



Summary of Efforts on Energy Efficiency in Western States - September, 2007 *draft*

- The National Action Plan for Energy Efficiency presents five recommendations for creating a sustainable, aggressive national commitment to energy efficiency.
- The following tables mark a first attempt to comprehensively reflect the status of efforts in the West with respect to four of these recommendations (one on communication is excluded), for the electricity and natural gas sectors:
 - Recognize energy efficiency as a high priority resource.
 - Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.
 - Provide sufficient, timely, and stable program funding to deliver energy efficiency where cost-effective.
 - Modify policies to align utility incentives with the delivery of cost-effective energy efficiency and modify ratemaking practices to promote energy efficiency investments.
- This summary data was compiled for the US EPA by the Regulatory Assistance Project (RAP), based on a more detailed database developed by RAP. If you have updated or additional information, or want more details, please contact Cathie Murray at RAP at cathie@raponline.org.

The National Action Plan for Energy Efficiency is an ongoing effort led by a Leadership Group of over 50 electric and gas utilities, state utility commissioners, state air and energy agencies, energy services providers, energy consumers, and energy efficiency and consumer advocates. It is facilitated by the US EPA and US DOE. For more information, visit www.epa.gov/eeactionplan

Table 1a. Recognize Energy Efficiency as a Resource (Part I: Alaska – Montana)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		AK		AZ		CA		CO		HI		ID		MT	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 1: Recognize energy efficiency as a high priority energy resource.															
1.1	EE is a high priority resource (equal or superior to supply)			S (2005 APS settlement)		Y (2003 EAP)	Y (2003 EAP)	P (2007 statute)	P	Y (IRP process)		Y (IRP process)		Y (IRP process)	Y (IRP process)
1.2	1.2.1 EE integrated into resource planning			P	P	Y		P; new resource planning requirements		Y		Y	N	Y	N
	1.2.2 Efficiency procured for default service					Y	Y							Y	
1.3	EE is used in transmission planning process							N							
1.4	1.4.1 EE is a biddable commodity			S; possible but infrequent											
1.5	State Implementation Plans (SIPs) include EE set-asides	N		N		N		N		N		N		N	

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Table 1b. Recognize Energy Efficiency as a Resource (Part II: New Mexico - Wyoming)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		NM		NV		OR		TX		UT		WA		WY	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 1: Recognize energy efficiency as a high priority energy resource.															
1.1	EE is a high priority resource (equal or superior to supply)	Y (2005 statute)	Y (2005 statute)			Y (IRP process)	Y (IRP process)	Y (2007 EEPS)		Y (IRP process)		Y (2006 initiative)		N	
1.2	1.2.1 EE integrated into resource planning	Y (2007 rules)	Y (2007 rules)	Y	N	Y	Y	N		Y		Y	Y	S	
	1.2.2 Efficiency procured for default service							Y							
1.3	EE is used in transmission planning process			N		P		Y							
1.4	1.4.1 EE is a biddable commodity			N		S; possible but infrequent		Y				Y			
1.5	State Implementation Plans (SIPs) include EE set-asides	N		N		N		N		N		N			

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Table 2a: Strong Commitment to Energy Efficiency Implementation (Part I: Alaska – Montana)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		AK		AZ		CA		CO		HI		ID		MT	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 2: Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.															
2.1	Efficiency commitment is in statute			N		Y	Y	Y (2007 statute)	Y (2007 statute)			N			
2.2	The TRC or Societal Cost Test is used			P; staff recommends		Y	Y	Y (2007 statute)	Y (2007 statute)	Y		S; used but not required		S (one utility)	
2.3	2.3.1 Potential study has been conducted			N		Y	Y	Y				Y		Y	
	2.3.2 Established EE programs reach all customer classes			P	P	Y	Y	Y	P			Y		Y	
2.4	Funding requirements for all long-term, cost-effective EE have been established					Y	Y								
2.5	2.5.1 Quantitative MW and MWh savings goals have been established and are producing incremental investment.			P; proposed rules	P; proposed rules	Y	Y	P	P			N	N	S (one utility)	
	2.5.3 Energy Efficiency can be used to fulfill requirements of an RPS or similar standard					N	N								
	2.5.4 Expected Capacity Savings (Annual MW)					442									
	2.5.5 Energy Savings (Annual MWh or MTherm)					2,195,000	33648								

