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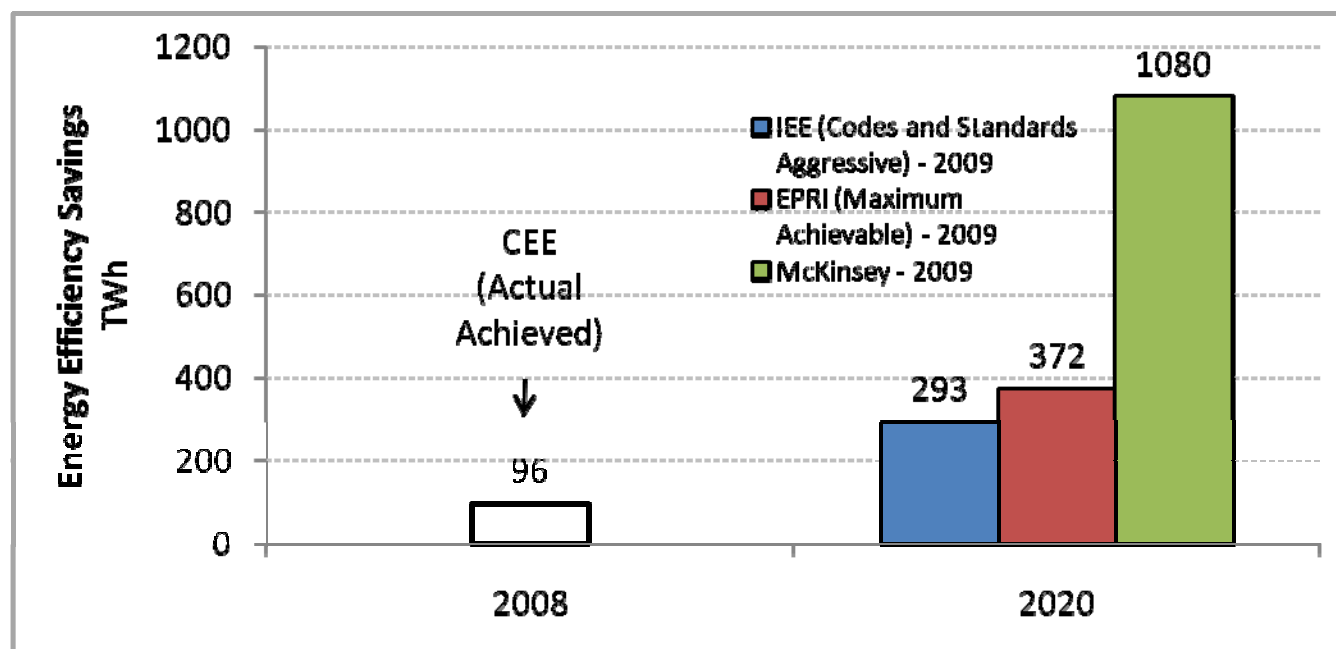
# Ratepayer-funded Energy Efficiency: Nationwide Trends

