



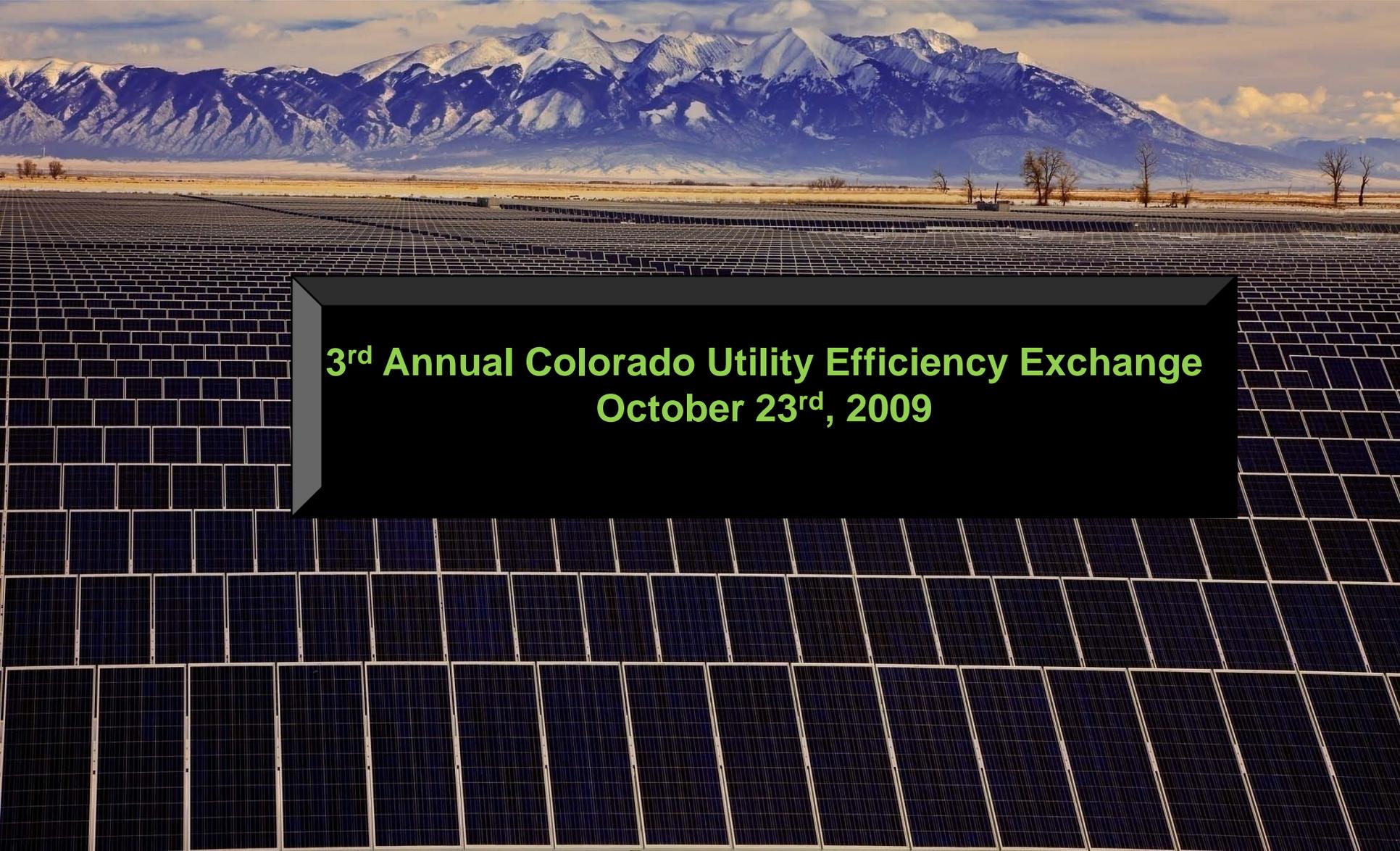
Governor's
Energy Office



3rd Colorado
Utility Efficiency Exchange

