

Ensuring the Effectiveness of Energy Efficiency Programs in the Southwest



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Southwest Energy Efficiency Project (SWEET)

Western Conference of Public Service Commissioners

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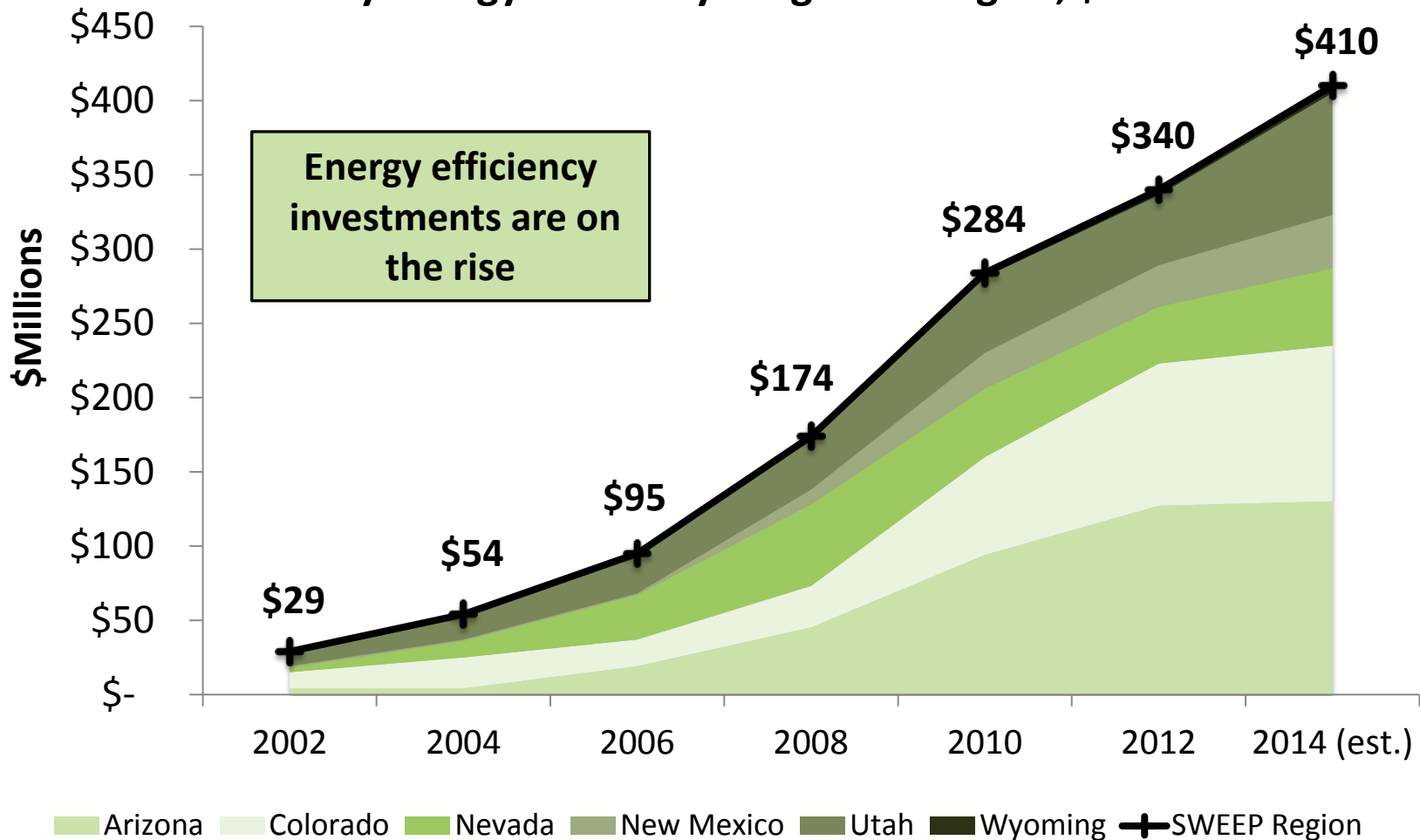
What is the Southwest Energy Efficiency Project (SWEEP)?

