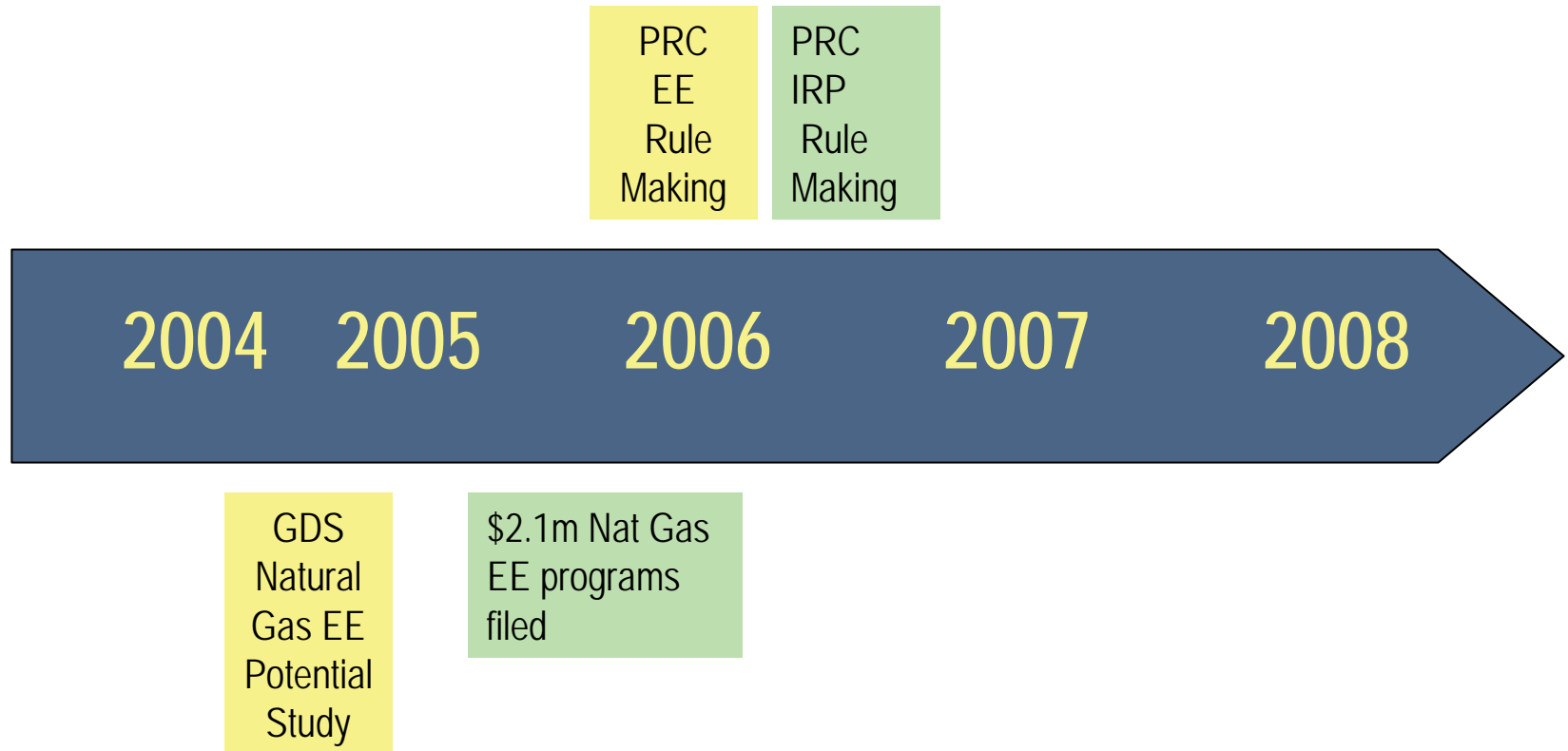
**...brought together a diverse set of interests who supported energy efficiency.**

- State of New Mexico
  - Governor Richardson's Office
  - New Mexico EMNRD
- NRDC
- Southwest Energy Efficiency Project
- Western Resource Advocates, and...
- PNM

# 2005 Efficient Use of Energy Act became the policy foundation ...

- Authorized utilities to make energy efficiency investments.
- Directs utilities to implement “cost-effective” energy efficiency programs
- Cost recovery provided through a tariff rider, capped at 1.5% of customers utility bill.
- Requirement for utilities to conduct Integrated Resource Planning.