Lisa Wood  
South Dakota Energy Efficiency Workshop

Pierre, South Dakota  
June 23, 2010

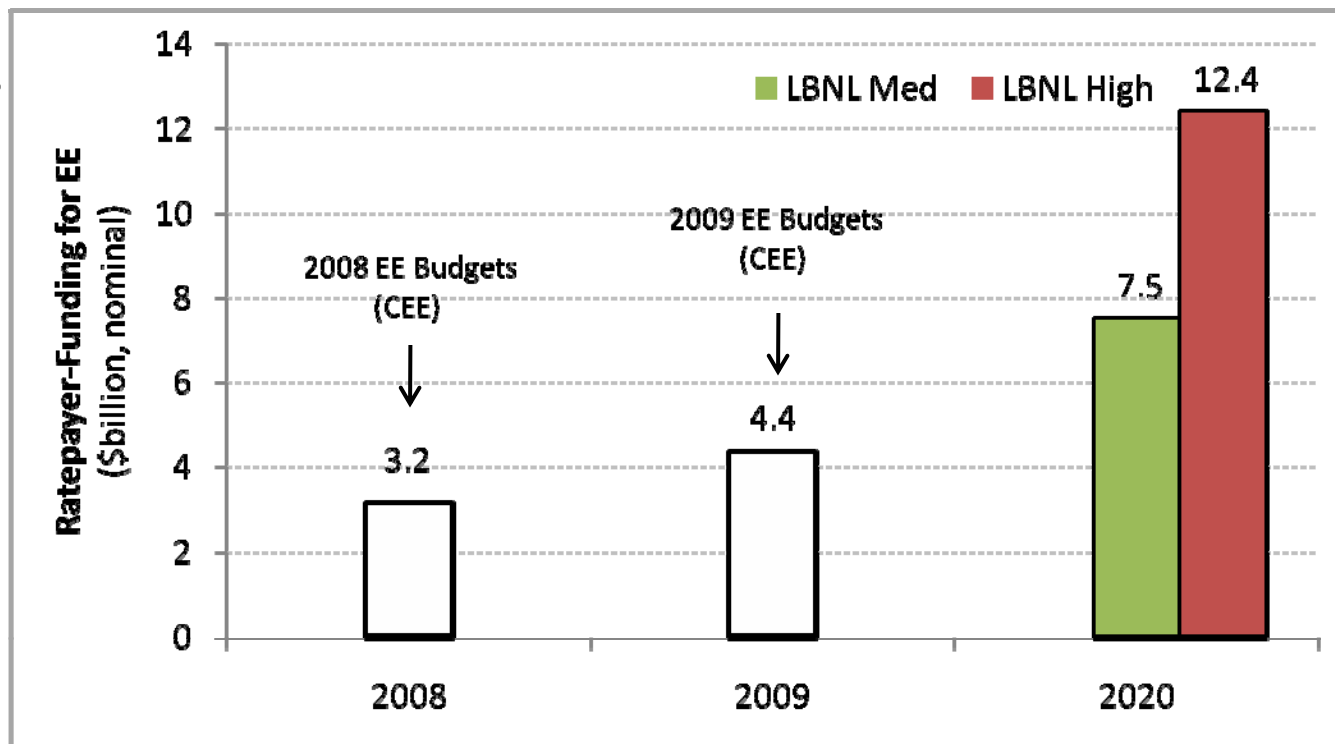
In 2008, ratepayer-funded EE programs saved 96 TWh. But, significant potential for much more energy efficiency savings.

