RAP State Energy Efficiency Policy Inventory

Updated through December 2010

West Region: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, TX, UT, WA, WY

STATE	POLICY YEAR
Alaska	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

There is no mandatory resource planning process, although some utilities have completed IRPs (see 1.2.1).

AK legislated an energy efficiency goal in 2010, but it is not mandatory (see 2.5.1) (AK Legislature, HB 306, 2010).

ELECTRIC RECOMMENDATION N

NATURAL GAS

There is no mandatory resource planning process (see 1.2.1).

AK legislated an energy efficiency goal in 2010, but it is not mandatory (see 2.5.1) (AK Legislature, HB 306, 2010).

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Alaska	2010

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

There is no requirement that utilities undertake IRP (the Commission declined to require IRPs in Matters R-96-001 and U-97-140).

However, some utilities have completed IRPs, including Chugach Electric Association in 2004; and Golden Valley Electric Association completed a draft IRP in 2005 (GVA, Docket R-07-1, Filing on 3/25/09). A Regional IRP was completed for the Railbelt Region in 2010, which serves around 70% of AK's customers (Black and Veatch, AK Railbelt IRP Study, 2/10). The AK Senate Energy Policy Group released a draft report in October 2009 which recommends that an IRP be developed for the southeast AK region (AK Senate Resources Committee and Senate Energy Committee, Draft State Energy Policy and Program Recommendations, 10/19/09).

The Commission opened a proceeding in 2009 (Matter R-09-005) to consider adopting regulations implementing amendments to the PURPA in the Energy Independence and Security Act of 2007, including integrating EE resources into planning. The proceeding was still on-going as of the end of 2010; the Commission staff had issued recommendations not to require IRP, but to look for other ways to promote demand-side EE, and other parties were providing comments on these recommendations (Regulatory Commission of AK, Matter R-09-005, Order on 11/9/10).

ELECTRIC RECOMMENDATION N

NATURAL GAS

The Commission opened a proceeding in 2009 (Matter R-09-005) to consider adopting regulations implementing amendments to the PURPA in the Energy Independence and Security Act of 2007, including integrating EE resources into planning. The proceeding was still on-going as of the end of 2010; the Commission staff had issued recommendations not to require IRP, but to look for other ways to promote demand-side EE, and other parties were providing comments on these recommendations (Regulatory Commission of AK, Matter R-09-005, Order on 11/9/10).

NATURAL GAS RECOMMENDATION N

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Alaska	2010

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

A regional IRP was completed for the Railbelt Region in 2010; this document did not include a screening of measures based on cost-effectiveness tests; but it recommended that a comprehensive technical and achievable potential study be completed (Black and Veatch, AK Railbelt IRP Study, 2/10).

ELECTRIC RECOMMENDATION Note

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

A regional IRP was completed for the Railbelt Region in 2010; this document does not include a comprehensive potential study, but does make a preliminary estimate of potential; and it recommends that a comprehensive potential study by conducted (Black and Veatch, AK Railbelt IRP Study, 2/10).

Estimates for potential of some EE measures in rural parts of Alaska were undertaken in the Alaska Rural Energy Plan released in 2004.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Alaska	2010

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

Legislation passed in 2010 that set a non-mandatory energy efficiency goal that the state should achieve a 15% increase in energy efficiency on a per capita basis between 2010 and 2020 (AK Legislature, HB 306, 2010).

Chugach Electric Association set a goal on 9/24/08 to reduce energy use among its residential members by 10% below the 2008 monthly average by the end of 2010; and to set new goals every five years (Chugach Electric, 10/7/08).

ELECTRIC RECOMMENDATION N

NATURAL GAS

Legislation passed in 2010 that set a non-mandatory energy efficiency goal that the state should achieve a 15% increase in energy efficiency on a per capita basis between 2010 and 2020 (AK Legislature, HB 306, 2010).

NATURAL GAS RECOMMENDATION N

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Alaska	2010

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

EE programs are voluntary and done at the utilities' initiative.

There are few programs available to energy utility customers. Golden Valley Electric Association has undertaken some EE programs since 1992, and currently have the most developed programs. Chugach Electric Association has had some EE efforts in the past.

The AK Housing and Finance Corporation undertakes programs to address EE, and was appropriated $360 million from the Legislature in 2008 for the following programs: a weatherization program that provides free weatherization assistance to households up to 100% of median income; a home energy rebate program, under which homeowners are rebated a portion of EE improvements (not including lighting and appliances); and a second mortgage program for EE improvements. The AHFC also undertakes other programs.