- Public interest initiative, founded 2001
- Promotes greater energy efficiency in a 6-state southwest region
- Board of Directors includes utility, state government, national laboratory, former regulator, and private sector representatives
- Major funding provided by Energy Foundation, Edwards Mother Earth Foundation, Hewlett Foundation, other funders, and the U.S. Department of Energy
- Strives to achieve energy savings, lower energy bills, and environmental benefits



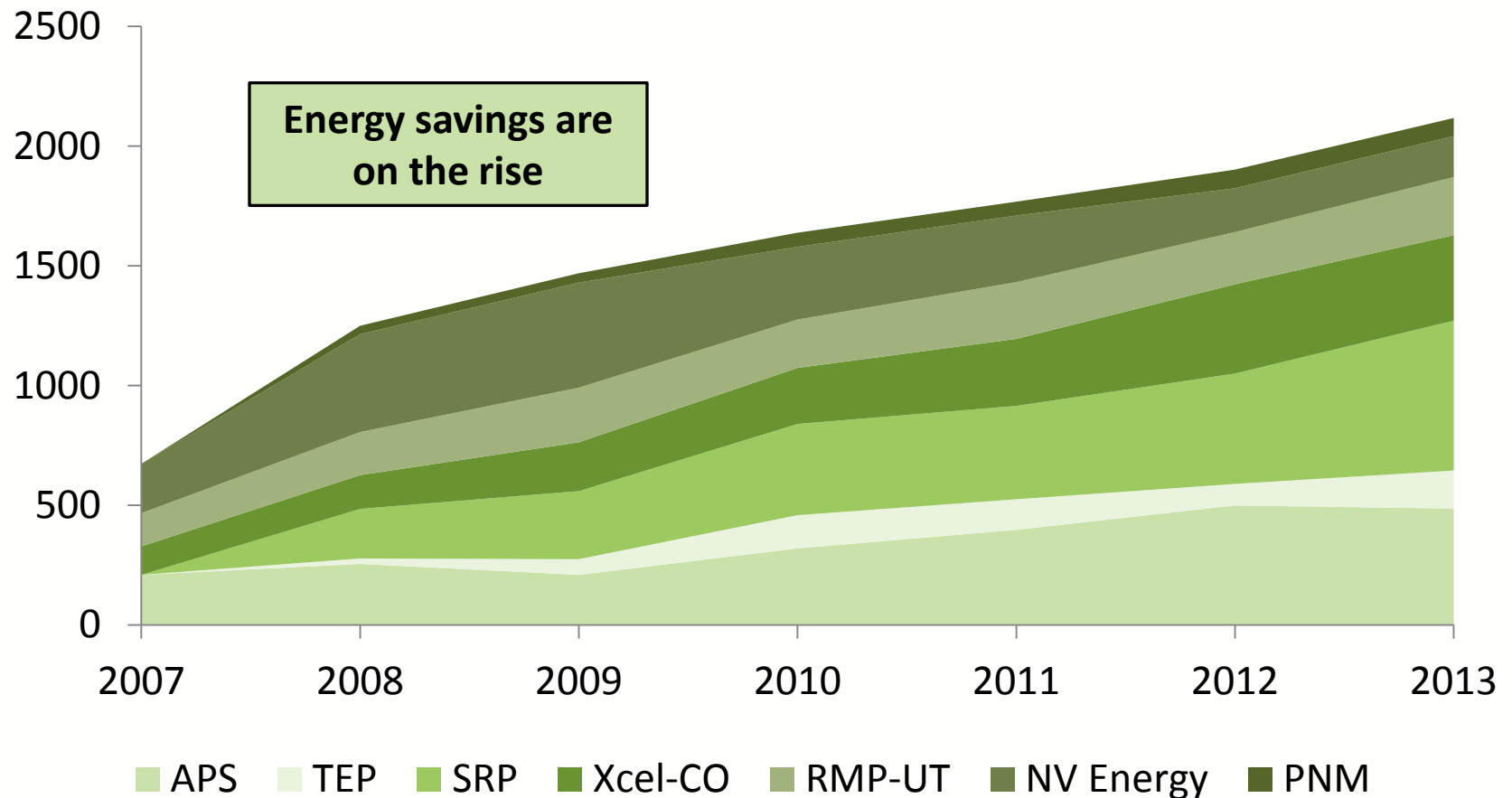
Electric Utility EE Program Spending: Trends in the Southwest