96 TWh represented about 2.6% of total usage in 2008.

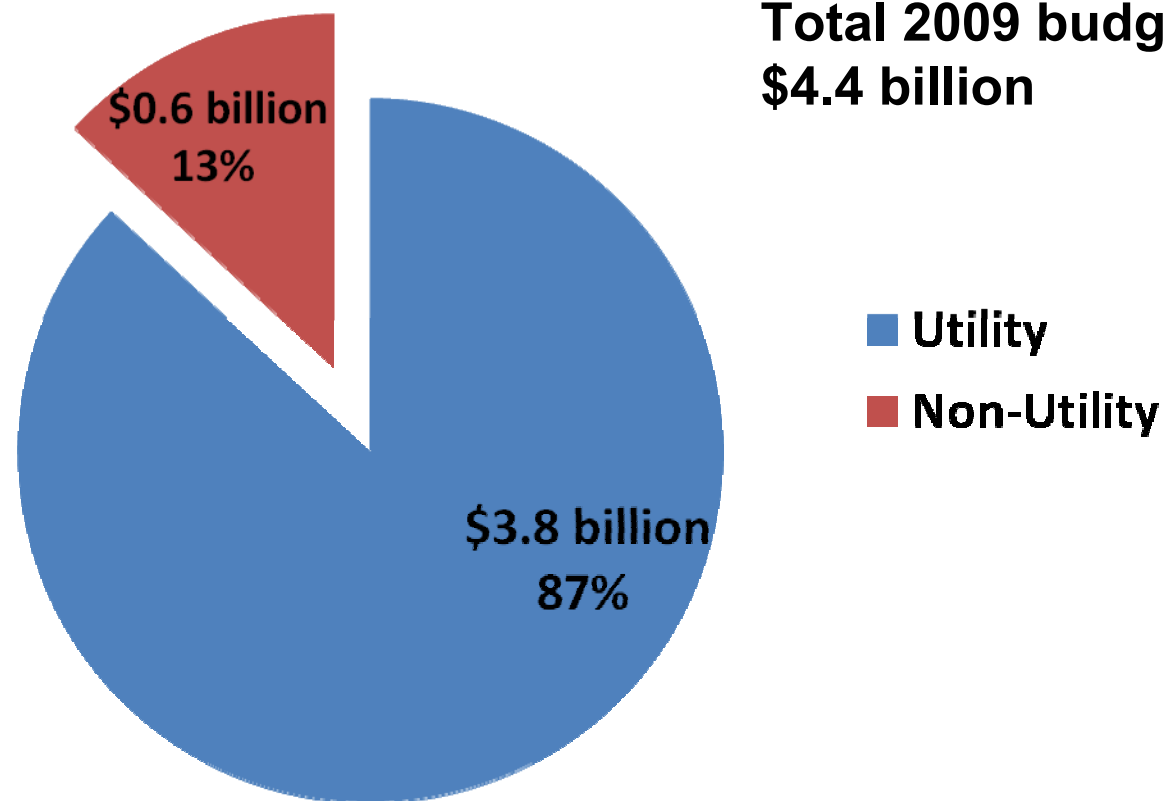


# Ratepayer funded EE budgets are growing significantly

LBNL forecasts \$12.4 billion of ratepayer funded EE by 2020 (under high scenario) – a three-fold increase from today.

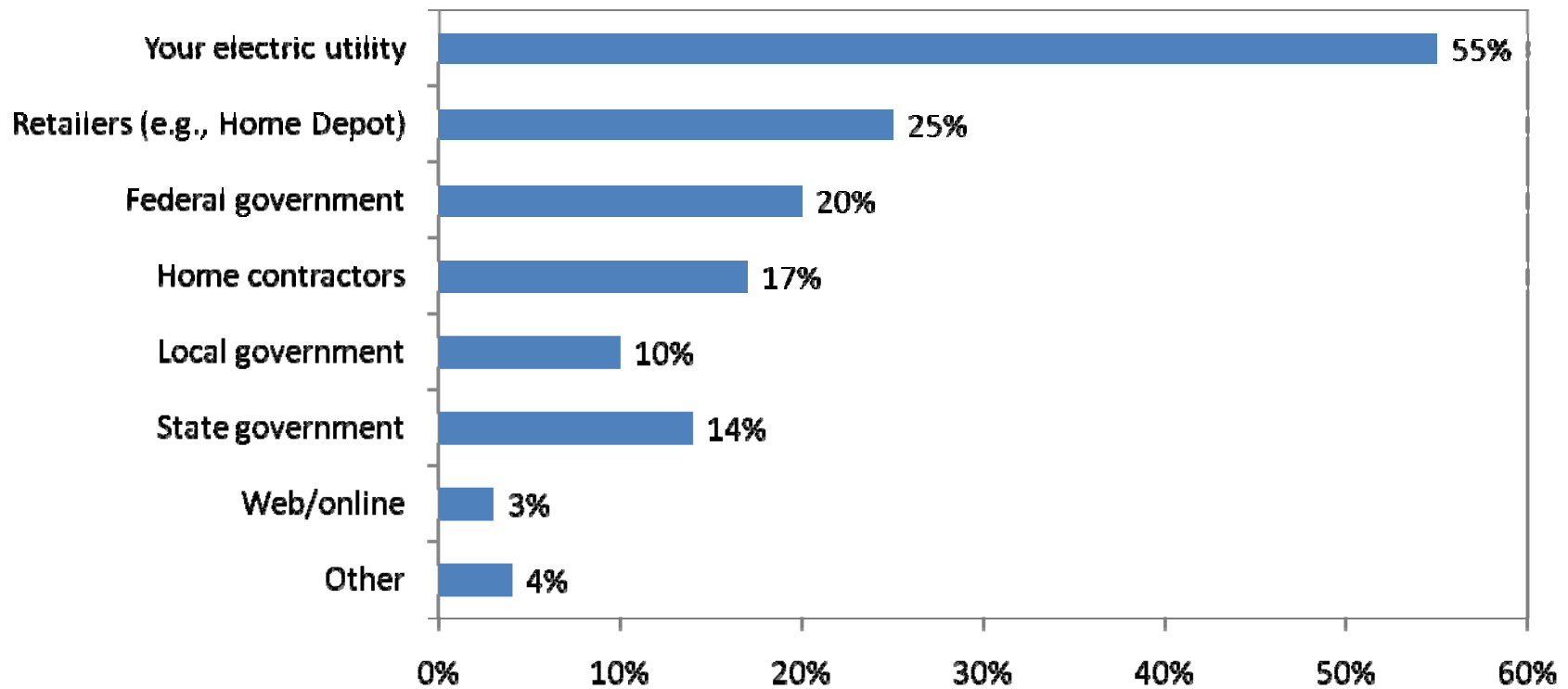


In 2009, ratepayer-funded electric efficiency budgets totaled \$4.4 billion in the U.S. Electric utilities responsible for 87% (CEE)



