



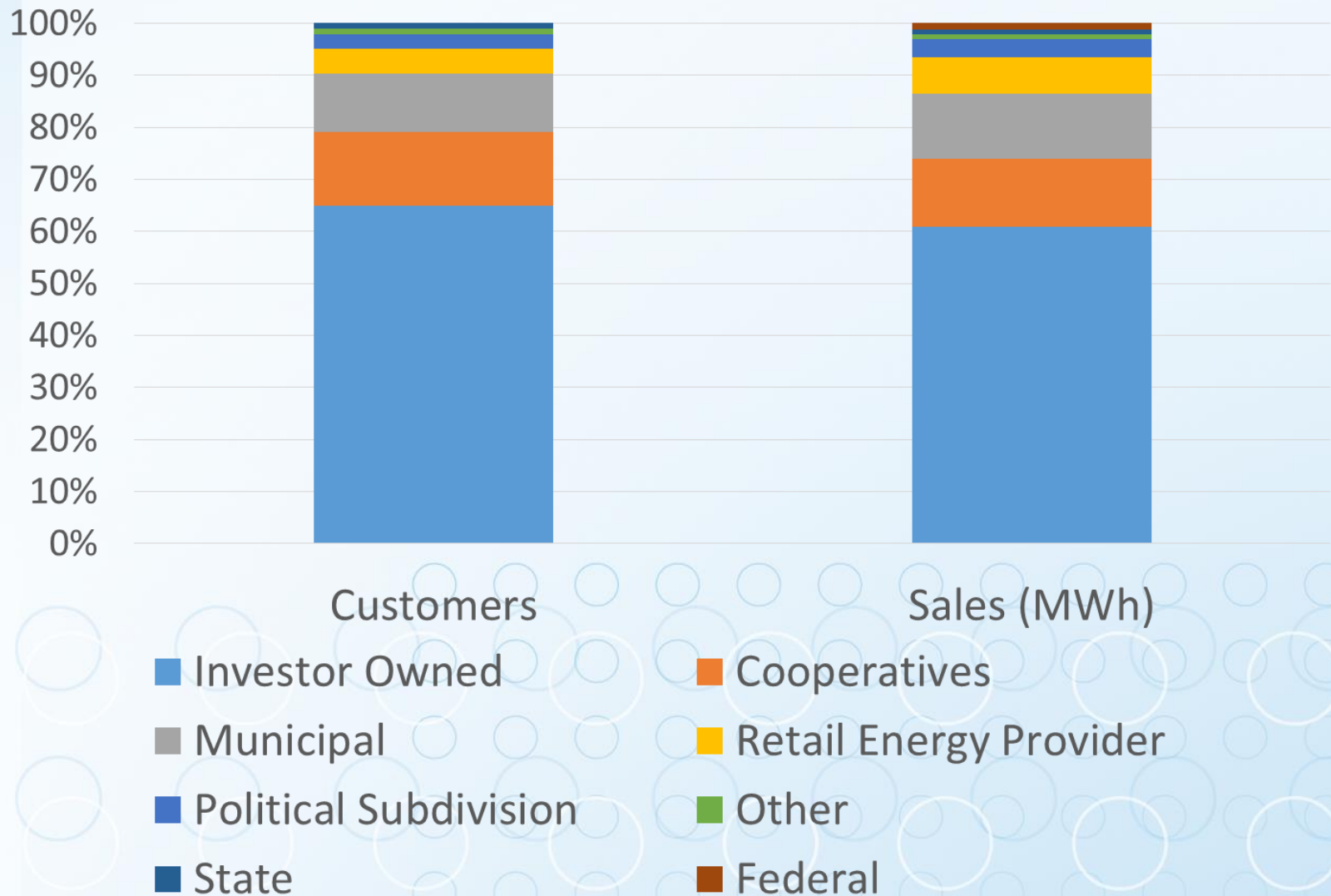
# **Municipal Utility Energy Efficiency: Examples from Around the Nation**