...then the hard work began, i.e. making energy efficiency programs a reality.

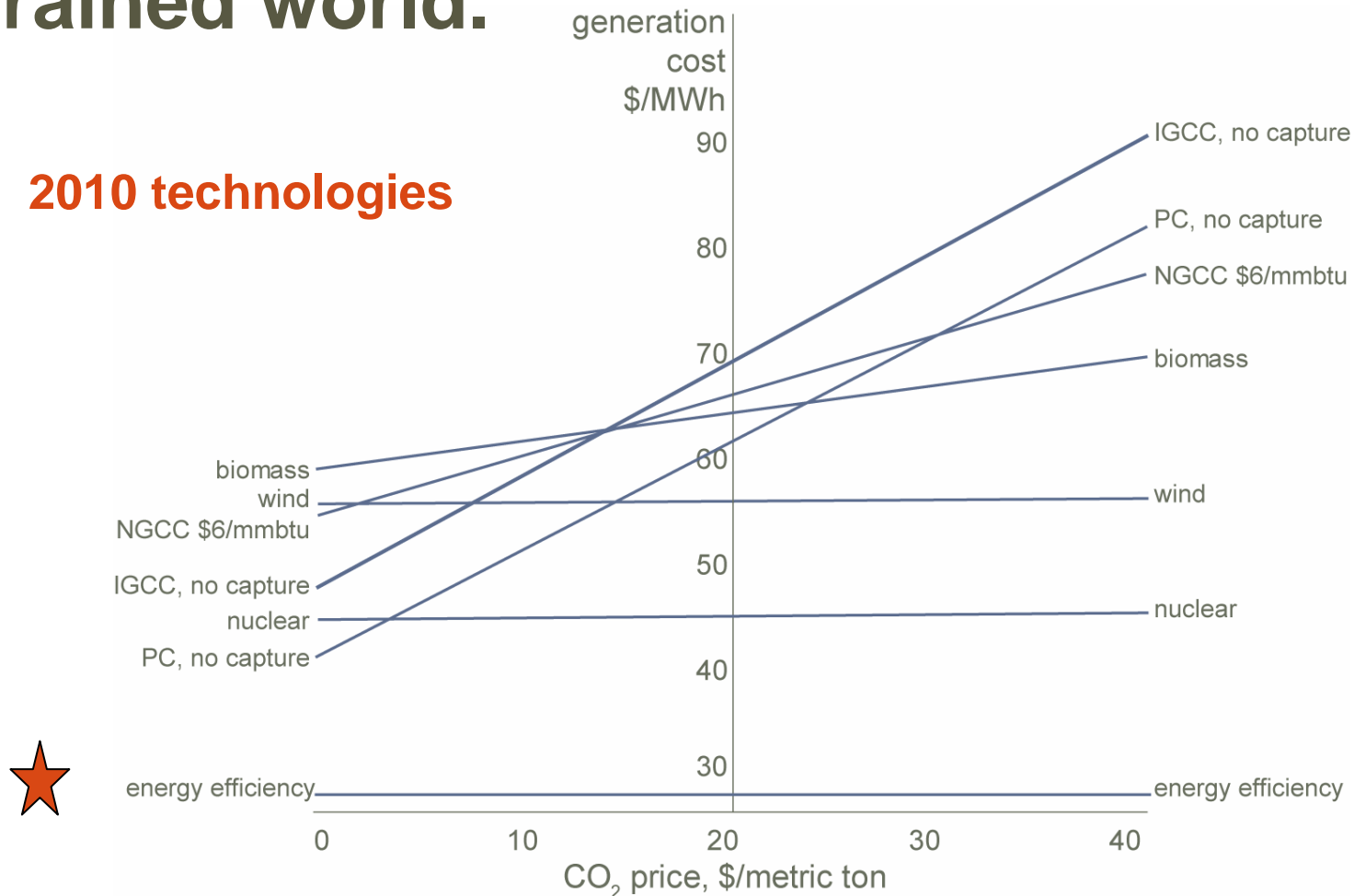


# What are the drivers behind PNM's interest in energy efficiency?

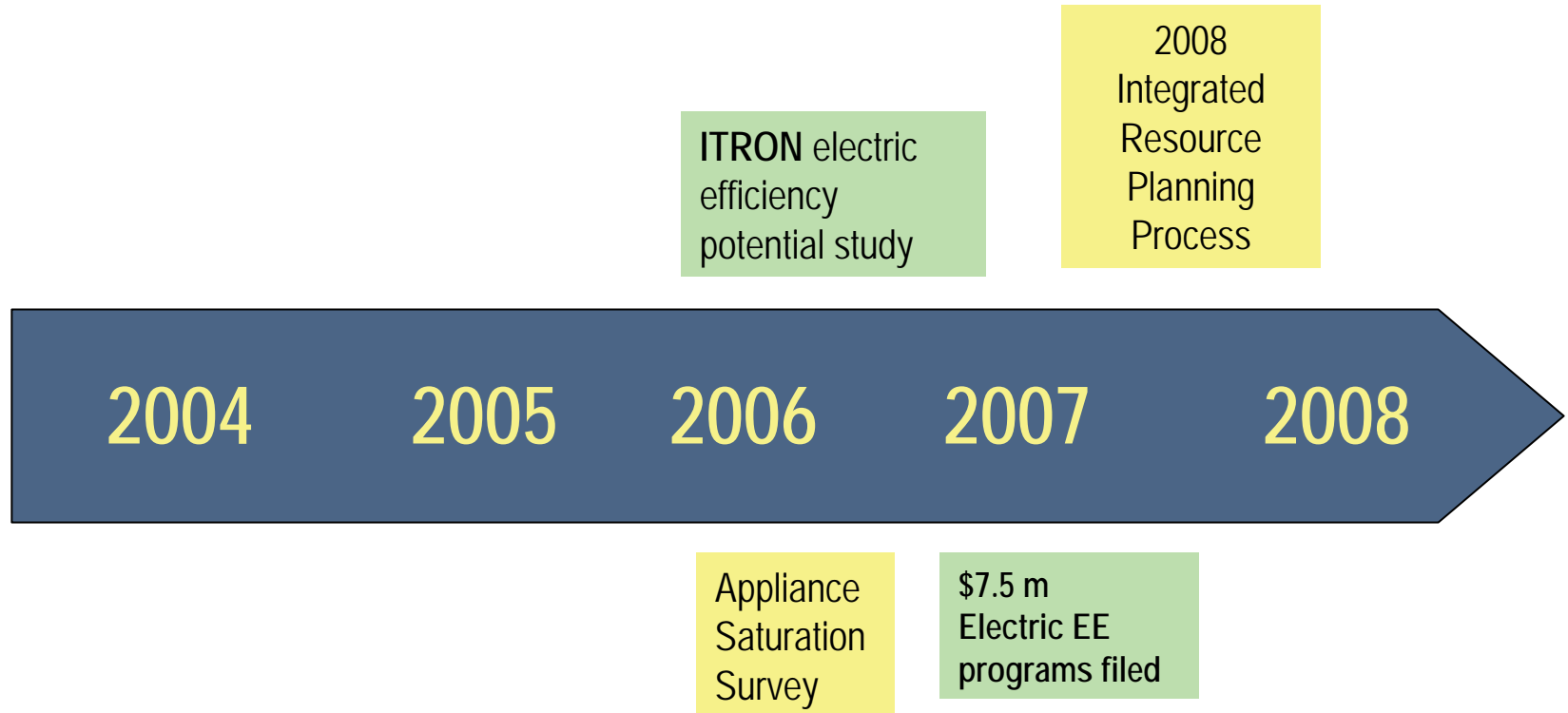
- Rising demand for electricity
- Shrinking reserve margins on our system
- Rising commodity costs and prices
- New resources are looking very expensive
- Climate change legislation
- Building block for future “smart grid” initiative