# Majority of consumers look to their electric utility as a source of energy efficiency information

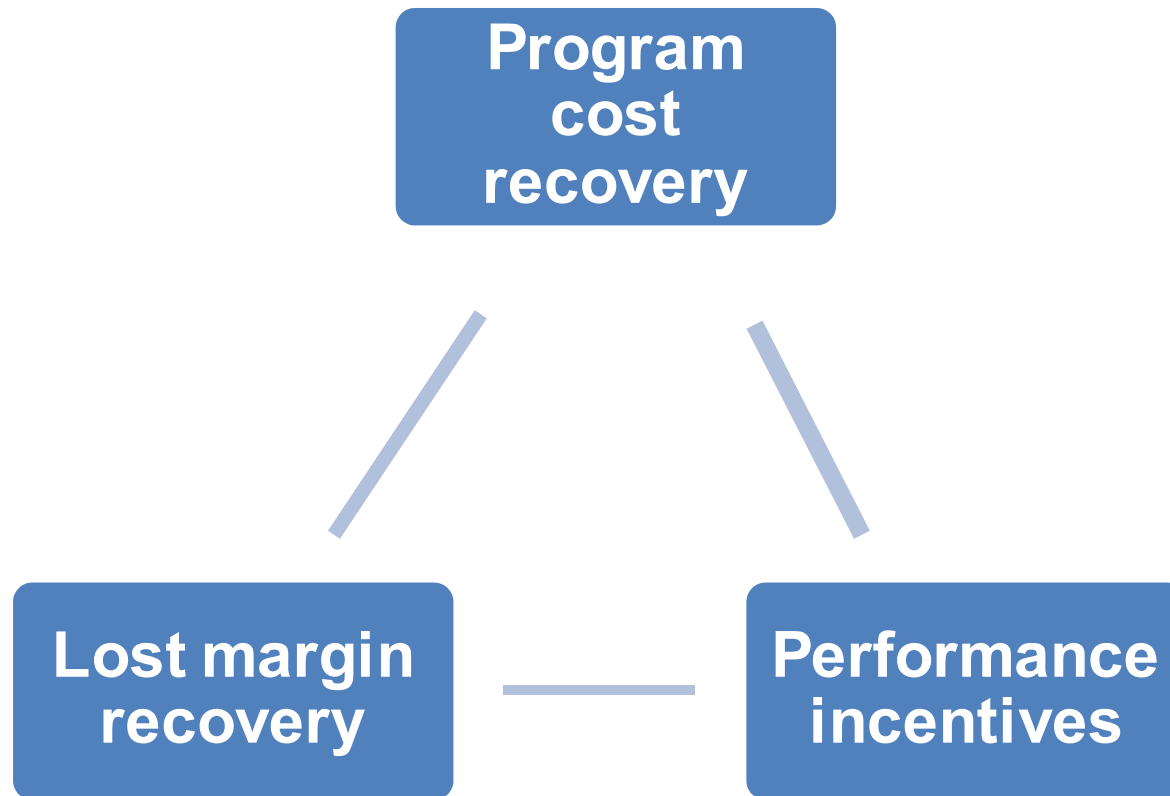
**What groups or organizations would you look to for more information on how to use electricity more efficiently?**