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Resource, Little Rock, Arkansas

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# 2013 Sales and Customers



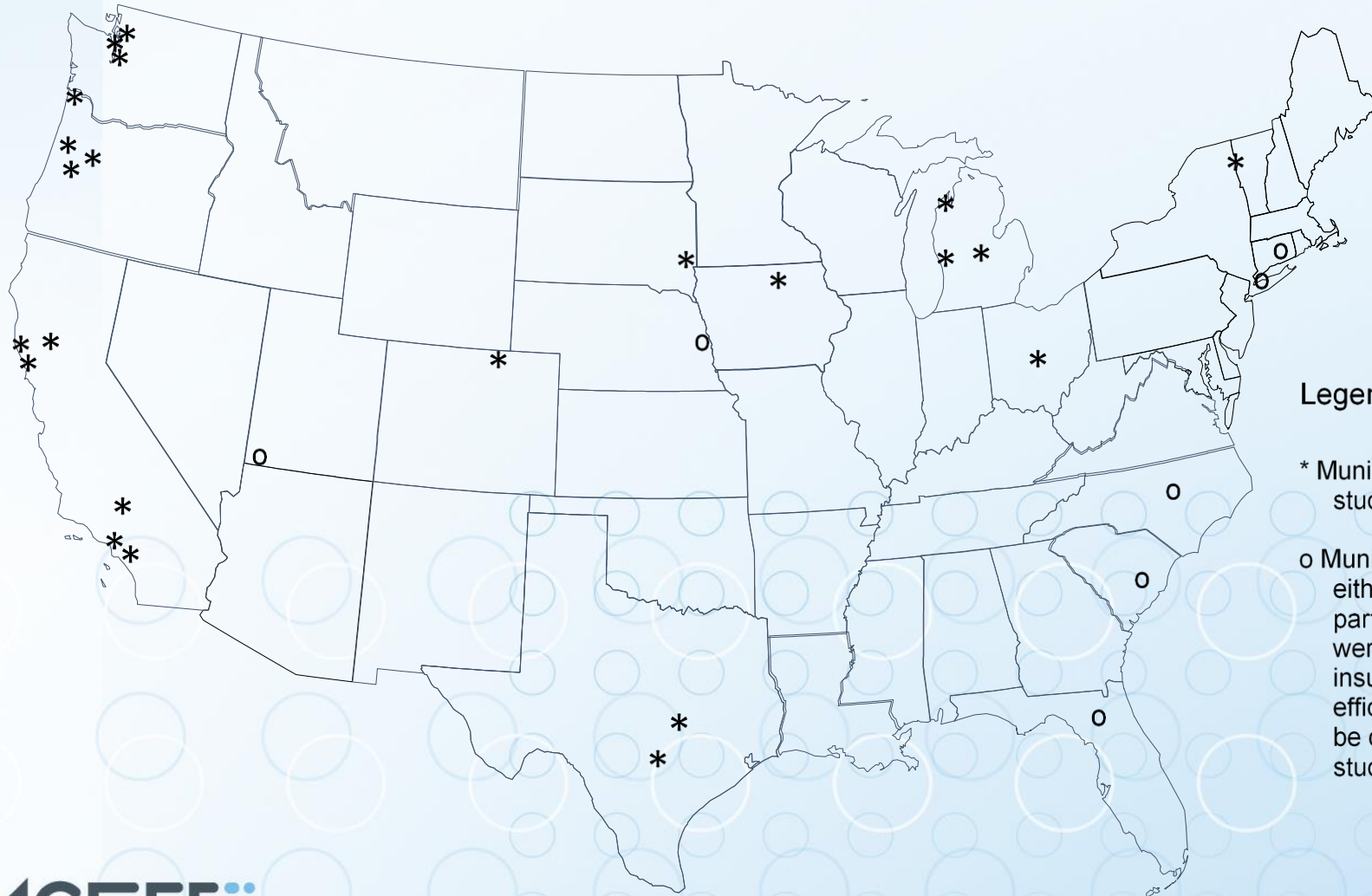
# Research Goals

1. Provide visibility to energy efficiency efforts in the public power sector (given that so much effort has been directed toward the IOU sector), focusing on the municipal utility sector.
2. Identify and document examples of strong energy efficiency performance in the municipal utility sector.
3. Identify factors influencing municipal utility decision making regarding energy efficiency program implementation.
4. Identify challenges faced by municipal utilities in implementing energy efficiency programs.

# Methodology

- Surveys
- Interviews
- Review of publically available documents
  - Integrated resource plans
  - Energy efficiency plans
  - Evaluations
  - Other city planning documents