The AK Energy Authority, a public corporation of the state, conducts EE program activities with commercial, industrial, and public buildings, organizes the EE and Conservation Working Group, and conducts other activities.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION ac

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Alaska	2010

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

As noted in Section 1.2.1, some resource plans exist, but there is not a requirement for them to be regularly updated.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Chugach Electric Association announced a policy on 9/24/08 to establish EE programs and consider and implement a funding mechanism, such as a system benefits charge. The Alaska Energy Efficiency Program and Policy Recommendations, a report commissioned by the state and issued 6/08, recommended that the Commission implement a system benefit charge to support EE, or the state capitalize an EE endowment to support EE with its budget surplus.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Alaska	2010

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

The AK Senate Energy Policy Group, which includes members of the Senate Resources Committee and Senate Energy Committee, released a draft report in October 2009 which recommends the Legislature investigate the costs and benefits of requiring utilities to decouple revenues from sales to provide greater incentives for utilities to promote and invest in EE.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

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STATE	POLICY YEAR
Arizona	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Arizona considers EE a resource equivalent to supply resources. In two proceedings, the ACC enacted new regulations (not yet codified) that include EE as a resource to be considered in distribution companies' long-term resource planning and that set EE savings targets of 22% of cumulative savings by 2020. (Docket Nos. RE-00000C-09-0427 and RE-00000A-09-0249).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

Arizona has natural gas efficiency standards aiming to achieve 6% cumulative savings by 2020 (Docket No. RG-00000B-09-0428).

NATURAL GAS RECOMMENDATION Y-

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

EE is integrated into an active Resource Planning and Procurement process, and an EERS requires distribution companies to achieve cumulative annual energy savings from EE of 22% by 2020. (Docket Nos. RE-00000C-09-0427 and RE-00000A-09-0249).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

NATURAL GAS RECOMMENDATION N/A

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N/A

STATE	POLICY YEAR
Arizona	2010

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

Arizona requires the use of the Societal Cost Test. The test considers costs and benefits associated with reliability, improved system operations, environmental impacts, and customer service; savings for both natural gas and electricity; and any uncertainty about future streams of costs or benefits. (Docket No. RE-00000C-09-0427).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Arizona requires the use of the Societal Cost Test. The test considers costs and benefits associated with reliability, improved system operations, environmental impacts, and customer service; savings for both natural gas and electricity; and any uncertainty about future streams of costs or benefits. (Docket No. RG-00000B-09-0248).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

There have been no state-wide potential studies conducted. However, Arizona Public Service conducted a potential study for its service territory in 2007.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

The ACC promulgated regulations requiring utilities to achieve, by 12/31/20, a cumulative annual energy savings equivalent to 22% of the utility's retail electric energy sales for the prior calendar year. Utilities are allowed to credit energy savings achieved during 2005-2010 towards the requirements beginning in 2016. (Docket No. RE-00000C-09-0427).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION N/A

STATE	POLICY YEAR
Arizona	2010

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

The ACC considers the EE savings targets in the EERS when the utility files its annual IRP. (See Docket Nos. Docket No. RE-00000C-09-0427 and RE-00000A-09-0249).

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION N/A

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

No. EE may not be used to satisfy the state's RPS, but it is used to satisfy the EE Standards. (Docket No. RE-00000C-09-0427).

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N/A

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

The ACC requires utilities to monitor and evaluate their DSM programs, including the EE components of those plans. The regulations do not make clear the extent or robustness of those evaluations. (See Docket No. RE-00000C-09-0427).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

The ACC requires utilities to monitor and evaluate their DSM programs, including the EE components of those plans. The regulations do not make clear the extent or robustness of those evaluations. (See Docket No. RG-00000B-09-0428).

NATURAL GAS RECOMMENDATION Y-

STATE	POLICY YEAR
Arizona	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Energy efficiency programs are administered by investor-owned utilities, and the ACC retains approval authority for program funding and spending. (See Docket No. RE-00000C-09-0427).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Energy efficiency programs are administered by investor-owned utilities, and the ACC retains approval authority for program funding and spending. (See Docket No. RG-00000B-09-0428).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

Resource plans are updated and filed with the ACC for approval annually. (Docket No. RE-00000A-09-0249).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Arizona	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Cost recovery is permitted but the method is not specified in regulation. (See Docket No. RE-00000C-09-0427).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Cost recovery is permitted but the method is not specified in regulation. (Docket No. RG-00000B-09-0428).