EEl PowerPoll Q1 2010



# Aligning incentives for EE investments – three regulatory components

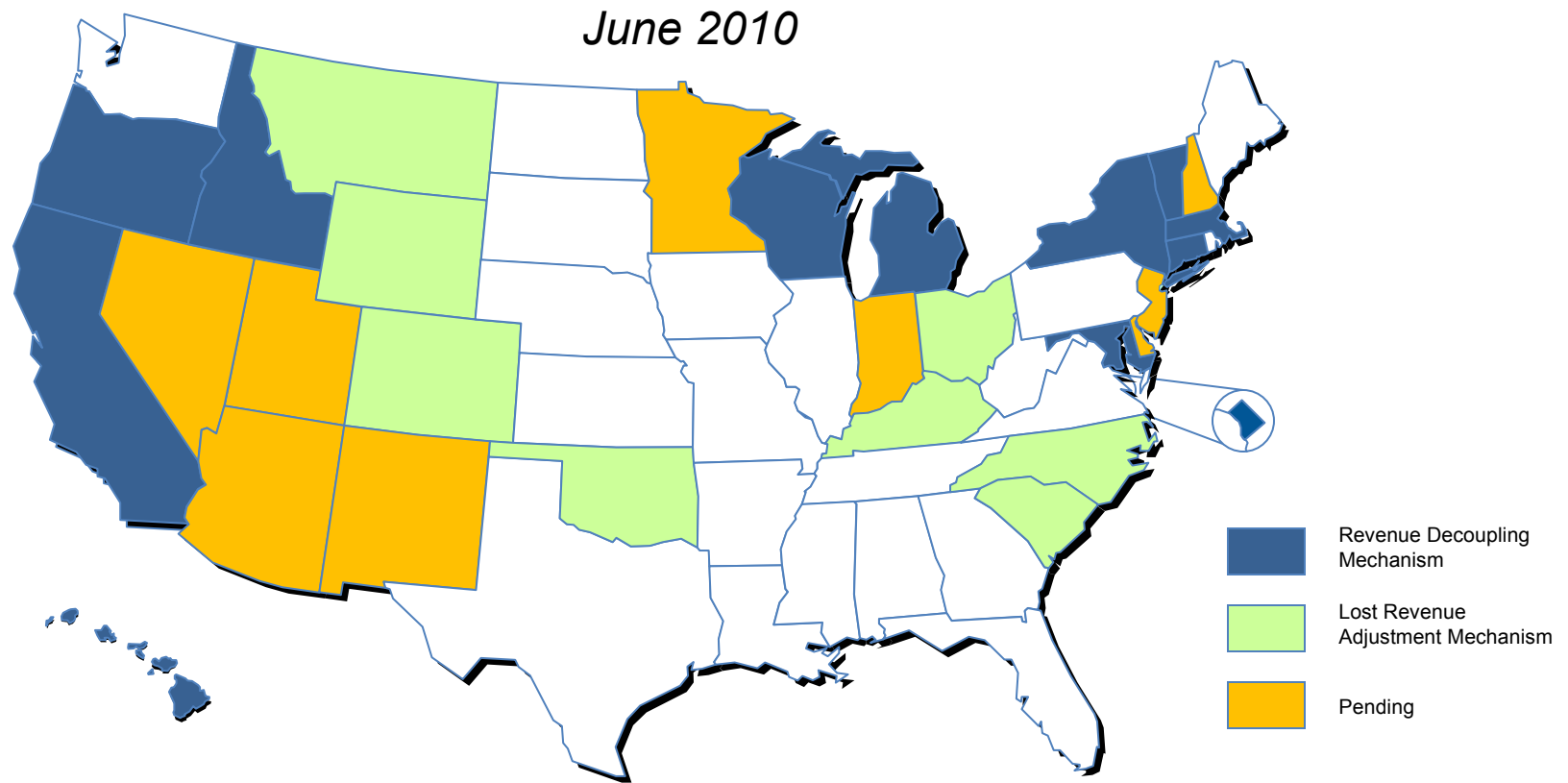


# State regulatory environments are evolving to support increased electric utility EE efforts

The number of states aligning utility incentives with investments in EE has increased significantly over the past 2 years

Energy Efficiency Incentive Mechanism		Number of states	Pending
Fixed-cost recovery mechanisms	Lost revenue recovery	8	1
	Revenue decoupling	12	9
Performance incentives		22	6
Virtual power plant		3	1

# Electric utility lost revenue and decoupling mechanisms by state (details vary by state)



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<http://www.edisonfoundation.net/IEE/>