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Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		AK		AZ		CA		CO		HI		ID		MT	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 2: Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.															
2.6	2.6.1 A robust M&V process has been established			P		Y						N		S (one utility)	
	2.6.2 M&V is done using (a) deemed savings; (b) actual savings; (c) other					a,b,c									
2.7	2.7.1 EE delivery structure has been established			P		Y	Y	P	P	Y (2007 Order)		Y			
	2.7.2 Delivery is via (a) utility administration; (b) third-party administration; or (c) government agency					a				b		a			
2.8	Resource plans are regularly updated					Y				Y		Y			
2.9	2.9.1 Building Energy Codes are in place and regularly updated			Y/N		Y/Y				N/N		Y/Y		Y/Y	
2.10	Appliance and Equipment Efficiency Standards are in place and regularly updated	N		Y		Y		N		N		N		N	
2.11	Energy efficiency is a high priority in state buildings			Y		Y		Y		Y		Y			

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Table 2b. Strong Commitment to Energy Efficiency Implementation (Part II: New Mexico - Wyoming)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		NM		NV		OR		TX		UT		WA		WY	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 2: Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.															
2.1	Efficiency commitment is in statute	Y (2005)	Y (2005)			Y		Y				Y (2006)			
2.2	The TRC or Societal Cost Test is used	Y	Y	Y		Y	Y	Y				Y		S; used but not required	
2.3	2.3.1 Potential study has been conducted	Y	Y			Y		P				Y		Y	
	2.3.2 Established EE programs reach all customer classes	N/P		Y	Y	Y		N				Y		S/P	
2.4	Funding requirements for all long-term, cost-effective EE have been established	Y						Y							
2.5	2.5.1 Quantitative MW and MWh savings goals have been established and are producing incremental investment.	P				Y	Y	Y				P		N	
	2.5.3 Energy Efficiency can be used to fulfill requirements of an RPS or similar standard	N		Y				Y							
	2.5.4 Expected Capacity Savings (Annual MW)							156							
	2.5.5 Energy Savings (Annual MWh or MTherms)					339,000	10	411,444							

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		NM		NV		OR		TX		UT		WA		WY	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 2: Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.															
2.6	2.6.1 A robust M&V process has been established	Y	Y			Y	Y	Y							P
	2.6.2 M&V is done using (a) deemed savings; (b) actual savings; (c) other							a,c							
2.7	2.7.1 EE delivery structure has been established					Y	Y	Y							
	2.7.2 Delivery is via (a) utility administration; (b) third-party administration; or (c) government agency					b	b	a,b							
2.8	Resource plans are regularly updated	Y	Y			Y	Y	N				Y			
2.9	2.9.1 Building Energy Codes are in place and regularly updated	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y		N/N	
2.10	Appliance and Equipment Efficiency Standards are in place and regularly updated					Y		N							
2.11	Energy efficiency is a high priority in state buildings and state funded buildings	Y		Y		Y		Y		Y		Y			

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Table 3a. Provide Sufficient Stable Energy Efficiency Program Funding (Part I: Alaska – Montana)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		AK		AZ		CA		CO		HI		ID		MT	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 4: Promote sufficient, timely, and stable program funding to deliver energy efficiency where cost-effective.															
4.1	4.1.1 Cost recovery process exists			Y/P (rider, base rates)	S/P (varies by utility)	Y (PGC, base rates)	Y (PGC, base rates)	Y (rider)	P (2007 statute)	Y (PGC, 2007)		Y (rider)		Y (PGC, base rates)	Y (PGC, base rates)
	4.1.3 Funding is for multi-year periods					Y									
4.2	A base energy efficiency spending level exists, with opportunity to justify higher level					Y		Y							
4.3	% of net (retail) utility revenue presently used for energy efficiency [no unit = %; m/k = mils/kWh]								At least 0.5% (2007 statute)						
4.4	Funds from carbon trading program support EE														

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Table 3b. Provide Sufficient Stable Energy Efficiency Program Funding (Part II: New Mexico - Wyoming)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		NM		NV		OR		TX		UT		WA		WY	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 4: Promote sufficient, timely, and stable program funding to deliver energy efficiency where cost-effective.															
4.1	4.1.1 Cost recovery process exists	Y (rider)	Y (rider)	Y		Y (PPC, base rates)		Y				Y (tariffs)		S/P (varies by utility)	Y (tariff rider)
	4.1.3 Funding is for multi-year periods							P							
4.2	A base energy efficiency spending level exists, with opportunity to justify higher level							Y							
4.3	% of net (retail) utility revenue presently used for energy efficiency [no unit = %; m/k = mils/kWh]							2%							
4.4	Funds from carbon trading program support EE							N							