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

Cost recovery is permitted but the method is not specified in regulation. (See Docket No. RE-00000C-09-0427). It is the utility's prerogative to choose the method. One example is Tucson Electric Power, which recovers its costs through a surcharge rider.

ELECTRIC RECOMMENDATION N/A

NATURAL GAS

Cost recovery is permitted but the method is not specified in regulation. (Docket No. RG-00000B-09-0428). It is the utility's prerogative to choose the method. One example is UES, which recovers its costs through a rider surcharge.

NATURAL GAS RECOMMENDATION N/A

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

In a Notice of Inquiry dated February 23,2010, the ACC announced an investigation into utility disincentives and decoupling. The proceeding was still underway by the close of 2010.

ELECTRIC RECOMMENDATION N

NATURAL GAS

In a Notice of Inquiry dated February 23,2010, the ACC announced an investigation into utility disincentives and decoupling. The proceeding was still underway by the close of 2010.

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Arizona	2010

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

See 5.1.1

ELECTRIC RECOMMENDATION

NATURAL GAS

See 5.1.1

NATURAL GAS RECOMMENDATION

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

Currently, only an APS shareholder incentive is in place, set at 10% of DSM program net economic benefits and capped at 10% of total DSM expenditures. In a Notice of Inquiry dated February 23,2010, the ACC announced an investigation into utility disincentives and decoupling. The proceeding was still underway by the close of 2010.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

In a Notice of Inquiry dated February 23,2010, the ACC announced an investigation into utility disincentives and decoupling. The proceeding was still underway by the close of 2010.

NATURAL GAS RECOMMENDATION N

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STATE	POLICY YEAR
California	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Legislation that passed in 2005 established a loading order for both IOUs and POUs (CA Legislature, SB 1037, 2005). Legislation passed in 2006 established a requirement that all load-serving entities procure all cost-effective energy efficiency measures (CA Legislature, AB 2021, 2006). In addition, CA utilities are required to undertake procurement plans that incorporate EE (see 1.2.1), and to meet targets (see 2.5.1).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

Legislation that passed in 2005 established a loading order for both IOUs and POUs (CA Legislature, SB 1037, 2005). Legislation passed in 2006 established a requirement that all load-serving entities procure all cost-effective energy efficiency measures (CA Legislature, AB 2021, 2006). In addition, CA utilities are required to undertake procurement plans that incorporate EE (see 1.2.1), and to meet targets (see 2.5.1).

NATURAL GAS RECOMMENDATION Y+

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

CA utilities are required to develop Long-Term Procurement Plans that incorporate EE plans and targets (CPUC, Decision 04-01-050). The plans are submitted every 2 years, and plan for a 10-year period.

A proceeding was underway in 2010 to consider the next procurement plans, bundled from the three IOUs, as well as 1) the need for new system and local reliability resources, including system resource plans which would allow the CPUC to consider the impacts of state energy policies on the need for new resources; and 2)rules and policy issues related to procurement (CPUC, Proceeding R10-05-006).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

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NATURAL GAS RECOMMENDATION Y+

STATE	POLICY YEAR
California	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

EE is included as a resource for procurement and transmission needs as part of the Long-Term Planning process (see Section 1.2.1).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

EE is included as a resource for procurement and transmission needs as part of the Long-Term Planning process (see Section 1.2.1).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

The TRC and PAC test are used for both electric and natural gas, and TRC is the primary test. This is most recently reiterated in the CPUC EE Policy Manual: "This Commission relies on the Total Resource Cost Test (TRC) as the primary indicator of energy efficiency program cost effectiveness, consistent with our view that ratepayer-funded energy efficiency should focus on programs that serve as resource alternatives to supply-side options" (CA PUC, Energy Efficiency Policy Manual, Version 4.0, 2008).

A 2005 PUC decision requires EE portfolios have to pass the "dual test," in which the entire EE portfolios of each utility has to pass both the TRC and PAC cost-effectiveness tests (CA PUC, Decision 05-04-051, 4/21/05).