# Municipal Utility Survey

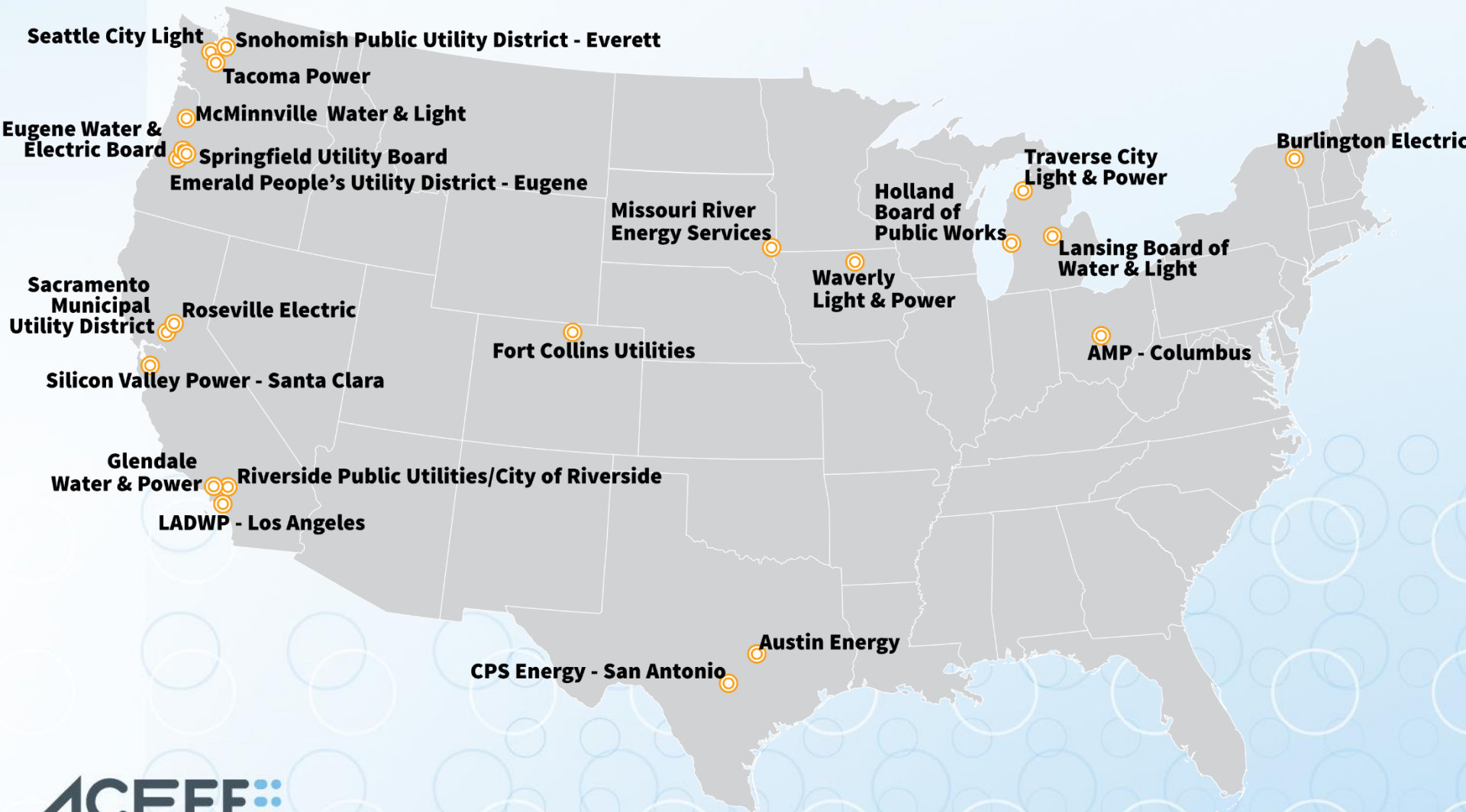


## Legend

\* Municipal utilities in study

o Municipal utilities that either declined to participate (3) or were found to have