Utility Energy Efficiency Program Budgets, \$Millions



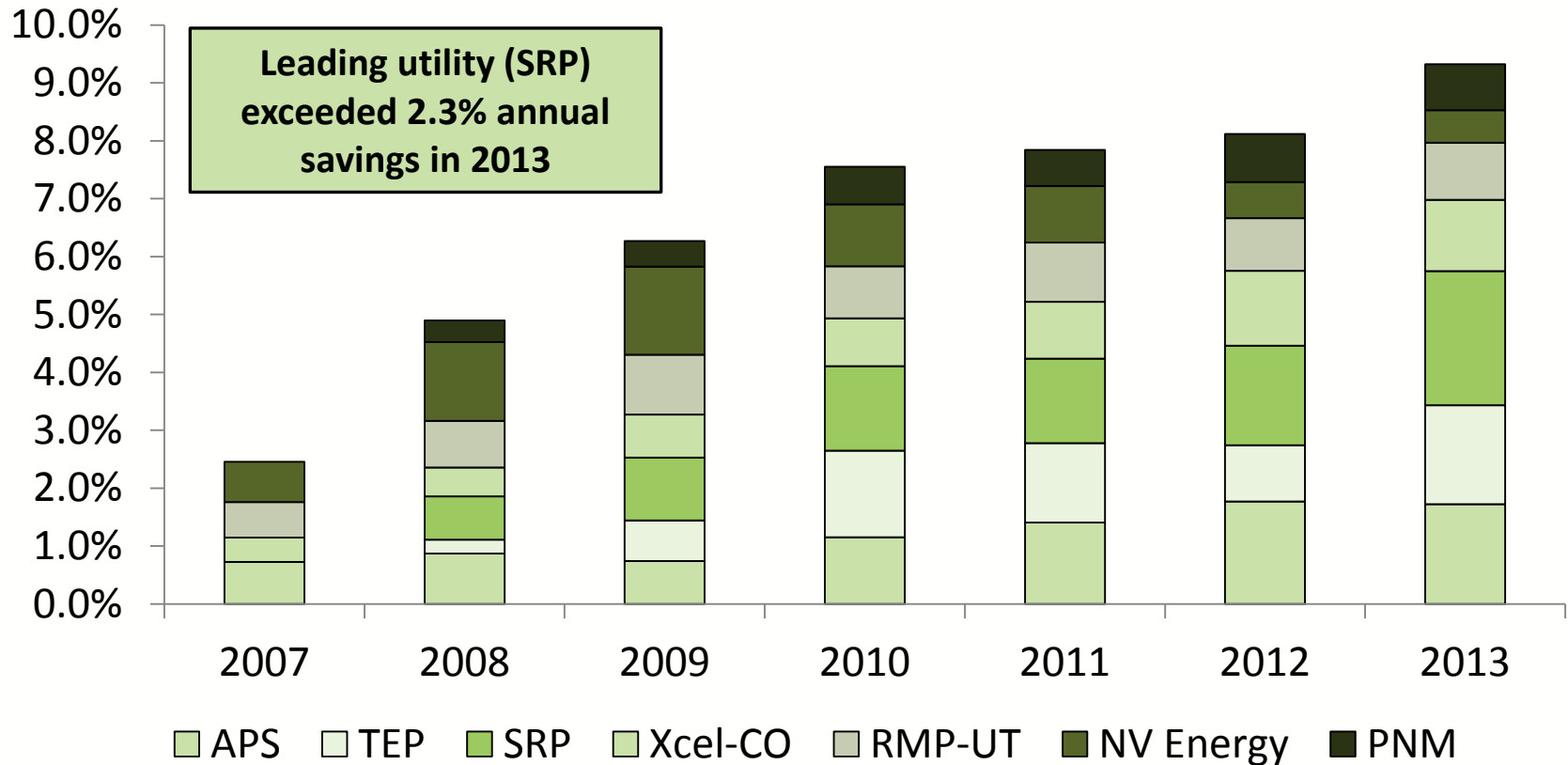
Electric Utility DSM Program Savings: Trends Among the 7 Major Utilities in the Region