The cost-effectiveness tests are defined in the CA Standard Practice Manual (CA PUC, CA Standard Practice Manual, 2001).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

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The cost-effectiveness tests are defined in the CA Standard Practice Manual (CA PUC, CA Standard Practice Manual, 2001).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
California	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

EE potential studies have been performed, most recently in 2008 (Itron, 5/12/08). The CPUC's long-term EE goal-setting has been based on potential found in these studies.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

EE potential studies have been performed, most recently in 2008 (Itron, 5/12/08). The CPUC's long-term EE goal-setting has been based on potential found in these studies.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

Legislation that passed in 2006 established broad goals of a 10% reduction in forecasted electricity use within 10 years. The CPUC and IOUs developed interim annual savings goals between 2004 and 2013 for each utility, following the Energy Action Plan goal of procuring 90% of maximum achievable energy efficiency potential (CPUC, Decision 04-09-060). In 2008, the CPUC developed new goals for years 2012 through 2020 (CPUC, Decision 08-07-047, 7/31/08). The goals include electricity savings goals and demand reduction goals. The goals are required to be included in the Long-term procurement plans.

The POUs are required by legislation to set non-binding 10-year targets (CA Legislature, AB 2021, 2006). The targets are submitted every three years to the CA Energy Commission for review.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

The CPUC and gas utilities developed interim annual savings goals between 2004 and 2013 for the gas utilities, following the Energy Action Plan goal of procuring 90% of maximum achievable energy efficiency potential (CPUC, Decision 04-09-060). In 2008, the CPUC developed new goals for years 2012 through 2020 (CPUC, Decision 08-07-047, 7/31/08). The goals consist of energy savings requirements for the state's three gas utilities. The goals are required to be included in the Long-term procurement plans.

The POUs are required by legislation to set non-binding 10-year targets (CA Legislature, AB 2021, 2006). The targets are submitted every three years to the CA Energy Commission for review.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
California	2010

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION ab

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

CA has an RPS, but EE is not allowed to be counted toward its requirements.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
California	2010

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

CA's EM& V process is well-developed and thorough for the IOUs. EM& V protocols developed by the CPUC and stakeholders were issued in 2006 (CPUC, 2006). A proceeding was underway in 2010 to establish EM& V guidelines for post-2012 EE programs (CPUC, Proceeding R0911014).

California's IOU EM& V budget authorized for 2006 through 2009 was 8% of EE program budgets. California's EM& V budget for 2010-2012 is $125 million, or 4% of EE program budgets.

The POUs are just starting to do independent EM& V. This is a requirement under AB 2021.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

CA's EM& V process is well-developed and thorough. EM& V protocols developed by the CPUC and stakeholders were issued in 2006 (CPUC, 2006). A proceeding was underway in 2010 to establish EM& V guidelines for post-2012 EE programs (CPUC, Proceeding R0911014).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Historically utilities have administered efficiency programs, and a 2005 CPUC decision reaffirmed this structure (CPUC, Decision 05-01-055, 2005). The IOUs currently offer a group of EE programs with the same name, incentive levels, and delivery mechanisms; each IOU also offers additional smaller programs specific to its service territory. The IOUs also are required to make available up to 20% of their EE funds to fund EE projects proposed by communities. Once such proposals are approved, the utilities to not control the programs. The utilities also fund programs run by counties, regional entities, and state entities and institutions.

POUs are not regulated by the CPUC, but legislation requires them to pursue energy efficiency programs also (CA Legislature, AB 2021, 2006).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Historically utilities have administered efficiency programs, and a 2005 CPUC decision reaffirmed this structure (CPUC, Decision 05-01-055, 2005).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
California	2010

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

In addition to utility administration, EE is also delivered by communities, counties, regional entities, and state entities and government.

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

CA utilities are required to develop Long-Term Procurement Plans that incorporate EE plans and targets; the plans are submitted every 2 years, and plan for a 10-year period.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

CA utilities are required to develop Long-Term Procurement Plans that incorporate EE plans and targets; the plans are submitted every 2 years, and plan for a 10-year period.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
California	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Legislation established a public goods charge (an SBC) collected from the IOUs to provide baseline funding for EE, currently set to run through 2012 (CA Legislature, AB 1890, 1996; AB 995 and SB 1194, 2000). Additional funding needed to meet savings goals comes from utility procurement budgets; the amount of this funding is due to increase incrementally through 2013 to meet aggressive savings goals. The funding is approved in concurrence with the programs at the onset of each program cycle (every 3 years). The IOUs can also ask for more funding along the way if a program is overbooked or the market changes such that they need to offer a higher incentive to get customers to participate. POUs go to their Board or Council annually for funding approval.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Legislation established an SBC for gas utilities to provide baseline funding for EE in 2000 (CA Legislature, AB 1002, 2000). Additional funding needed to meet savings goals comes from utility procurement budgets; the amount of this funding is due to increase incrementally through 2013 to meet aggressive savings goals. The funding is approved in concurrence with the programs at the onset of each program cycle (every 3 years). The IOUs can also ask for more funding along the way if a program is overbooked or the market changes such that they need to offer a higher incentive to get customers to participate. POUs go to their Board or Council annually for funding approval.