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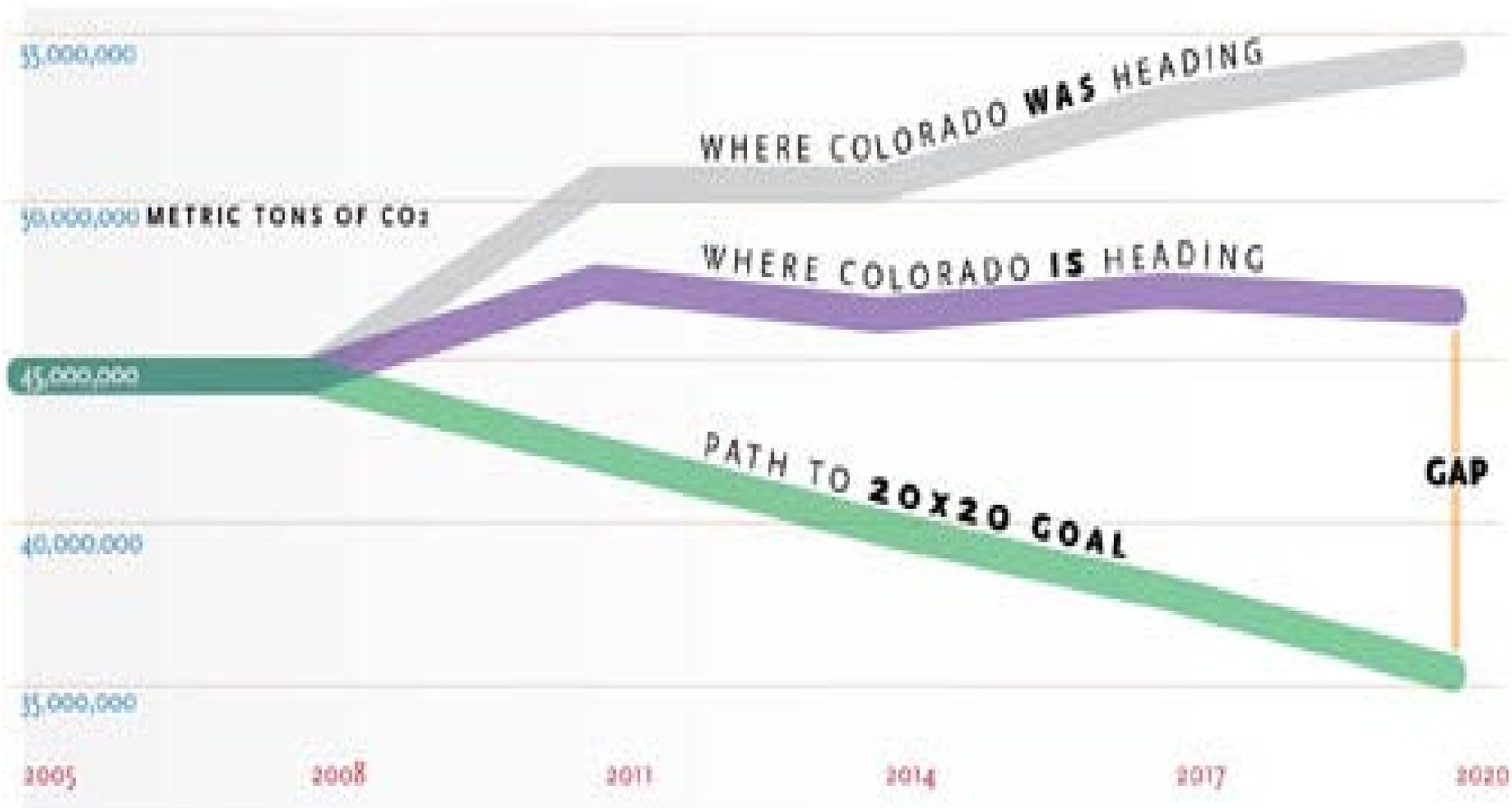
3rd Annual Colorado Utility Efficiency Exchange
October 23rd, 2009

