

Xcel Energy's Colorado Energy Efficiency Plan

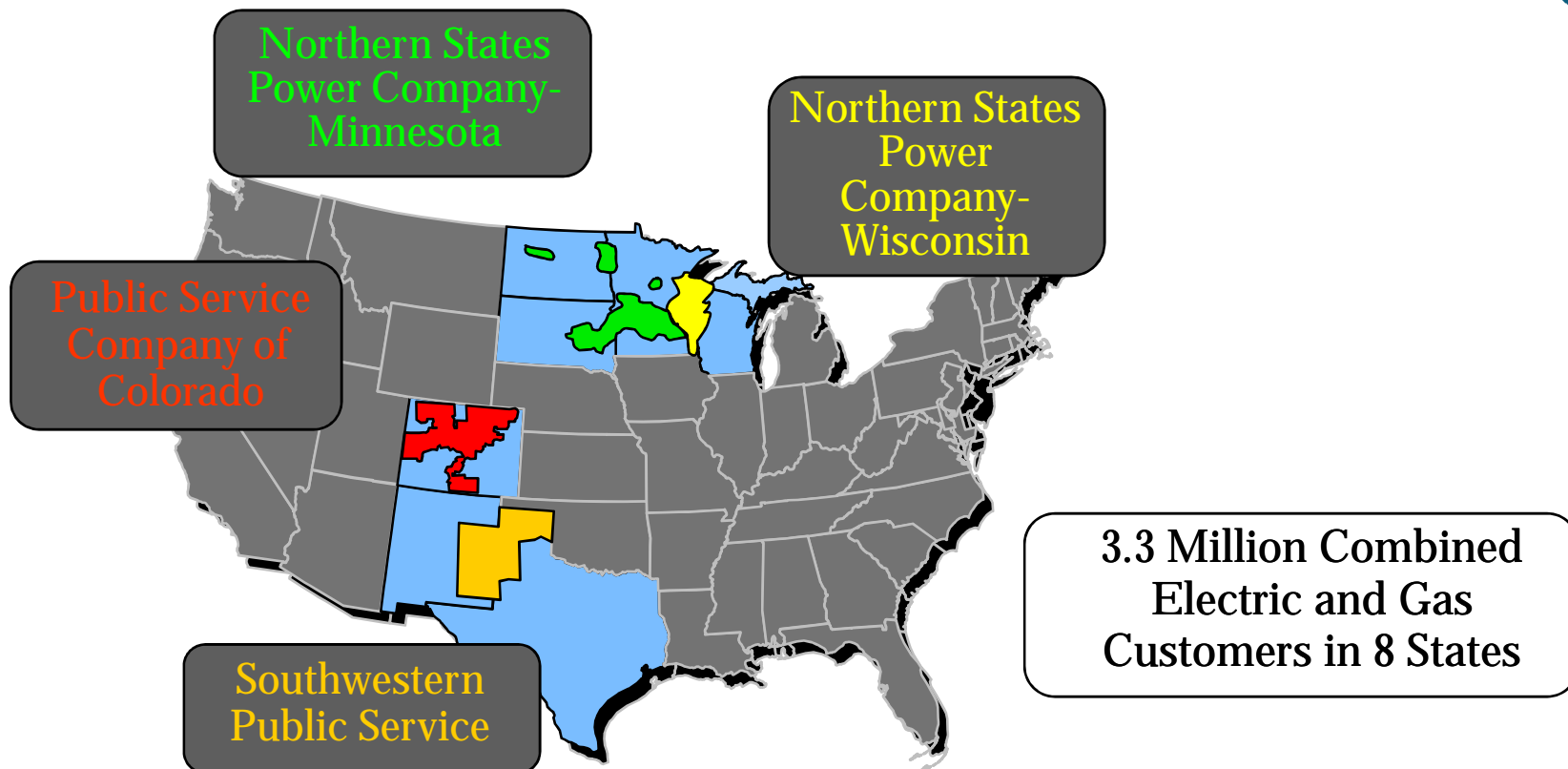
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CEU Exchange Conference

Deb Sundin

Xcel Energy

Xcel Energy Service Territory



Xcel Energy's Environmental Leadership

- Voluntary carbon management strategy
- Industry-leading voluntary emission reductions
- New technologies:
 - IGCC, hydrogen, plug-in hybrids, energy storage, carbon sequestration, solar
- Comprehensive CSR reporting
- Energy efficiency and conservation
- #1 Retail wind energy provider
- Member of