insufficient energy efficiency savings to be considered in this study (4)

# Municipal Utilities in Report



# Energy Savings and Spending

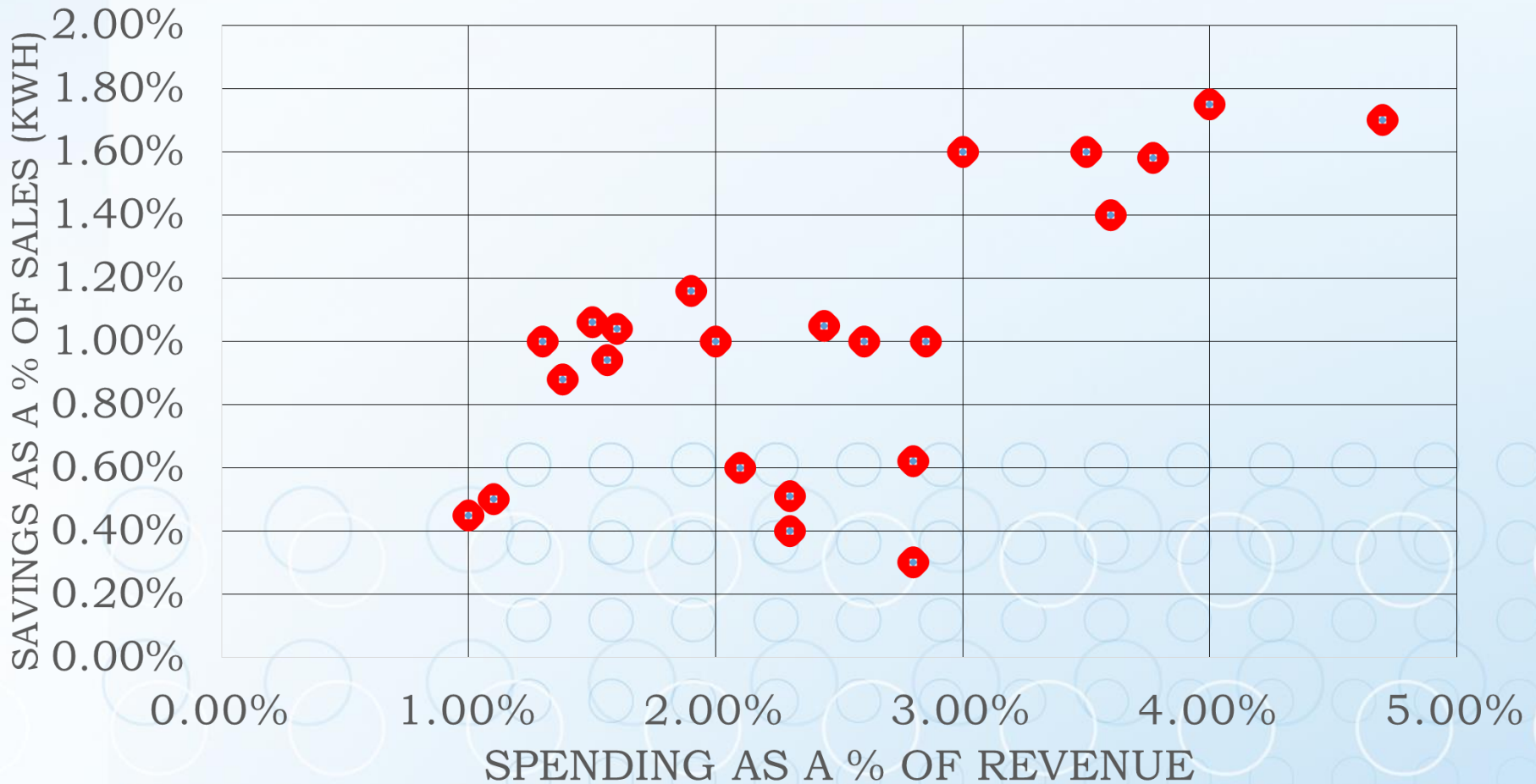
Our sample of 23 utilities:

- savings as % of retail sales  
Mean = 1%  
Range = 0.3% to 1.75%
- spending as % of revenues  
Mean = 2.3%  
Range = 1% to 4.7%

EIA 2013 data of 140 municipal utilities

- savings as % of retail sales  
Mean = 0.68%  
Range = 0.01% to 2.22%

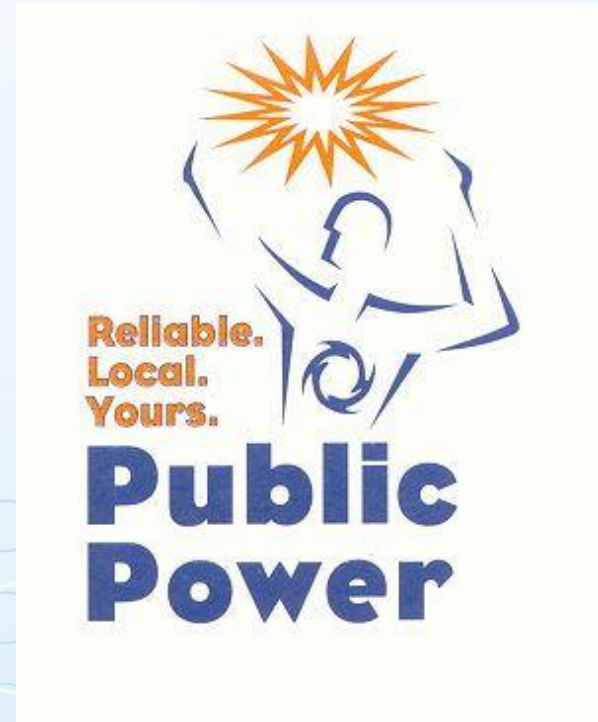
# Energy Savings and Spending





# Municipal Power Agency Structure

- City councils
- Citizens
- Jurisdiction
- Non-profit



# Challenges: Revenue Adequacy

- Loss of sales = loss of revenues
- This can be avoided!
  - Proper forecasting
  - Rate adjustments
  - Decoupling

# Motivating Factors: Survey

Factor	Average Rating	Range
Efficiency is a resource customers like	8.5	5 - 10
Value of efficiency as a supply side resource	7.8	4 - 10
Economic benefits in service territory	7.7	5 - 10
Municipal government requirement	7.6	0 - 10
Greenhouse gas reduction (as part of plan)	6.5	0 - 10
State policy or regulatory requirement	6.3	0 - 10
Reduces supply costs	6.3	0 - 10
Other environmental benefits	6.3	0 - 10

# Motivating Factor: State Policy

- California
  - AB 1890 (1996)
    - Public benefits charge to fund program
  - SB 1037 (2005)
    - Annual reporting requirements to CEC and customers on energy efficiency and demand response
  - AB 2021 (2006)
    - Directs utilities to identify all cost effective savings to establish 10 year targets