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION bc

NATURAL GAS

NATURAL GAS RECOMMENDATION bc

STATE	POLICY YEAR
California	2010

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

All major investor-owned utilities are decoupled. A 2001 statute provided the basis for decoupling, and mechanisms for individual utilities have been approved on a case-by-case basis (for example, CA PUC, Decision 07-09-043, 9/20/07). The decoupling mechanisms are combined with performance incentives/penalties for meeting/not meeting goals.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

PG& E, San Diego Gas and Electric, Southern California Gas, and Southwest Gas are decoupled (for example, CA PUC, Decision 04-03-034, 3/16/04). According to ACEEE, the utilities use a straight-fixed variable design.

NATURAL GAS RECOMMENDATION Y

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
California	2010

QUESTION **5.2.1**

Utility/shareholder EE incentives are provided

ELECTRIC

CA grants incentive payments and penalties to IOUs through a Risk/Reward Incentive Mechanism (RRIM) for meeting / failing to meet Commission-approved savings targets. Implementation of the RRIM has been very controversial. The PUC has made several modifications in the RRIM during the past several years. The most recent decision in 2010 awarded incentive payments to the four major utilities of $211.85 million for the 2006-2008 program cycle and made modifications in the way the mechanism works (CA PUC, Decision 10-12-049, 12/16/10). The 2010 decision allows utilities to receive 7% of net benefits if they achieve more than 85% of their savings targets, and states this mechanism also will apply to the 2009 incentives. The decision also states that the RRIM will be further redesigned in the next phase of the proceeding (CA PUC, Proceeding R 09-01-019).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

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NATURAL GAS RECOMMENDATION Y

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STATE	POLICY YEAR
Colorado	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Legislation passed in 2007 requires the Commission to establish energy savings and peak demand reduction goals for electricity utilities (CO General Assembly, HB 1037, 2007). Subsequent rules and orders have set requirements and established the goals (see 2.5.1). CO also has a least-cost planning requirement for electric utilities (see 1.2.1).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

Legislation passed in 2007 directed the Commission to adopt expenditure and natural gas savings targets, funding and cost-recovery mechanisms, and a financial bonus structure for demand-side management programs implemented by an investor-owned gas utility (CO General Assembly, HB 1037, 2007). Rules adopted by the Commission require gas utilities to submit proposed savings targets for Commission approval with their DSM plans (4 Code of CO Regulations 723-4). Savings goals are now in place for gas utilities.

NATURAL GAS RECOMMENDATION Y-

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

In 2010, the Commission stated that the Commission should give the fullest possible consideration to the cost-effective implementation of new clean energy and energy efficient technologies (4 Code of CO Regulations 723-3 3600 et seq). The 2010 Decision also added demand-side resources to the required evaluation of existing resources in the Electric Resource Plan and states that the utility must take into account the demand-side resources it must acquire to meet energy savings goals (Docket 10R-214E).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

There is no resource planning requirement for gas utilities.

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Colorado	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

Under CO's ERP process, a utility is required to take into account the demand-side resources it must acquire to meet the energy savings and peak demand reduction goals. However, EE is not mentioned as an alternative to transmission (Docket 10R-214E). The rules state that the Commission shall permit electric utilities to implement cost-effective electricity DSM programs to reduce the need for additional resources that would otherwise be met through a competitive acquisition process (4 Code of CO Regulations 723-3 3600).

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

Legislation passed in 2007 required that when calculating the benefit-cost ratio, the benefits shall include, but are not limited to, 1) the utility's avoided generation, transmission, distribution, capacity, and energy costs; 2) the valuation of avoided emissions; and 3) non-energy benefits as determined by the commission (CO GA HB1037).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

CO rules require natural gas utilities to use the modified TRC test. Each program must have a value greater than or equal to 1 . The initial TRC ratio, which excludes consideration of avoided emissions and other societal benefits, shall be multiplied by 1.05 to reflect the value of the avoided emissions and other societal benefits to yield the result of the modified TRC (4 Code of CO Regulations 723-4).

