

# Update on Energy Efficiency Efforts in the Southwest

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# Overview

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- ❑ Some Governors are adopting ambitious energy efficiency goals
- ❑ Energy efficiency initiatives a key component of state climate action plans
- ❑ Utility energy efficiency (DSM) programs continue to grow
- ❑ Some states updating building energy codes and/or adopting appliance efficiency standards
- ❑ Southwest states lead the nation in construction of ENERGY STAR homes

# Goal Setting

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- Gov. Huntsman (UT) has adopted a goal of increasing energy efficiency 20% statewide by 2015; strategy for achieving the goal is nearing completion
- Gov. Ritter (CO) has adopted the WGA energy efficiency goal -- 20% increase in efficiency electricity use by 2020
- Other Governors also considering adopting the WGA goal

# Energy Efficiency in Climate Action Plans

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- Energy efficiency initiatives are key components of all state plans adopted so far including those in AZ and NM
- Emphasis on energy efficiency results in net economic benefits from plans as a whole; e.g., \$5.6 billion net benefits during 2007-2020 from the AZ plan
- Adoption of state climate plans is boosting support for energy efficiency initiatives
- Role for energy efficiency in the Western Climate Initiative?

# Electric Utility DSM Funding in the Southwest Continues to Grow

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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	36	48
NM	1	1	1	1	4	10
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>127</b>	<b>166</b>

# ENERGY STAR New Homes

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- Nevada led the nation with 71% market share for ENERGY STAR qualified new homes in 2006
- 100,000 ENERGY STAR new homes were built in AZ, NV, and TX in 2006, about one half of all ENERGY STAR qualified new homes built in the entire country
- ENERGY STAR homes market share was > 15% in UT in 2006 and is on the rise in most western states

# Key Developments - AZ

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- ❑ AZ Public Service Co. (APS) has proposed offsetting 20% of anticipated load growth through DSM efforts
- ❑ Tucson Electric Power (TEP) has proposed ramping up its DSM programs (\$63 million DSM budget over five years)
- ❑ Builders have committed over 35,000 homes to new ENERGY STAR performance levels

# Key Developments – CO

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- ❑ New legislation directs gas utilities to implement DSM programs, directs the PUC to establish energy savings goals and financial incentives for electric and gas DSM programs, and establishes that minimizing bills (not rates) is the IRP goal
- ❑ Local governments are required to adopt up-to-date building energy codes
- ❑ Clean Energy Fund set up with \$7M in initial funding
- ❑ Climate plan under development

# Key Developments – NM

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- ❑ State tax credits adopted for highly efficient new residential and commercial buildings
- ❑ Governor Richardson has called for low greenhouse gas emitting building codes; the state's mandatory energy code is now being updated
- ❑ PNM has received approval to spend \$7.5 million per year on nine electricity DSM programs, programs now being rolled out

# Key Developments - NV

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- ❑ Nevada utilities are expanding DSM programs, counting energy savings towards the RPS (up to 25% of total standard), and receiving financial incentives for DSM investments
- ❑ Nevada is the first state to adopt lamp efficiency standards that will phase out conventional incandescent lamps
- ❑ New legislation includes decoupling for gas utilities and an assessment of the energy performance of homes at time of sale

# Key Developments – UT

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- ❑ PacifiCorp electric DSM programs have ramped up to level of ~2.5% of revenues
- ❑ 2006 IECC model energy code took effect in January 2007, mandatory statewide
- ❑ Questar Gas Co. launched gas DSM programs with an initial budget of \$7M per year, following approval of gas sales-revenue decoupling on a pilot basis
- ❑ State energy efficiency strategy completed, feeding into state climate plan and other new initiatives