# Motivating Factor: State Policy

- Michigan
  - PA295 (2008) – EERS for all utilities of 1% savings per year
- Washington
  - I-937 (2006) – utilities serving over 25k customers must pursue cost effective programs

# Motivating Factor: Savings Targets

- Fort Collins Utilities
  - 2015: 1.5% to 2020: 2.5%
- CPS Energy (San Antonio, TX)
  - Save Energy for Tomorrow
  - Save 771 MW between 2009 and 2020

# Motivating Factor: Economic Development

- Survey – 7.7 average rating from respondents
- Interviews – strong economic development benefit of efficiency
  - Bottom line
  - Electricity prices
  - Customer discretionary income
  - Local jobs

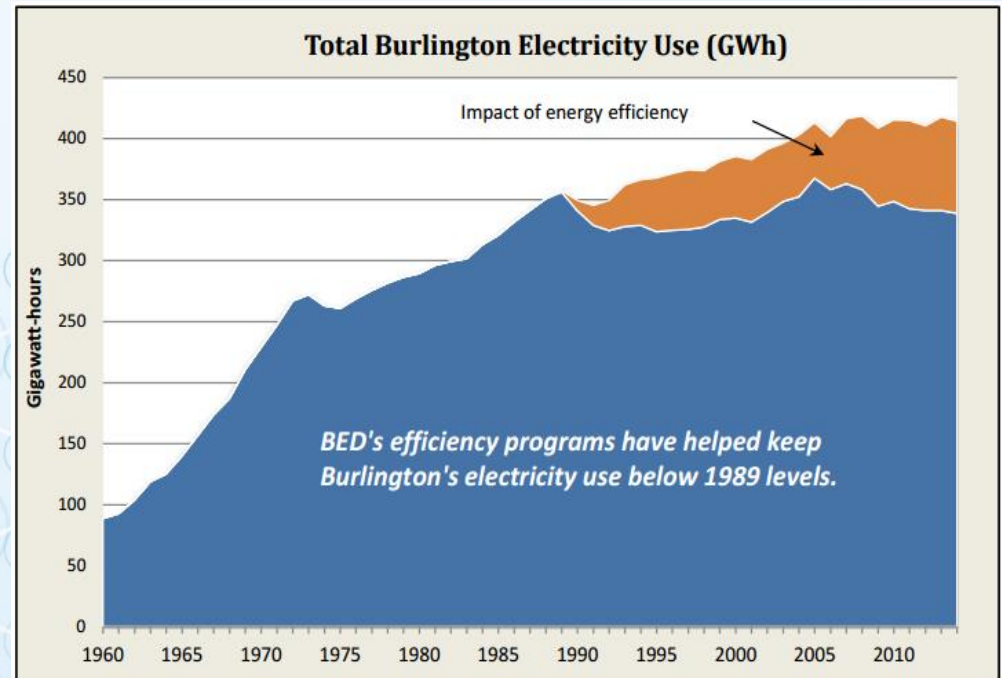
# Motivating Factor: Customer Engagement and Satisfaction

- Survey – 8.5 average rating from respondents
- Participation in utility programs increases customer satisfaction