NATURAL GAS RECOMMENDATION Y+

STATE	POLICY YEAR
Colorado	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

A market potential study for Xcel was conducted in 2009 (CO PUC, Docket 10A-554EG). A 2009 Order states that Black Hills Energy conducted a potential study, and requires the utility to conduct another potential study to be included in its next DSM application (CO PUC, Docket 08A-518E, Order on 5/21/09).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

The Commission is required to establish savings goals based on potential, demand, and other factors (CO General Assembly, HB 1037, 2007). For Public Service of CO (Public Service ; a subsidiary of Xcel), the PUC found a reasonable range for these goals was between 0.92 and 1.5 percent of sales (Docket 07A-420E).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Legislation passed in 2007 directed the Commission to adopt rules establishing natural gas savings targets that are commensurate with program expenditures; there are minimum expenditure targets as well (CO General Assembly, HB 1037, 2007). Rules adopted by the Commission require gas utilities to submit proposed savings targets for Commission approval with their DSM plans (4 Code of CO Regulations 723-4). Savings goals are now in place for gas utilities.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION -c-

NATURAL GAS

NATURAL GAS RECOMMENDATION -c-

STATE	POLICY YEAR
Colorado	2010

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

CO has an RPS, but EE is not an eligible resource under the RPS.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

According to reviewer Jeffrey Ackerman, an M& V plan is included in approved DSM plans for Public Service and Black Hills. Public Service's 2008 DSM Biennial Plan included an EM& V plan (Docket 08A-366EG). A 2009 Order stated that Black Hills Energy was responsible for its own evaluation and measurement (CO PUC, Docket 08A-518E).

ELECTRIC RECOMMENDATION N

NATURAL GAS

Each gas utility is required to implement its own M& V program and to submit an M& V plan to the Commission with its DSM application (4 Code of CO Regulations 723-4 4755).

NATURAL GAS RECOMMENDATION N

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

CO IOUs are required to complete resource plans and utility plans to meet the resource need (4 Code of CO Regulations 723-3 3600 et seq). The IOUs are also required to meet energy savings goals (see 2.5.1).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Natural gas utilities are required to file DSM plans (4 Code of CO Regulations 723-4 4750 et seq), and meet savings goals (see 2.5.1).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Colorado	2010

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

Resource plans are required to be updated every four years (4 Code of CO Regulations 723-3 3600 et seq).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION N/A

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Cost recovery has historically been done through tariff riders. For example, the Commission granted Black Hills Energy a DSM rider in 2009 (CO PUC, Docket 08A-518E, Order on 5/21/09). Legislation passed in 2007 does not change the cost recovery mechanism, but establishes that cost-recovery mechanisms for DSM are in the public interest (CO General Assembly, HB 1037, 2007).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Cost recovery for gas programs is generally done through tariff riders. Legislation passed in 2007 required cost recovery for gas utilities through a cost adjustment mechanism set on an annual basis or more frequently (CO General Assembly, HB 1037, 2007); and requirements for cost recovery are described in CO Rules (4 Code of CO Regulations 723-4 4756-4758).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Colorado	2010

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

For Public Service, there is a disincentive offset (up-front incentive bonus) of $2 million in after-tax revenue for each year an approved DSM plan is implemented to offset lost margins; if at least 80% of the annual energy savings goal is not achieved, the disincentive offset may be reduced in future years. For Black Hills Energy disincentive offset is $150,000 per year for each year of the approved DSM plan (CO PUC, Docket 07A-420E, 5/08; and CO PUC, Docket 08A-518E, 5/21/09).

ELECTRIC RECOMMENDATION N

NATURAL GAS

Public Service Company of CO was approved for a gas decoupling pilot in 2007, set to run from 10/1/08 through 10/1/11 (CO PUC, Docket 08L-413G, Order on 6/18/07). Legislation passed in 2007 directs the Commission to offer utilities an opportunity to make DSM investments more profitable than other investments through measures it deems appropriate (CO General Assembly, HB 1037, 2007).