# Energy Efficiency “Needs” in the Southwest

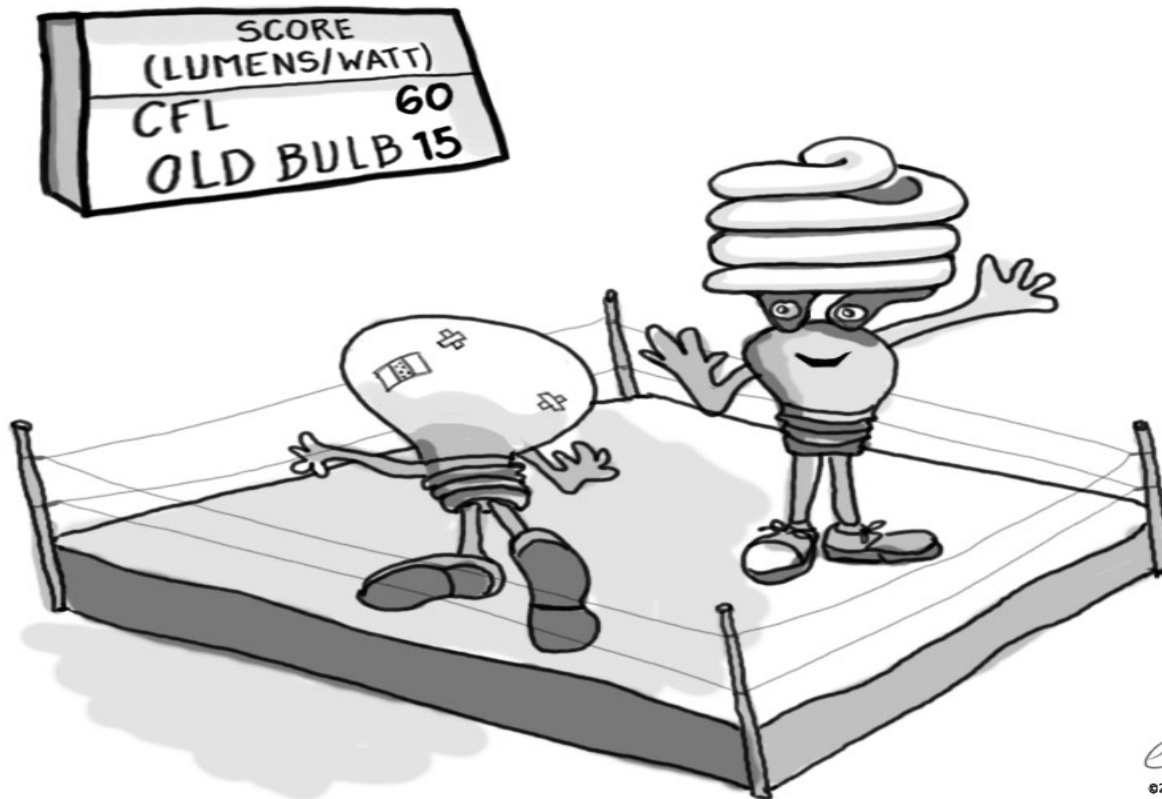
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- ❑ Continued expansion of utility DSM programs including performance-based incentives for utility shareholders and savings targets or standards
- ❑ Continued emphasis on ENERGY STAR and beyond ENERGY STAR new construction given high growth in the region
- ❑ Full integration of energy efficiency initiatives into state and regional climate strategies, including cap and trade programs

# We Are Winning Many Energy Efficiency Battles....

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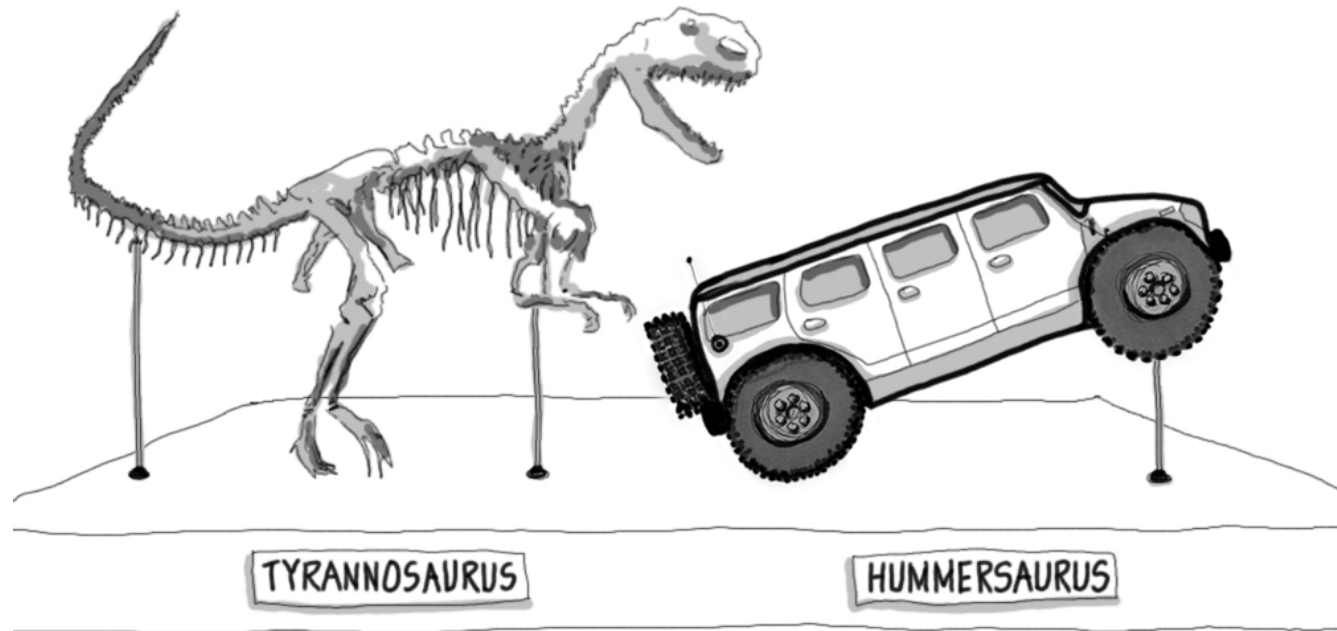
**COMPACT FLUORESCENT WINS BULB BATTLE!**



# But Can We Win the War?

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## DINOSAUR EXHIBIT 2050



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# 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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