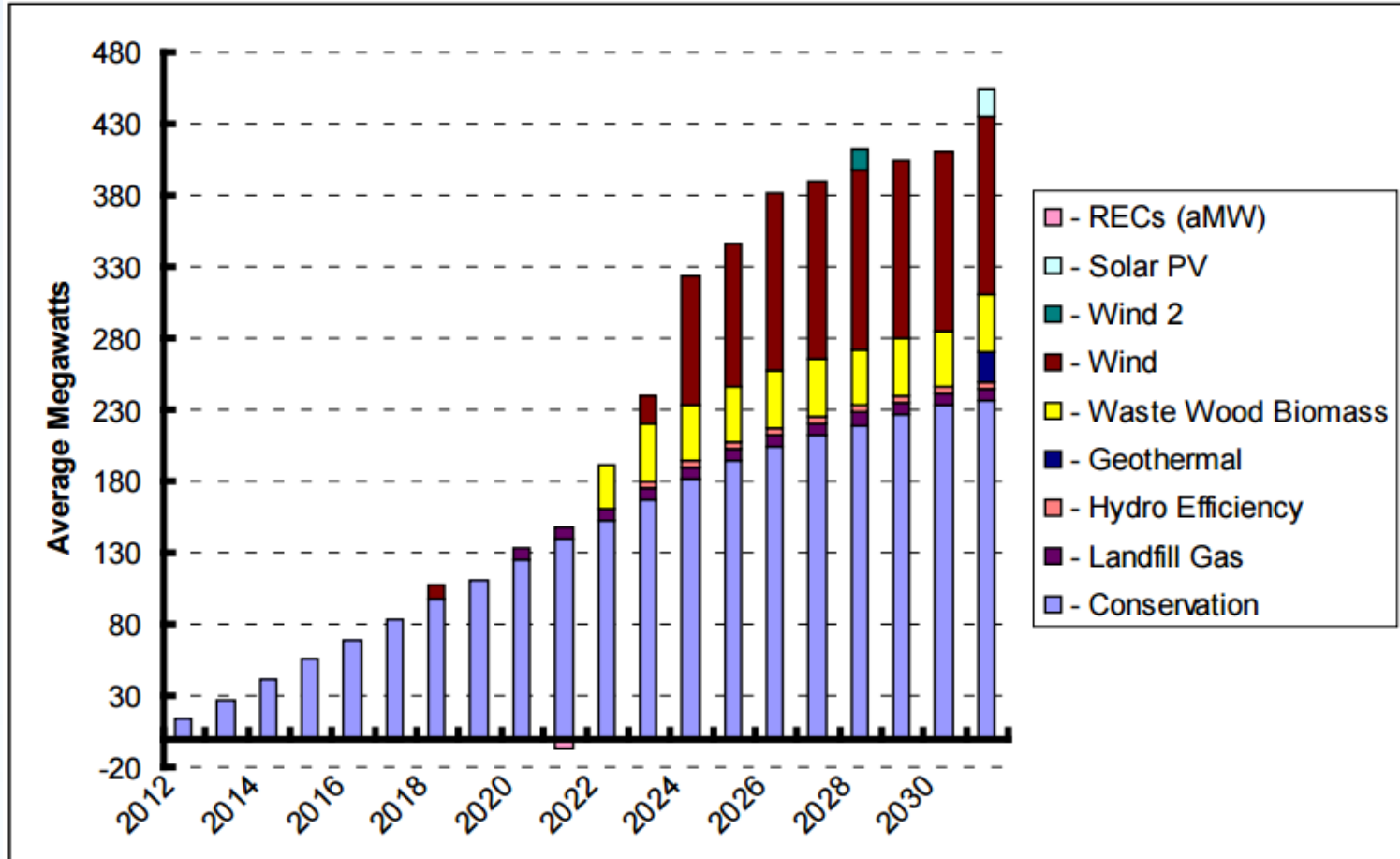


# Motivating Factor: Energy Efficiency as a Resource

- Survey – 7.8 average rating from respondents
- Reduced future customer demand, rates and energy supply costs



# Motivating Factor: Energy Efficiency as a Resource



# Conclusions

- Leadership
  - Public power utilities are providing leadership in energy efficiency program implementation.
- Opportunity
  - Significant opportunity exists to do more with a demonstrated model.
- Barriers
  - Fewer barriers than IOUs to implementing energy efficiency programs.

# Report Forthcoming...

Municipal Utility Energy Efficiency:  
Successful Examples from Around the  
Nation

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[aceee.org](http://aceee.org)



**Thank you!**

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