NATURAL GAS RECOMMENDATION Y-

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Colorado	2010

QUESTION **5.2.1**

Utility/shareholder EE incentives are provided

ELECTRIC

The performance incentive for Public Service and Black Hills Energy is 0.2% of net economic benefits for each 1% of DSM goal attainment beyond 80%, up to 10% of net economic benefits at 130% of goal attainment; and 0.1% of net economic benefits for each 1% of DSM goal attainment beyond 130% of goal attainment, up to 12% of net economic benefits at 150% of goal attainment. The performance incentive and the disincentive offset combined may not exceed 20% of the total DSM expenditure for the year (CO PUC, Docket 07A-420E, 5/08; and CO PUC, Docket 08A-518E, 5/21/09).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Legislation passed in 2007 directs the Commission to establish incentives, based on utility performance in meeting savings goals, up to 25% of expenditures or 20% of net economic benefits, which is lower (CO PUC, HB 1037, 2007). CO Rules set requirements for incentives for natural gas (4 Code of CO Regulations 723-4 4754). Gas DSM bonuses are a percentage of net economic benefits.

NATURAL GAS RECOMMENDATION Y

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STATE	POLICY YEAR
Hawaii	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Hawaii statute requires the Public Utilities Commission to establish EE portfolio standards that maximize cost-effective EE programs and technologies. (15 HRS § 269.96). Current rulemaking proceedings are underway, promulgating regulations governing both the Integrated Resource Planning process and the EE portfolio standard. (Docket Nos. 2009-0108 and 2010-0037). These proceedings may impact EE's priority.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

EE is integrated into the IRP process pursuant to Hawaiian statute. (15 HRS § 269-91 et seq). Current rulemaking proceedings are underway promulgating regulations governing both the Integrated Resource Planning process and the EE portfolio standard. (Docket Nos. 2009-0108 and 2010-0037). These proceedings may impact how EE is treated in the IRP.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

Hawaii does not have state-wide criteria governing the treatment of EE as an alternative to transmission, so decisions are made on a utility by utility basis. HECO does not consider EE to be an alternative to transmission. (Docket No. 2007-0084 at p. 5-16). KIUC's plan is silent on the issue. (KIUC IRP, 2008).

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Hawaii	2010

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

Hawaii's IRP Framework, enacted in 1992, requires five tests to be used to evaluate EE programs, with greatest weight being given to the TRC Test. (Dockets 2005-0069 and 6617). In addition, the Commission considers any non-quantifiable benefits brought to light (Docket 2005-0069). Regulations are forthcoming governing the operation of the EE portfolio standards, which may alter how EE programs are evaluated. (Docket 2010-0037).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

An EE potential study was undertaken for HECO's service territory 2008 IRP by Global Energy Partners in September 2008 (HECO, 2008). An EE potential study was done for the Kauai Island Utility Cooperative in 2005 (KIUC, 2005).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

Legislation passed in 2009 established an EE Portfolio Standard to achieve 4300 GWh of electricity use reductions statewide by 2030 (15 HRS 269-96). The Commission: is charged with establishing interim goals to be achieved by 2015, 2020, and 2025; may adjust the 2030 standard to maximize cost-effective EE programs and technologies; must evaluate the EEPS every five years, beginning in 2013; and may revise the standard if needed to make the EEPS effective and achievable. A rulemaking is currently underway interpreting these statutory mandates. (Docket No. 2010-0037).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Hawaii	2010

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION -b-

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

Energy efficiency may be used to fulfill requirements under the RPS until 12/31/14, at which time it ceases to qualify. (15 HRS 269-91 et seq). As of 1/1/2015, the RPS must be fulfilled entirely through renewable energy sources. The RPS goal is set at 10% of net electricity sales by 2010; 15% by 2015; 25% by 2020; and 40% by 2030. The RPS was set in 2004, and was modified in 2006 and 2009.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

An M& V process has been established and will be managed by a third-party contractor under the jurisdiction of the Commission. (Docket No. 2007-0323) The M& V Contractor is charged with developing a technical reference manual. (Personal communication with Wendy Takanishi, HI PUC, 8/4/10).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Hawaii	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Hawaii Energy, an independent non-profit, delivers energy efficiency services to HECO customers, while KIUC continues to deliver energy efficiency services to its own customers.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

IRPs undergo major review every three years. (Docket No. 6617). The IRP Framework is under consideration for revision. (Docket No. 2009-0108).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Hawaii	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

HECO collects an amount equal to 1% of their projected total electric revenue (plus revenue taxes), which it uses to fund Hawaii Energy, its EE administrator. The amounts collected are to be reconciled annually with the target revenue. (Docket No. 2007-0323). KIUC continues to administer its own programs and recovers its costs through a DSM and IRP surcharge. (Docket 2008-0324).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION ac