Presentation Topics

- **The Colorado Climate Action Plan and DSM**
 - The role of DSM and Efficiency within the CAP
 - Preview of content for the Public Power document
 - General principles behind the document
 - Running the numbers, how do we get there from here?
- **GEO Efficiency Investment Strategy**
 - GEO Efficiency Rebates
 - The GEO Rebate Program
 - Partnership Models
 - The EECBG Strategy
 - Relationship between GEO and Utility goals
 - Recommendations for a permanent DSM working group

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CO Emission Trends



Governor's Energy Office

Climate Action Plan for Muni's and Coops

■ Status Update:

- Report focuses on a collaborative approach to identifying options to meet 2020 goal of 20% reduction of CO₂ by 2005 baseline year
- Modeling work being conducted by GEO to identify multiple scenarios to achieve 2020 goal from the non-IOU load
- Report to be released early December, 2009 and will detail different pathways to meeting reduction targets as expressed by utilities and the Governor's Energy Office

The Colorado Climate Action Plan and DSM

The role of DSM and Efficiency within the CAP

- The Climate Action Plan goal states that 50% of CO2 reductions will be met from the electric power sector through energy efficiency measures and utility DSM. The Utilities are projected to achieve 14,200 GWh for both the regulated and non-regulated sector combined
- 41% of this total is: 5,822 GWh This number is expected to come from utility DSM. We assume IOUs (Xcel & BH) will deliver 60% (3,493 GWh) and the remaining 40% (2,329 GWh) is expected to come from Non-IOUs.
- The recently published PUC report projects utility DSM to reach 6,725 GWh by 2020, about 15.5% (900 GWh) more utility DSM than what was contemplated in the CAP. PUC is projecting that IOU DSM by 2020 to reach 3,952 GWh and the remaining 2,773 GWh (about 41%) is projected to be achieved by Non-IOUs.
- In other words, PUC's new report is expecting IOUs and Non-IOUs to deliver even more (about 459 and 444 GWh, respectively) DSM by 2020.

The Colorado Climate Action Plan and DSM

Preview of content for the Public Power document

The GEO is currently modeling the CAP projection of:

2,329 GWh of DSM for energy reduction on the Non-IOUs by 2020 and

3,493 GWh of DSM for energy reduction on the IOU's by 2020

The Colorado Climate Action Plan and DSM

General principles behind the document

The CAP for Municipal Utilities and Rural Electric Cooperatives Report is meant to provide a snapshot of:

- ❑ How non-jurisdictional utilities view the CAP and what challenges they see in meeting the 2020 goal
- ❑ Modeling conducted by the GEO which outlines a series of resource pathways to meet the reduction goal for the non-IOU sector
- ❑ This document is a culmination of voluntary cooperation between utilities and the GEO and is not a precursor to rulemaking

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Climate Action Plan for Muni's and Coops

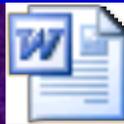
Participating Utilities:

- Colorado Springs Utilities
- City of Aspen
- City of Gunnison
- City of Fountain
- Delta Montrose Electric Association
- Ft. Collins Power and Light
- Highline Electric Association
- Holy Cross Energy
- Platte River Power Authority
- San Miguel Power Association
- Tri-State Generation and Transmission
- United Power

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Climate Action Plan for Muni's and Coops

- All utility reports have been submitted and are now part of a single narrative for the climate report
- GEO currently executing quantitative modeling
- Here is a preview:



Microsoft Office
Word 97 - 2003 Document

GEO Efficiency Investment Strategy

List of ARRA funded energy efficiency measures and \$\$

Energy Audits: \$2M

Insulation: \$4.5M

Air Sealing: \$377K

Duct Sealing: \$171K

Gas Furnaces: \$2.5M

Energy Monitors:

\$97K

Clothes Washers: \$450K

Dish Washers: \$200K

Refrigerators: \$600K

Water Heaters: \$900K

Furnaces: \$2.1M

Gas Boilers:

\$200K

GEO Efficiency Investment Strategy

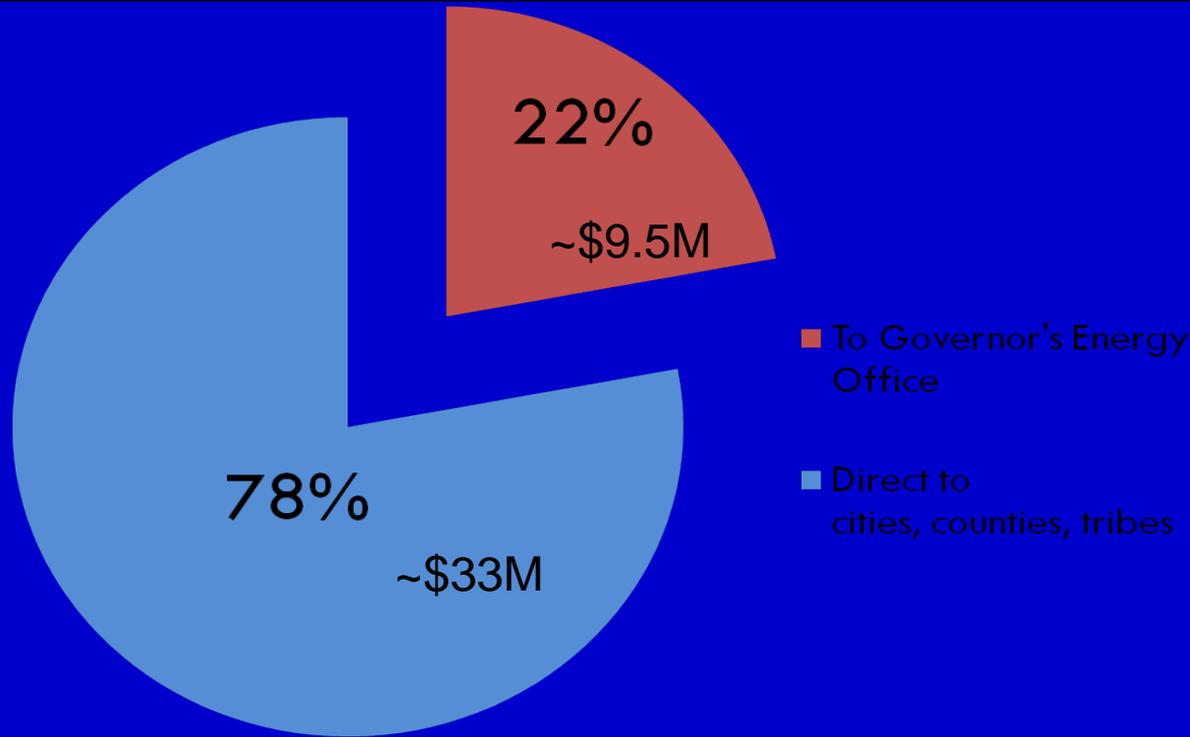
List of ARRA funded energy efficiency grants

EE Grants

- ENERGY STAR New Homes
- ENERGY STAR Training
- ENERGY STAR Mortgage
- Above Building Codes
- Energy Efficiency Expansion and Training
- Innovation Funding for Energy Efficiency
- CFL Buy down

GEO Efficiency Investment Strategy

EECBG



EECBG:

GEO is distributing majority of Energy Efficiency Conservation Block Grant directly to entitled communities per formula. GEO retains 9M to help fund additional energy efficiency measures and retrofit projects statewide

GEO Efficiency Investment Strategy

Partnership Model

- During the first two weeks of November the Governor's Energy Office (GEO) will hold a series of community outreach meetings to discuss energy efficiency (EE) and renewable energy (RE) rebates opportunities offered through the GEO, funded by the American Recovery and Reinvestment Act.
- These meeting will take place throughout the State with invitations extended to utilities, local governments and nonprofits. Those who attended will learn about the following:

GEO Efficiency Investment Strategy

Partnership Models

The workshops held in November will provide:

- ✓ Details on EE and RE rebate types and incentives to be offered in 2010, 2011, and 2012
- ✓ Opportunities for local utilities, governments and Non-Profits to partner with GEO
- ✓ Structure by which the GEO program will exist with local community rebate programs
- ✓ GEO's plan to provide education and outreach to Colorado residents about EE and RE technologies and opportunities to reduce energy costs.
- ✓ GEO staff will be available to answer questions about the programs and to help local utilities, governments and nonprofits determine whether or not they would like to partner with the GEO to provide EE and RE rebates to their community.
- ✓ GEO will hold future meetings and trainings for RE and EE industry members, Colorado residents and business, but requests that only local utilities, governments and non-profits attend these series of meetings.