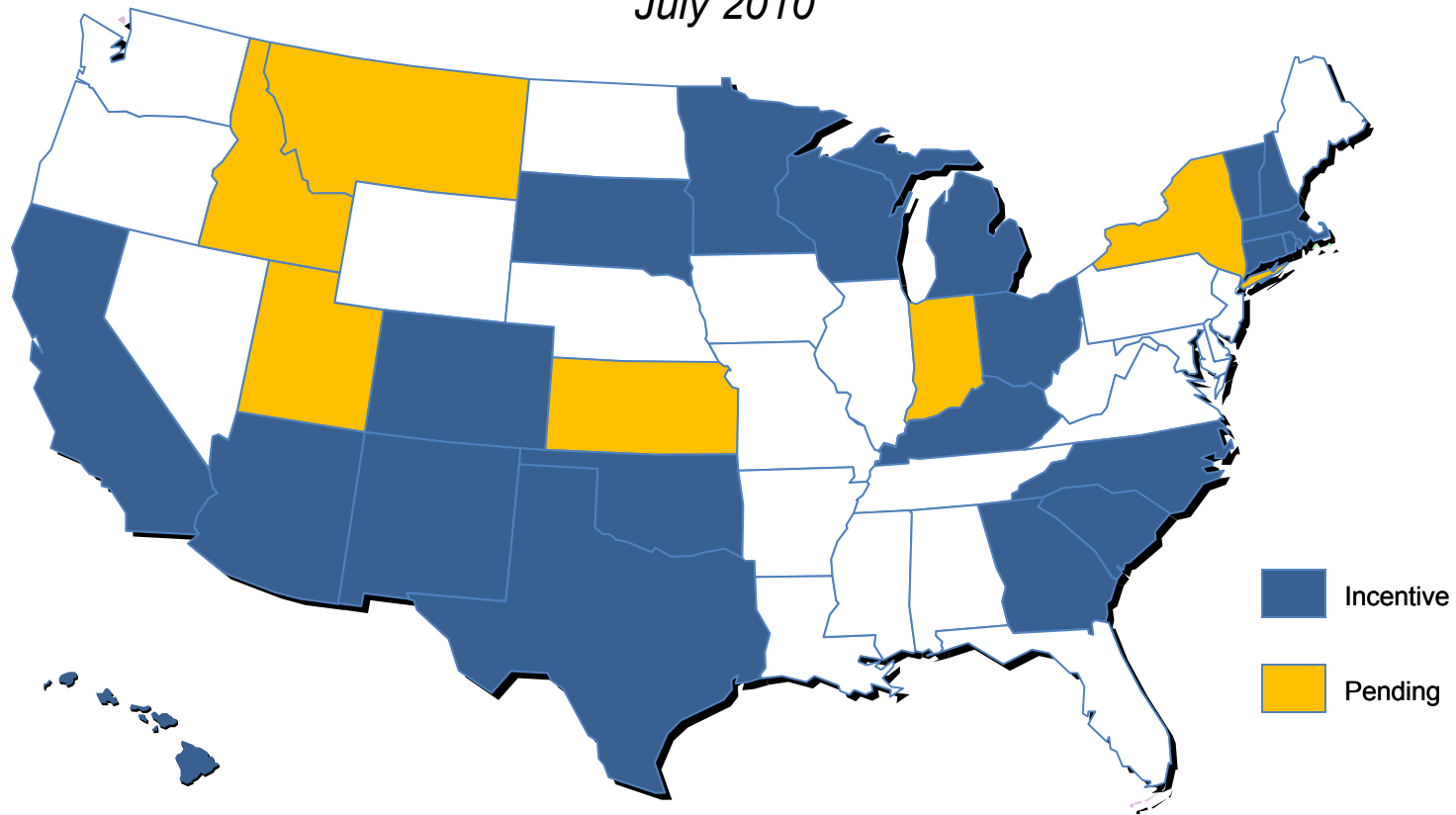


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# Electric utility performance incentives by state (details vary by state)

