

# Energy Efficiency as a Resource: Southwest Update

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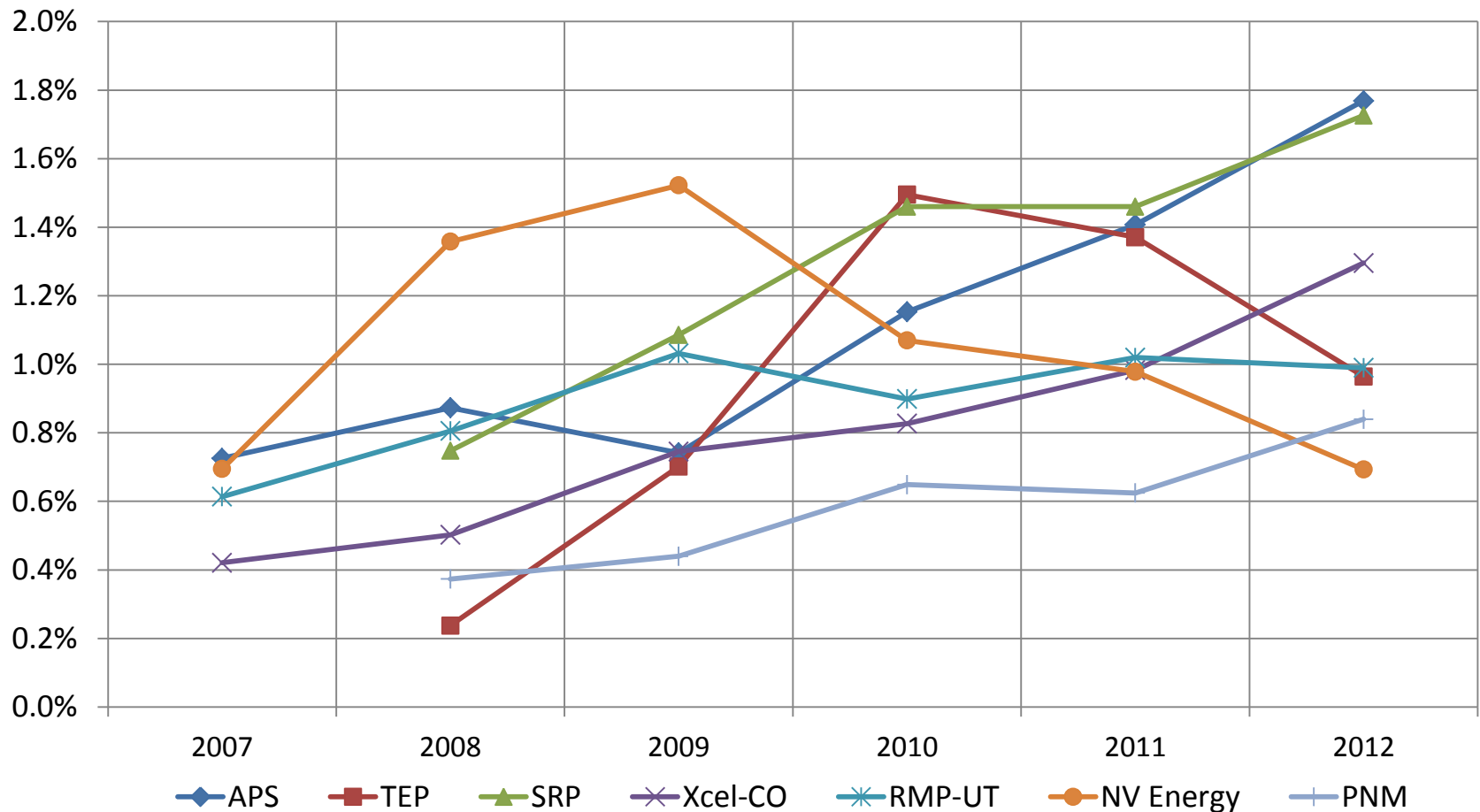
# Electric Utility DSM Program Spending in the Southwest

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State	Electric DSM Program Spending/Budgets (million \$ per year)						
	2002	2004	2006	2008	2010	2012	2013 (est.)
AZ	4	4	19	45	94	120	143
CO	11	21	18	28	66	96	106
NV	3	11	30	55	46	39	50
NM	1	1	1	10	24	28	31
UT	9	16	27	36	51	49	55
WY	~0	~0	~0	~0	3	4	5
Region	29	54	95	174	284	335	390

# Energy Savings Trends by Utility

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



# Regulatory Summary

<b>Policy</b>	<b>AZ</b>	<b>CO</b>	<b>NM</b>	<b>NV</b>	<b>UT</b>	<b>WY</b>
<b>Energy efficiency goals or standards</b>	√	√	√	√*		
<b>Integrated Resource Planning</b>	√	√	√	√	√	
<b>DSM cost recovery mechanism</b>	√	√	√	√	√	√
<b>Electric decoupling or lost revenue recovery</b>	√			√		
<b>Natural gas decoupling or lost revenue recovery</b>	√			√	√	√
<b>Financial incentive for utility shareholders</b>	√	√	√			

\* Energy savings count towards 25% of renewable portfolio standard, phasing out by 2025.

# State Updates

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- ❑ Arizona EERS is still in place despite political pressure - calls for 2.25% savings per year by 2014, 22% cumulative by 2020. TEP programs are back on track. (#12\*)
- ❑ PSCo (Xcel) in Colorado has strategic issues filing requesting: 1) lower goals compared to previous plans, 2) DSM credit for distribution voltage optimization, and 3) revised incentive mechanism. (#14\*)
- ❑ Rocky Mountain Power (UT) is ramping up EE programs in light of new IRP, spending 20% higher in 2013 compared to 2012. (#21\*)

\* ACEEE 2012 state scorecard ranking.

# State Updates

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- New Mexico revised EUEA: 1) setting EE funding at 3%, 2) changing cost-effectiveness test from TRC to UCT, and 3) lowering EERS goals (still 5% in 2014, 10% down to 8% in 2020). (#27\*)
- Nevada passed laws in 2013 that will: 1) replace 800 MW of coal with 350 MW renewables and 550 MW gas, and 2) 'clean up' RPS, phasing out 25% EE contribution by 2025. (#31\*)
  - Efficiency advocates are working to get a separate EERS and support for decoupling in NV Energy-MidAmerican Holdings merger docket and/or next legislative session.

\* ACEEE 2012 state scorecard ranking.

# Southwest Trends

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- Utilities are willing to divest older coal resources (Xcel Energy, NV Energy, PNM), and replace them with renewables and natural gas.
  - EE not linked directly but still 'part of the deal.'
- Behavioral measures getting into portfolios:
  - Home Energy Reports: AZ, CO, NM, NV, UT
  - Strategic Energy Management: UT
- Growing interest in electric vehicles and supporting policies.
- Adoption of 2012 IECC energy code is expanding.

# **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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