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Table 4a. Align Incentives and Ratemaking Practices with Energy Efficiency Investment (Part I: Alaska – Montana)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		AK		AZ		CA		CO		HI		ID		MT	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 5: Modify policies to align utility incentives with the delivery of cost-effective EE and modify ratemaking practices to promote EE.															
5.1	5.1.1 Utility throughput incentive is addressed and disincentives are removed			P; lost revenue under consideration		Y; decoupled	Y; decoupled	P		Y; lost revenues, 3 rd party		S; one utility decoupled, lost rev. avail.		S; one util. has lost rev.	S; one util. has lost rev.
5.2	5.2.1 Incentives are provided			P		P		P	P			S		N	
	5.2.2 Incentives > lost revenues														
5.3	5.3.1 Impact on EE considered when designing retail rates			Y		Y									
	5.3.2 Declining block rates and fixed variable rate designs have been eliminated											Y			
5.4	5.4.1 Time sensitive rates in place					Y						Y		P	
	5.4.2 Usage sensitive rates in place														
	5.4.3 AMI deployment planned	P		P		Y		Y				Y		P	
	5.4.4 Other mechanisms exist (e.g., on-bill financing, benefit sharing)														

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

Table 4b. Align Incentives and Ratemaking Practices with Energy Efficiency Investment (Part II: New Mexico - Wyoming)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		NM		NV		OR		TX		UT		WA		WY	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Recommendation 5: Modify policies to align utility incentives with the delivery of cost-effective EE and modify ratemaking practices to promote EE.															
5.1	5.1.1 Utility throughput incentive is addressed and disincentives are removed	P	P	Y; lost revenues via bonus return		S; 3 rd party	S; decoupled; some 3d party	N						S; lost revenues	N
5.2	5.2.1 Incentives are provided			Y; 5% bonus return		P		P (2007 statute)							
	5.2.2 Incentives > lost revenues							P							
5.3	5.3.1 Impact on EE considered when designing retail rates					S		N						N	
	5.3.2 Declining block rates and fixed variable rate designs have been eliminated					Y		N						N	
5.4	5.4.1 Time sensitive rates in place			Y				Y						S	
	5.4.2 Usage sensitive rates in place					S		Y							
	5.4.3 AMI deployment planned					Y/P		Y							
	5.4.4 Other mechanisms exist (e.g., on-bill financing, benefit sharing)							Y							

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

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Table 5a: Distributed Generation Policies (Part I: Alaska – Montana)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		AK		AZ		CA		CO		HI		ID		MT	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
Distributed Generation Policies															
7.1	7.1 A statewide interconnection policy is in place	P; under investigation		P; under investigation		Y		Y; P (2007 statute)		Y; P (under investigation)		P; (2007 order)		N	
7.2	7.2 A statewide net metering policy is in place	N		N		Y		Y		Y		N		Y	
7.3	7.3 A statewide exit fee policy is in place			Y		Y		N		N		N		N	
7.4	7.4 A statewide standby rate policy is in place	N		N		Y		N		P		N		N	

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

RAP for U.S. EPA

Table 5b: Distributed Generation Policies (Part II: New Mexico - Wyoming)

Y = Policy in place N = Policy not in place P = Action is pending/possible S = Some elements of policy in place E = Electricity NG = Natural Gas		NM		NV		OR		TX		UT		WA		WY	
		E	NG	E	NG	E	NG	E	NG	E	NG	E	NG	E	NG
		Distributed Generation Policies													
7.1	7.1 A statewide interconnection policy is in place		Y; P (under investigation)		Y		Y		Y		Y; P (docket open)		Y		Y
7.2	7.2 A statewide net metering policy is in place		Y		Y; P (2007 statute)		Y		Y		Y; P (docket open)		Y		Y
7.3	7.3 A statewide exit fee policy is in place				Y		N		N				N		
7.4	7.4 A statewide standby rate policy is in place		N		N		S		N		N		N		N

This table provides a snapshot of efforts to promote energy efficiency across the Western states with respect to the recommendations presented in the National Action Plan for Energy Efficiency

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