July 2010

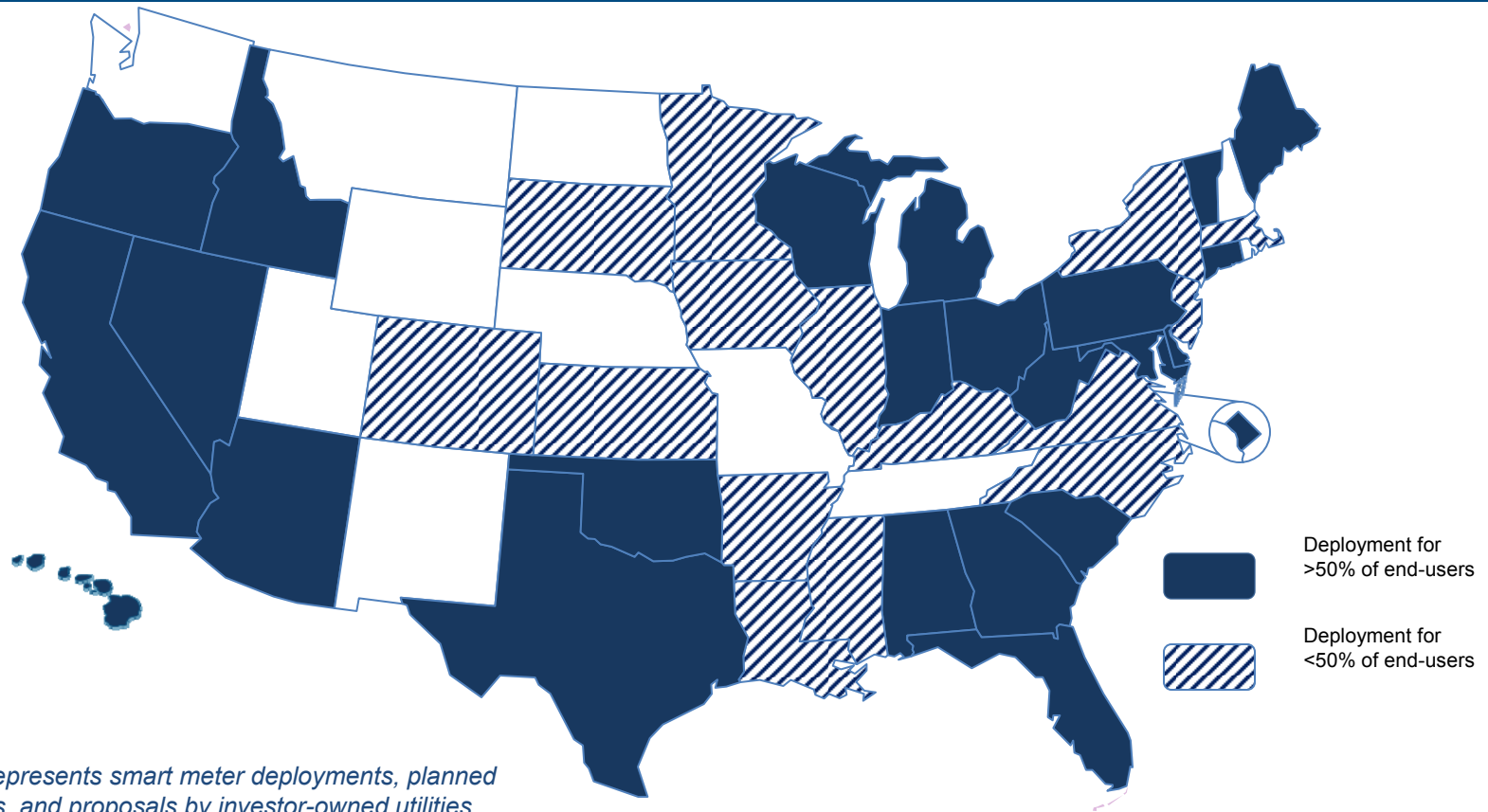


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# Thoughts on EE funding mechanisms

- Example. Over past few years, NV Energy significantly increased EE investments under a bonus ROE incentive. This year, NV Energy filed for decoupling mechanism. Commission approved.
  - 2005: Spent \$10.8 million and saved 174,023 MWh
  - 2008: Spent \$44.9 million and saved 817,926 MWh
- Incentives work! States with mechanisms that support EE have more EE savings.
- Most states use the TRC (total resource cost) test. In Florida (where RIM test was historically used for EE), focus is on load shifting, not energy savings.
- To-date, most contention has been around performance incentives (EM&V issues) not lost revenue recovery/decoupling.