# Energy efficiency looks like a very good investment today and in a carbon-constrained world.

## 2010 technologies



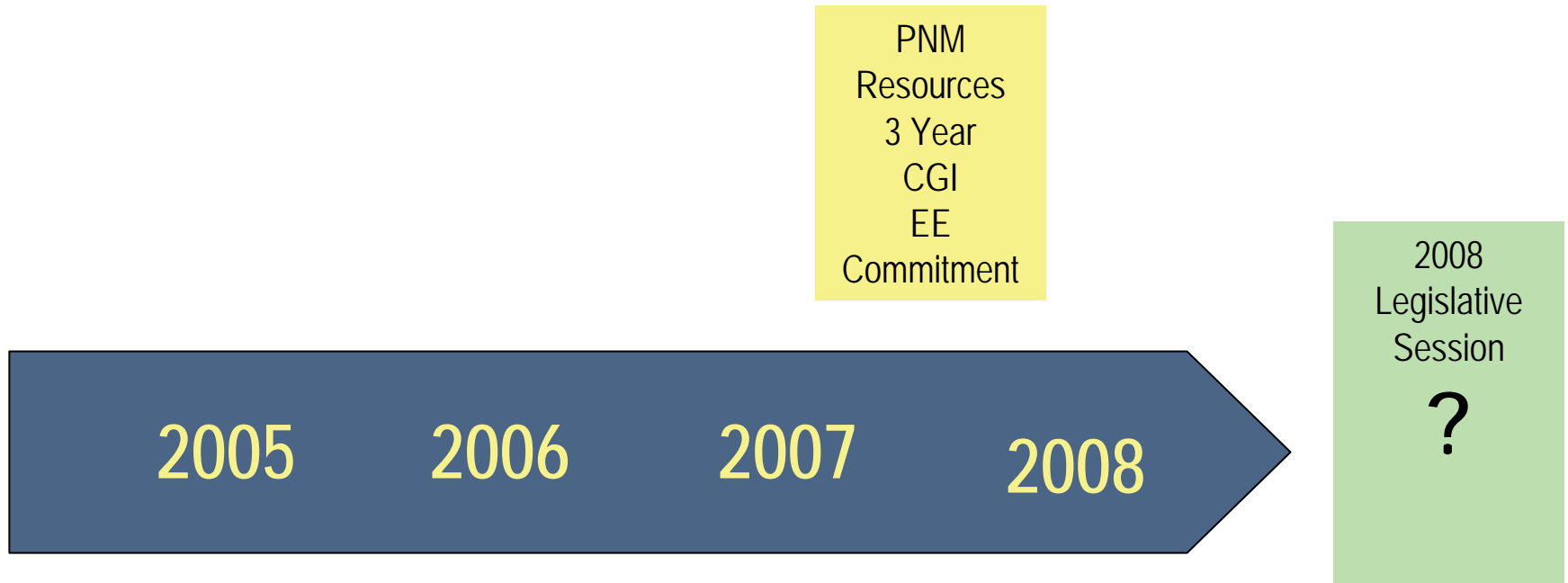
# This environment has driven PNM to look seriously at energy efficiency as a resource option



# PNM's Current electricity DSM programs include...

- **PRC recently approved PNM's electric EE program filing:**
  - 7 residential & 3 commercial programs
  - Annual budget = \$7.5M (1.3% of revenue)
  - Saves 26 GWh/year & 60 MW in third year
  - Project exceeding 1.5% cap in 2009-2010
  - Funding peaks at \$12M in 2011

**...but there is potential for additional energy and capacity savings.**



# What can others learn from this experience.....?