Savings from Programs Implemented Each Year (GWh/yr)



Energy Savings Trends by Utility

**Annual Energy Savings as a % of Retail Sales,
By Program Year**

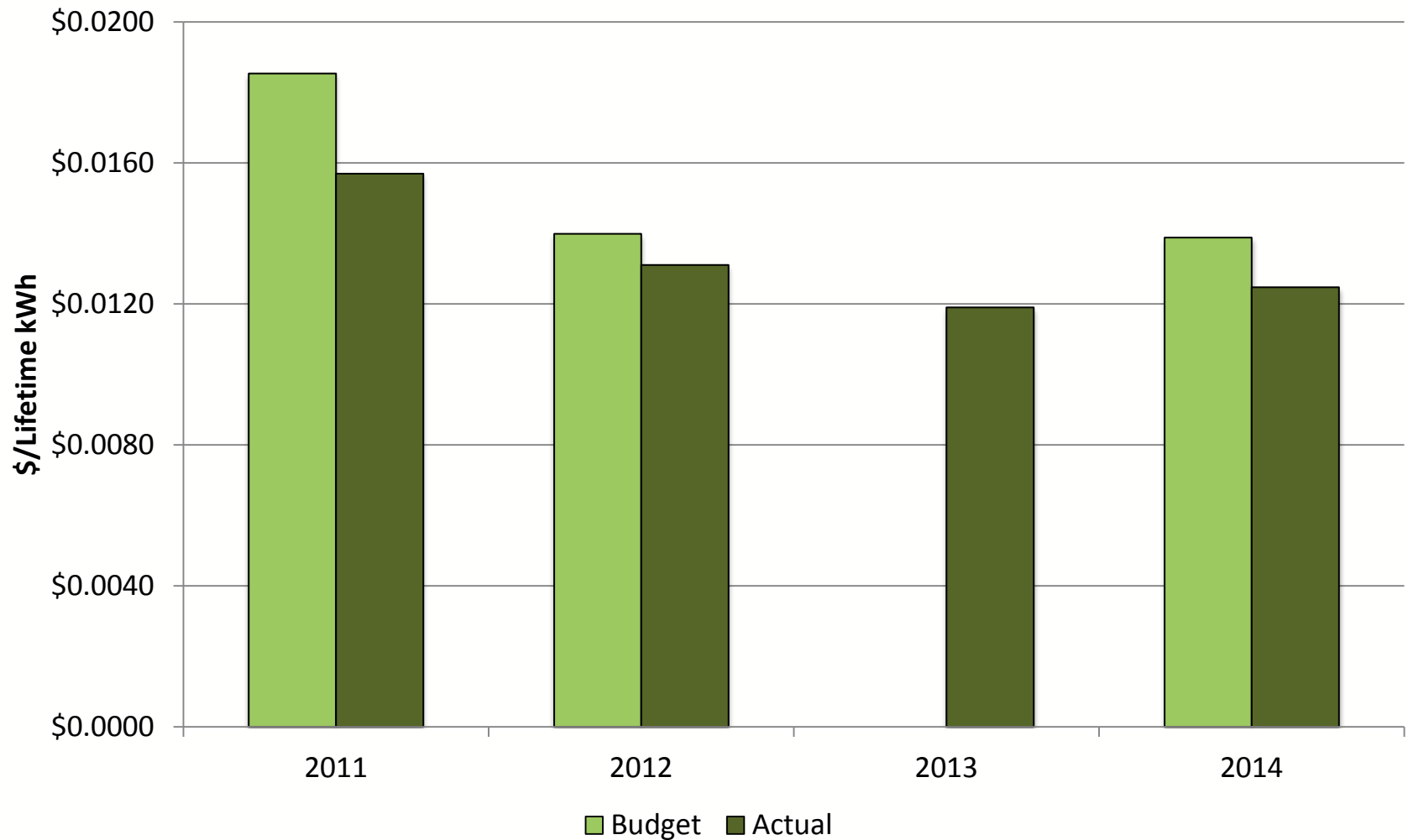


Example – Arizona

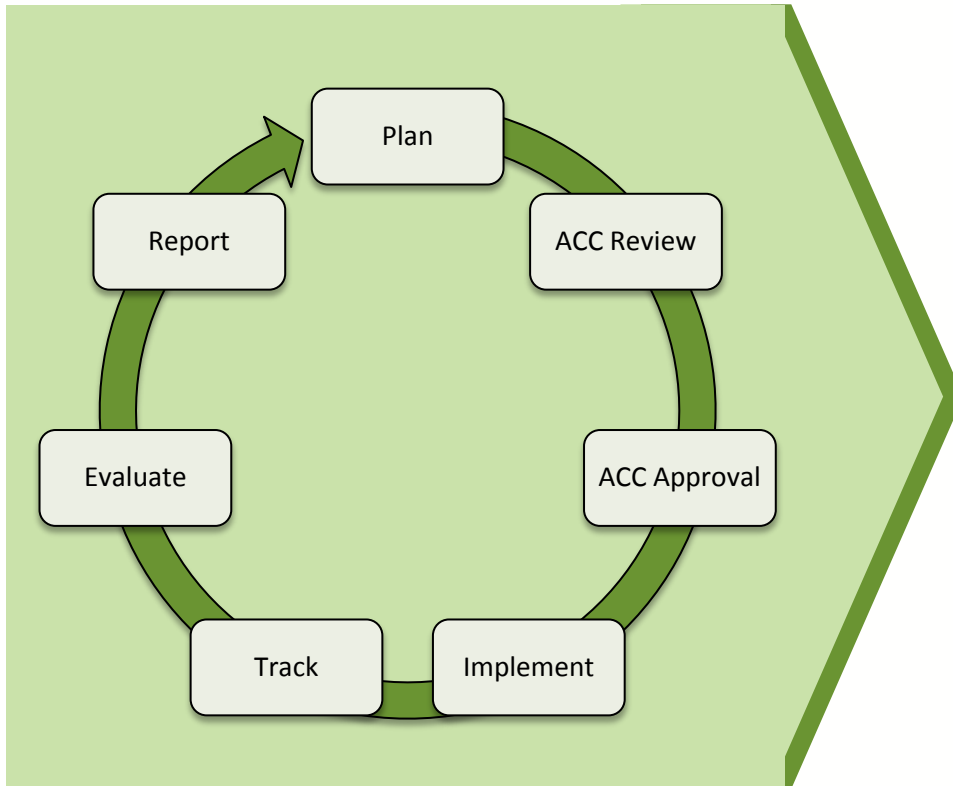
- Utilities meeting energy efficiency standards and ramping up savings
 - SRP achieved 2.3% annual savings as a percent of retail energy sales in FY 2014
 - APS achieved 1.75% annual savings in 2014
 - APS planning to increase savings by 9% in 2015
 - New TEP energy efficiency plan including new measures and programs approved in December 2014



Energy Efficiency: Costs in AZ Indicate that Significant Cost-Effective Savings Remain