**Dow Jones
Sustainability Indexes**
Member 2007/08

Current Colorado DSM Commitment

- Comprehensive Settlement Agreement
 - 2004 Least Cost Plan

- 320 MW and 800 GWh over 2006-2013

- Represents approximately 0.35% of annual energy sales

Colorado DSM Programs

■ Residential

- ▣ Central AC Tune Up
- ▣ Evaporative Cooling
- ▣ Home Lighting
- ▣ Saver's Switch

■ Business

- ▣ Compressed Air
- ▣ Cooling
- ▣ Custom Efficiency
- ▣ Energy Management Systems
- ▣ Energy Design Assistance
- ▣ Lighting
- ▣ Motors and Drives
- ▣ Recommissioning

2007 CO Legislation HB 1037

- Gas DSM
 - ▣ Minimum spend requirement of 0.5% of retail natural gas revenues
 - ▣ Performance bonus: up to 20% of net economic benefits and 25% of expenditures
 - ▣ Rule making starting September 30, 2007
- Electric DSM
 - ▣ Energy savings and peak demand reduction goals established by the Commission
 - ▣ Minimum saving requirement of 5% of 2006 peak demand and energy sales before year-end 2018
 - ▣ Performance Incentive: allow a rate of return on DSM investments higher than other investments
- Rider Cost Recovery Allowed

Future Gas DSM

- Full Service Retail Customers

- Will Allow More Comprehensive Programs to Residential Customers
 - ▣ New Construction
 - ▣ Heating
 - ▣ Water Heating

- Plans to Incorporate E\$P (low-income)

Future Electric DSM

- DSM Application October 31, 2007 (tied to 2007 Resource Plan)
 - ▣ Base case equates to minimum level in legislation
 - ▣ Enhanced case equates to 50% of economic potential

- Xcel Energy Recommending Enhanced Case
 - ▣ Approximately 200 GWh per year starting in 2010
 - ▣ Represents approximately .7% of annual energy sales

- Providing Proposals for:
 - ▣ Cost Recovery
 - ▣ Performance Incentive
 - ▣ Administration

National Action Plan for Energy Efficiency

Deb Sundin
National Action Plan Leadership Group

www.epa.gov/eeactionplan

National Action Plan for Energy Efficiency

- Released on July 31, 2006 at the National Association of Regulatory Utility Commissioners meeting
- Goal: To create a sustainable, aggressive national commitment to energy efficiency through gas and electric utilities, utility regulators, and partner organizations
- Over 50 member public-private Leadership Group developed five recommendations and commits to take action
- Additional commitments to energy efficiency – exceeds 90 organizations

National Action Plan for Energy Efficiency Recommendations

1. Recognize energy efficiency as a high-priority energy resource.
2. Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.
3. Broadly communicate the benefits of and opportunities for energy efficiency.
4. Provide sufficient, timely and stable program funding to deliver energy efficiency where cost-effective.
5. Modify policies to align utility incentives with the delivery of cost-effective energy efficiency and modify ratemaking practices to promote energy efficiency investments.

National Action Plan Leadership Group

- Sets tone and overall direction of the Action Plan
- Released Action Plan Report and Recommendations
- Co-Chaired by:
 - Commissioner Marsha Smith, NARUC First Vice President and Member of Idaho Public Utility Commission
 - Jim Rogers, President and CEO of Duke Energy
- Includes 50 leading electric and gas utilities, state utility commissioners, state air and energy agencies, energy services providers, energy consumers, and energy efficiency and consumer advocates
 - US DOE and US EPA facilitated

The Leadership Group

The Leadership Group includes 28 electric and gas utilities, 18 state agencies, and 12 other organizations:

- American Council for an Energy-Efficient Economy
- Ameren
- American Electric Power
- Arkansas Public Service Commission
- Austin Energy
- Baltimore Gas and Electric
- Bonneville Power Administration
- California Energy Commission
- California Public Utilities Commission
- Servidyne Systems
- Connecticut Consumer Counsel
- Connecticut Department of Environmental Protection
- Connecticut Department of Public Utility Control
- District of Columbia Public Service Commission
- Alliance to Save Energy
- Duke Energy
- Entergy Corporation
- Environmental Defense
- Exelon
- Food Lion
- Great River Energy
- Idaho Public Utilities Commission
- ISO New England Inc.
- Johnson Controls
- Long Island Power Authority
- MidAmerican Energy Company
- Minnesota PUC
- National Grid
- Natural Resources Defense Council
- New Jersey Board of Public Utilities
- New Jersey Natural Gas
- New York Power Authority
- New York State Public Service Commission
- North Carolina Air Office
- North Carolina Energy Office
- Ohio Consumers' Counsel
- Pacific Gas and Electric
- Pepco Holdings, Inc.
- PJM Interconnection
- PNM Resources
- Public Advocate State of Maine
- Puget Sound
- SMUD
- Santee Cooper
- Seattle City Light
- Servidyne Systems
- Southern California Edison
- Southern Company
- Tennessee Valley Authority
- Texas State Energy Conservation Office
- The Dow Chemical Company
- Tristate Generation and Transmission Association, Inc.
- USAA Realty Company
- Vectren Corporation
- Vermont Energy Investment Corporation
- Wal-Mart Stores, Inc.
- Washington Utilities and Transportation Commission
- Waverly Light and Power
- Xcel Energy

Observers

- **American Gas Association**
- **American Public Power Association**
- **Association of Energy Engineers**
- **Business Council for Sustainable Energy**
- **Consortium for Energy Efficiency**
- **Council of Energy Resource Tribes**
- **Demand Response Coordinating Committee**
- **Edison Electric Institute**
- **Electric Power Research Institute**
- **Energy Future Coalition**
- **Energy Programs Consortium**
- **Gas Appliance Manufacturers Association**
- **Gas Technology Institute**
- **National Association of Energy Service Companies**
- **National Association of Regulatory Utility Commissioners**
- **National Association of State Energy Officials**
- **National Conference of State Legislatures**
- **National Council on Electricity Policy**
- **National Electrical Manufacturers Association**
- **National Rural Electric Cooperative Association**
- **North American Insulation Manufacturers Association**
- **Steel Manufacturers Association**

Commitments to Energy Efficiency

- Progress is already being made on commitments
- Commitments include:
 - ▣ Establishing state-level collaborative processes to explore how best to increase investment in energy efficiency
 - ▣ Investigating increased funding for cost-effective efficiency
 - ▣ Conducting formal investigation on ways utilities can remove the link between revenues and sales volume
 - ▣ Including energy efficiency on a consistent and comparable basis with supply-side resources in future resource planning activities
 - ▣ Meeting energy savings goals within the range of 10-35%
 - ▣ Proactively educating consumers on the benefits
- Action Plan also providing framework for several states and utilities looking pursue energy efficiency

Commitments to Energy Efficiency (2)

- 99 commitments made by stakeholders across 47 states
 - ▣ State Utility Commissions – AR, CA, CT, FL, HI, IA, KS, MN, NJ, NY, OR, VT, WA, WI
 - ▣ Utilities – BPA, Duke Energy, Entergy, Great River Energy, New Jersey Natural Gas, PNM, SMUD, Xcel Energy, etc
 - ▣ Other state agencies – OH and CT Consumers' Counsel; CA agencies; CT DEP; HI, MN, OR energy departments; Governors in CA, IA, OR, UT
 - ▣ ISO-NE and MISO
 - ▣ End-users – Dow, Eastman Kodak, Food Lion, Wal-Mart, etc
- More commitments necessary to meet the Action Plan Goal
 - ▣ New commitments to be announced in conjunction NARUC Annual Convention 2007 in Anaheim, CA
 - ▣ Contact Katrina Pielli (pielli.katrina@epa.gov)

Year One Accomplishments

- Reviewed key barriers to energy efficiency and surveyed policies and programs that have overcome these barriers
- Advanced the five (5) Action Plan Recommendations
- Announced over 90 public statements and commitments to advance energy efficiency through the Action Plan Recommendations
- Produced new resources to support commitments
 - ▣ National Action Plan for Energy Efficiency Report
 - ▣ Energy Efficiency Benefits Calculator
 - ▣ Consumer Energy Efficiency Fact Sheet

Year Two Work Plan

- Assist leading organizations in achieving their commitments—meaningful progress by summer 2007
- Engage more organizations in making commitments
- Develop new resources to support implementation of the Action Plan recommendations
- Explore approaches to address demand response
- Outreach on the Action Plan and its progress
 - Regional Implementation Meetings
- Recognize leadership
- Vision for 2025