GEO Efficiency Investment Strategy

Partnership Models

The primary contact for November workshop registration and sign up is:

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Governor's Energy Office

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E: danielle.vaughan@state.co.us

GEO Efficiency Investment Strategy

Issues heard at the conference and reactions from
Matt at 10:31PM Thursday night.....

Q: Longevity: why should we adjust program targets or design when ARRA is simulative?

A: GEO is working on long term clean energy financing \$\$\$\$\$

Q: Impact: when is this all really going to happen?

A: GEO targets January 2010 for rollout of all RE/EE rebates

Q: Impact: how can we ensure GEO does not negatively impact our ability to meet regulatory targets for EE?

A: Communication and mutual adjustments over 2011-2012

GEO Efficiency Investment Strategy

Weatherization

- \$80M over 3 year lifecycle

GEO will Provide low income community with comprehensive weatherization services at no cost to the resident

- At or below 200% Federal Poverty Level
- 10 local agencies partners
- Provide comprehensive weatherization services to qualified households
 - Full home energy audit
 - Correct all energy related health and safety issues
 - Implement all cost effective energy efficiency measures
 - Provide client education
- \$6,500 maximum per home average

GEO Efficiency Investment Strategy

WX: Things to think about

Items GEO Weatherization program would like to communicate:

1. The infrastructure for this partnership is substantial and has been developed over a long period of time. Breaking this down and trying to rebuild after 3 years would be very cumbersome and would be a major setback to taking advantage of the opportunities in this market. Utility funds make a difference – they allow us to install more measures that we could not install without their funds & we can't go back to these homes.
2. In terms of what measures we install in a home under the DOE weatherization program, we are limited by the DOE requirement that all measures installed must be determined cost effective over the life of the measure by DOE approved audit software. While we have received significantly more money under the ARRA, these funds came with requirements that actually make it more difficult for certain energy efficiency measures to meet cost effectiveness requirements.

GEO Efficiency Investment Strategy

WX Things to think about

3. Under ARRA our program is required to adhere to Davis Bacon legislation, which dramatically increases the labor costs associated with certain measures, particularly furnace replacement. Additionally, under ARRA, we are required to use new audit software to calculate cost effectiveness which seems to result in less furnace installations.
4. Utility dollars are not a part of this cost effectiveness requirement. As such, when we can combine utility dollars with DOE dollars, we can do measures that would normally be unallowable with only DOE funds.
5. Most importantly, we are not allowed to return to a home once we have spend DOE funds in it, so canceling these partnerships would represent a huge lost opportunity to make low income homes as energy efficient the first time we visit.

BONUS SLIDES

Current GEO Utilities Program Activities

Utilities Profile Tool:

- <http://www.colorado.gov/energy/index.php?/resources/profile/flash-map>

Utilities Database and Annual Report:

- Documented Quote posted October 30th

BONUS SLIDES:

Current GEO Utilities Program Activities

Colorado Energy Assurance and Security Plan (\$650K DOE grant lead by GEO)

The Colorado Governor's Energy Office will build a new intra-state framework for handling energy emergencies such as cyber attacks, major system outages, and threats to critical energy infrastructure statewide.

The objectives of this initiative are to: 1) strengthen and expand state and local government energy assurance planning and resiliency efforts by incorporating response actions for new energy portfolios and Smart Grid applications; 2) create jobs, and 3) build in-house state and local government energy assurance expertise.

Plan was submitted October 5th, 2009

GEO Efficiency Investment Strategy

Recommendations?

- Let's keep talking!
- We want to learn from your expertise
- GEO prefers to work in conjunction with partners
- A longer term strategy for EE deployment for CO may be at hand post ARRA
- Permanent sub-group on DSM may be a good idea



Governor's Energy Office

Thank you

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