# Utility scale smart meter deployments, plans, and proposals (IEE, February 2010)



*\*This map represents smart meter deployments, planned deployments, and proposals by investor-owned utilities and large public power utilities.*

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# Smart meter platform and home area network technologies will take EE and DR to new levels

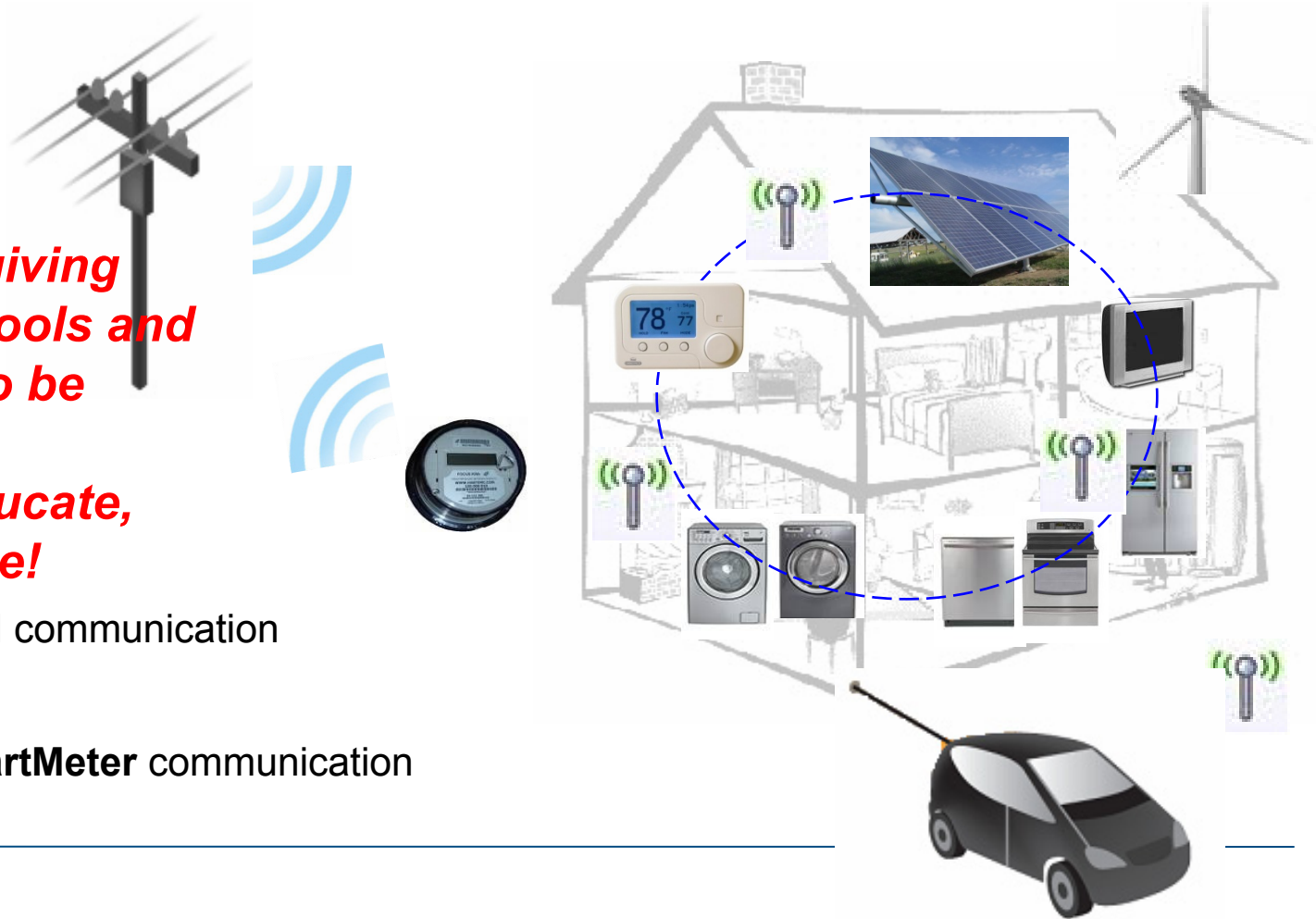
*...It's all about giving customers the tools and the know-how to be smarter energy consumers. Educate, educate, educate!*



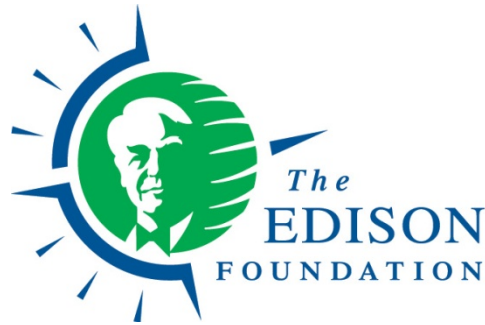
HAN communication



SmartMeter communication



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Lost margins? Decoupling?  
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