

Update on Utility Energy Efficiency Policies and Programs in the Southwest

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SWEEP Overview

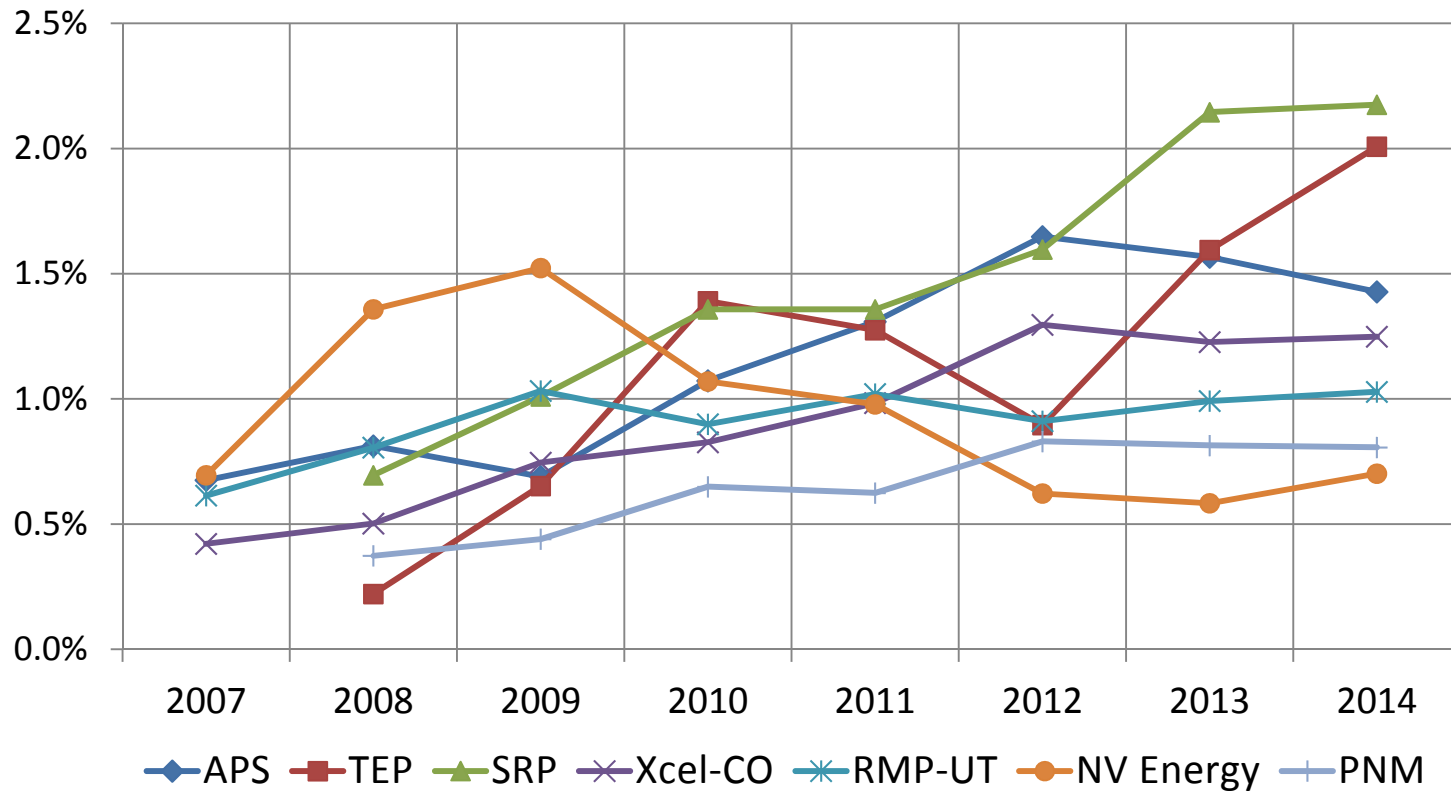
- ❑ Founded in 2001, working in AZ, CO, NM, NV, UT and WY
- ❑ Main areas of focus:
 - Expanding and improving utility DSM programs
 - State energy efficiency policy
 - Building energy codes and other building EE initiatives
 - Supporting state and local EE programs
 - Industrial energy efficiency and CHP
 - Transportation policy
- ❑ Funding provided by foundations, federal and state agencies, and business allies

Electric Utility DSM Program Spending Trends in the Southwest

State	Electric DSM Program Spending (million \$ per year)							
	2002	2004	2006	2008	2010	2012	2014	2015 (est.)
AZ	4	4	19	45	94	130	126	130
CO	11	21	18	28	66	96	96	112
NV	3	11	30	55	46	39	52	59
NM	1	1	1	10	24	28	36	41
UT	9	16	27	36	51	47	82	62
WY	~0	~0	~0	~0	3	4	5	6
Region	29	54	95	174	284	343	397	410

First Year Savings as a Fraction of Retail Electricity Sales

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



Key Utility Policies

Policy	AZ	CO	NM	NV	UT	WY
Energy efficiency goals or standards	X	X	X	X (1)		
Integrated Resource Planning	X	X	X	X	X	
DSM program cost effectiveness based on Utility Cost Test, Societal Cost Test or TRC Test including non-energy benefits	X	X	X		X	
Convenient DSM cost recovery mechanism	X	X	X	X	X	X
Financial incentive for utility shareholders	X	X	X			
Electric decoupling or lost revenue recovery	X			X		
Natural gas decoupling or lost revenue recovery	X			X	X	X
Industrial self-direction option	X	X	X		X	X

(1) Energy savings count towards clean energy standards, up to a limit

Key Policy Developments

- ❑ **AZ:** ACC reviewed EE resource standards and did not modify them; IRP being strengthened
- ❑ **CO:** PUC established new energy savings goals and shareholder incentive policy for Xcel Energy for 2015-2020; goal of ~1.3% net savings per year
- ❑ **NV:** NV Energy is ramping up energy savings again but legislature rejected energy savings standards/goals proposals; PUC in the process of replacing LRAM with a simple cost recovery adder
- ❑ **UT and WY:** New PacifiCorp IRP ramps up EE and DR savings goals and budgets significantly over next 5-10 years compared to previous IRP

Key Program Developments

- ❑ Promotion and incentives for LED lights expanding
- ❑ A number of utilities implementing midstream or upstream incentives within C&I programs
- ❑ Utilities starting to provide incentives for wifi-enabled smart thermostats
- ❑ A number of utilities expanding Home Energy Reports programs
- ❑ Growing interest in programs targeted to multi-family buildings
- ❑ Some utilities proposing to include Conservation Voltage Reduction (CVR) within DSM programs

SWEEP:

Dedicated to More Efficient Energy Use in the Southwest

Resources available online at:

www.swenergy.org

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