National Action Plan for Energy Efficiency

Key Activities and Materials

- Regional Implementation Meetings
- Sector Collaborative on Energy Efficiency
- Key resources to advance the five Action Plan Recommendations:
 - Action Plan Vision for 2025
 - Aligning Utility Incentives with Energy Efficiency Investment Paper
 - Guide on Energy Efficiency Evaluation, Measurement and Verification Protocols
 - Guide on Resource Planning with Energy Efficiency
 - Guide on Conducting Potential Studies for Cost-Effective Energy Efficiency



July 31, 2006 - National Release at NARUC (Recommendations, Report, Commitments)

March 29, 2007 – Leadership Group Meeting

April 27, 2007 – New England Meeting

April 30, 2007 – Mid-Atlantic Meeting

June 21, 2007 – Midwest Meeting

June 27 & 28, 2007 – Sector Collaborative on Energy Efficiency Meeting

Sept. 28, 2007 – Southeast Meeting


National Action Plan for Energy Efficiency

Key Themes from Year Two Activities

- Regional Implementation Meetings
 - ▣ Tracking shows states all at different stages of deploying EE policies
 - ▣ Common findings
 - ▣ States with high EE investment looking to do more
 - ▣ Diverse views on preferred approaches, even within a region
 - ▣ Desire for innovative approaches
 - ▣ Collaboratives valuable to advancing dialogue and building trust
 - ▣ Political environment within states changing for EE, carbon link
 - ▣ Need for high-level policy direction to pursue EE
 - ▣ Regional meeting helping shape new commitments, EE collaboratives
- Sector Collaborative on Energy Efficiency
 - ▣ Commercial customers looking to utilities for data consistency and assistance with benchmarking building energy use
 - ▣ Utilities / customer collaboration valuable to future EE efforts

National Action Plan for Energy Efficiency

Next Steps

- National Update
 - ▣ Announce commitment success and new commitments
 - ▣ Release key Year Two materials
 - ▣ Vision for 2025
 - ▣ In conjunction with NARUC Annual Meeting
 - ▣ Nov. 12 in Anaheim, CA
 - Continue Action Plan Outreach
 - Develop Year Three Work Plan
- 
- November 12, 2007
National Update at NARUC Annual Meeting
 - Year 2 EE/DR Integration Effort
 - Continued outreach by Leadership Group
 - January 2008 Leadership Group Meeting
(Year Three Work Plan)

Assistance is available to help advance Action Plan commitments

- Leadership Group and other organizations will:
 - ▣ Conduct peer-to-peer information sharing and support
 - ▣ Provide education and outreach per their commitments
- DOE/EPA will:
 - ▣ Continue to facilitate the Action Plan process, including support for resources and activities
 - ▣ Provide technical assistance to state policy makers, including
 - ▣ Continue existing assistance to states on various utility efficiency topics
 - ▣ Expand work with states for aligning utility incentives w/ efficiency
 - ▣ EPC Act Section 140 solicitation for state, gas and electric utility partnership to reduce electric consumption (was due August 7th)
 - ▣ Share free resources from the ENERGY STAR, buildings, industrial, and clean energy programs to utilities and states
- Other parties
 - ▣ NARUC
 - ▣ Consortium on Energy Efficiency (CEE) “Ask the Expert”

Resources for States, Utilities and Stakeholders

- Guides and Papers
 - National Action Plan for Energy Efficiency Report
 - Aligning Utility Incentives with Energy Efficiency Investment (*Fall 07*)
 - Resource Planning with Energy Efficiency (*Fall 07*)
 - Conducting Potential Studies for Cost-Effective Energy Efficiency (*Fall 07*)
 - Model Energy Efficiency Program Evaluation (*Fall 07*)
 - National Action Plan Vision for 2025 (*Fall 07*)
- Outreach Material and Tools
 - Energy Efficiency Benefits Calculator
 - Communications Kit (*Fall 07*)
 - Resource and sample docket database (*Fall 07*)
 - Educational Briefings (*Fall 07*)
- Fact Sheets
 - Building Codes and Energy Efficiency
 - Consumer Energy Efficiency
- Regional Implementation Meetings
 - Policy tracking tables
 - Presentations and meeting summaries
- Sector Collaborative on Energy Efficiency
 - Presentations from June 27 and 28 Meeting
 - Background Paper on Utility Data Availability
 - Energy Consumption Profiles for participating sectors

For More Information

www.epa.gov/eeactionplan

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