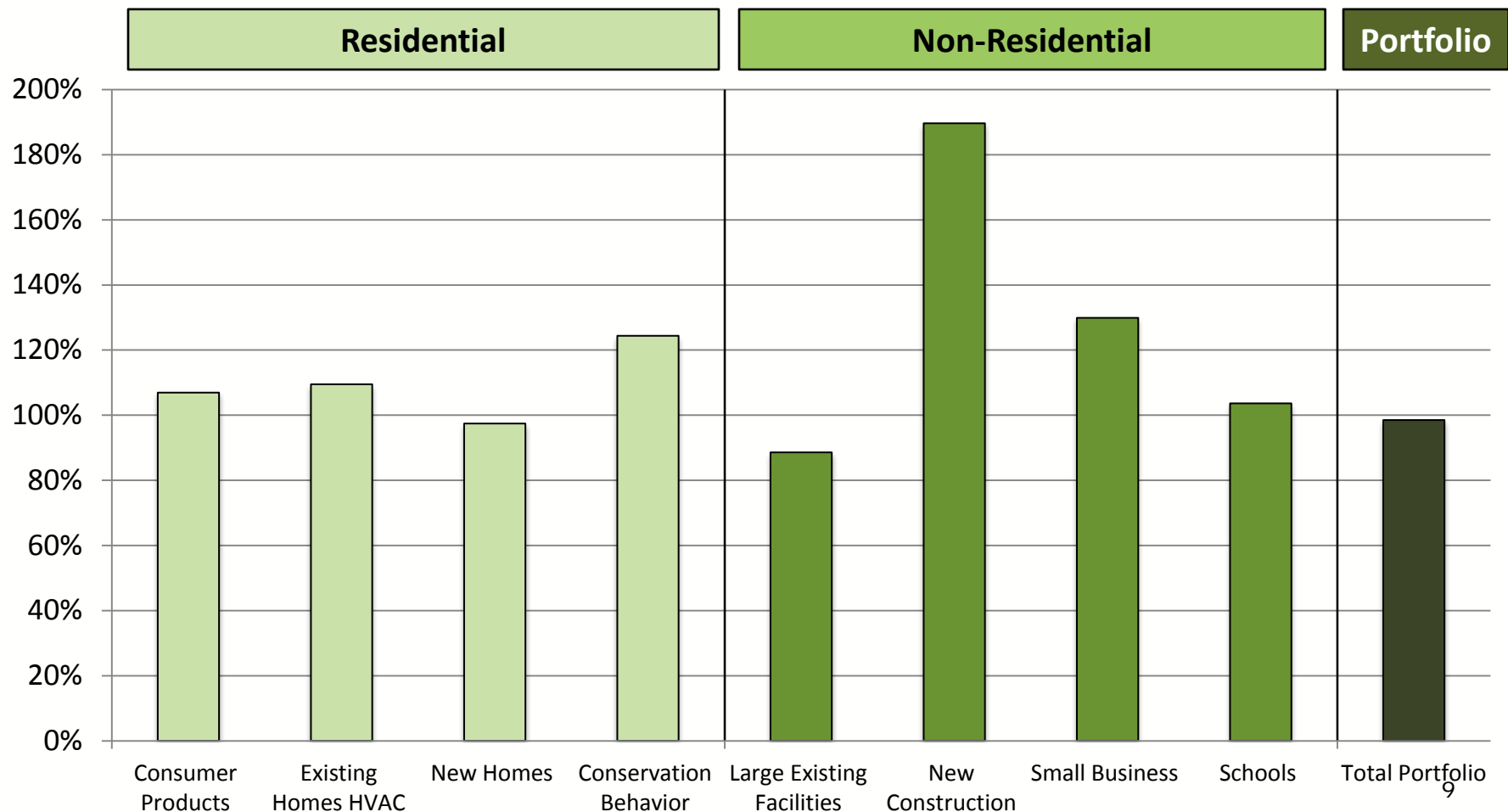
Energy Efficiency Evaluation & Approval Process



- Programs and measures are reviewed for cost effectiveness by the utility companies before they file their annual DSM implementation plans.
- ACC Staff review the cost effectiveness of programs and measures and develop a recommendation for Commission consideration.
- Commissioners review the cost effectiveness of the plan when they vote to approve or deny the Commission Staff's recommendation.
- Implemented programs and measures are tracked in the field and adjustments are made to achieve cost effectiveness as needed.
- Independent third-party evaluators assess the performance of programs and measures in the field.
- The utilities report the program results on a semi-annual and annual basis.
- Program results feed into the development of the next plan.

The Result: Performance of Individual Programs May Vary But the Overall Portfolio Delivers

APS: 2014 Achieved Savings as % of Plan for Portfolio & Select Programs



Data Driven Approaches Can Improve the Effectiveness of EE Programs

- ❑ **Effectiveness** – increasing energy savings by identifying and addressing all opportunities
- ❑ **Responsiveness** – tailoring program offerings and services to customers to better meet their needs
- ❑ **Timeliness** – providing timely, actionable data to make decisions, adjust as necessary, and report results
- ❑ **Cost-Efficiency** – data and analytics provide value and reduce the costs of delivery

Thank You & Contact Information

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Additional information and resources available online at:

www.swenergy.org