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

Hawaii's PUC has addressed the throughput incentive and removed disincentives, but not equally for all utilities. HECO has both a third party administrator and has a decoupling mechanism in place. (Docket Nos. 2007-0323 and 2008-0274). KIUC continues to recover costs through a DSM and IRP surcharge. (Docket 2008-0324).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Hawaii	2010

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION ac

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

Historically, the PUC has allowed utilities incentives on a case-by-case basis. Under the new EE portfolio standards, the PUC may establish by rule or order incentives and penalties based on performance in achieving the EE portfolio standards. (15 HRS 269-96). A proceeding is underway to interpret these statutory mandates. (Docket No. 2010-0037).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

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STATE	POLICY YEAR
Idaho	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Conservation resources are given consideration equivalent to generation resources, and utilities need to procure all cost-effective efficiency (Order 22299 from Case # U-1500-165, 1989). In 1980, the federal Pacific Northwest Electric Power Planning and Conservation Act (also known as the Northwest Power Act) required BPA to acquire EE as its highest priority, cost-effective resource. In addition, the Northwest Power Act gives EE a 10% cost advantage over other resources, by stating that an EE measure is considered cost-effective even if it is up to 10% more expensive than the next most expensive resource (U.S. Congress, 1980).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Conservation resources are given consideration equivalent to generation resources, and utilities need to procure all cost-effective efficiency (Order 22299 from Case # U-1500-165, 1989). In 1980, the federal Pacific Northwest Electric Power Planning and Conservation Act (also known as the Northwest Power Act) required BPA to acquire EE as its highest priority, cost-effective resource. In addition, the Northwest Power Act gives EE a 10% cost advantage over other resources, by stating that an EE measure is considered cost-effective even if it is up to 10% more expensive than the next most expensive resource (U.S. Congress, 1980).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Idaho	2010

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

IRP is established (Order 25260, Case No. GNR-E-93-3, issued in 1993). In the Order the Commission stated that it would continue to hold that the plans are not to be given the force and effect of law, [but] we presume that utilities intend to follow the plans after they have been filed for our acceptance. Deviations from the integrated resource plans must be explained. The appropriate place to determine the prudence of an electric utility's plan or the prudence of an electric utility's following or failing to follow a plan will be in general rate case or other proceeding in which the issue is noticed.

The Sixth Northwest Power Plan was issued in 2010. This regional energy plan guides the federal Bonneville Power Administration, and serves as a reference document for the other utilities in the region. The plan recommended energy efficiency be deployed aggressively, meeting 85% of the new demand for electricity during the next 20 years. The plan's EE targets include 1,200 average MW by 2015, and 5,900 average MW by 2030 (Northwest Power and Conservation Council, Sixth Northwest Power Plan, 2/10).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Avista and Intermountain Gas file IRPs every two years. According to the latest Avista IRP, the company submits the IRP as required by state regulation (Avista, 2009).

NATURAL GAS RECOMMENDATION Y

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

According to a state reviewer in 2010, Idaho and Idaho's IOU's are participating in the Western Electrical Coordinating Council's (WECC) Regional Transmission Expansion Planning (RTEP), an ARRA funded regional transmission planning effort, This effort includes a specific examination of the degree to which demand side efforts may impact transmission requirements.

According to a state contact from a prior year, Idaho Power and PacifiCorp participate in the Northern Tier Transmission Group Planning Process, and Avista Participates in the Columbia Grid process. These regional processes do consider conservation as an alternative to new transmission facilities.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Idaho	2010

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

In 2001, the PUC ordered Idaho Power to use the TRC test, utility cost test and participant cost perspective test in assessing the cost-effectiveness of its DSM programs (Order No. 28894 issued in Case No. IPC-E-01-13). In its 2009 Report to the Legislature, the Commission recognized cost-effectiveness from the TRC perspective as an important criterion for assessing the appropriateness of utility demand-side management. The state reviewer in 2010 stated that The commission has not specifically defined the TRC or the other tests it requires, but referenced the California standard practices manual in Order No. 22299 issued in January 1989 . Avista Utilities' and Rocky Mountain Power's assessment of their DSM programs consistently include cost-effectiveness evaluations using all three of these tests.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

The 6th Northwest Power Plan calculated conservation potential for the four-state region (The Northwest Power and Conservation Council, September 2009). Utilities are required to submit annual Conservation Analysis Plans, which would assess potential within each utility's own jurisdiction (Order 22299 from Case No. U-1500-165, issued in 1989).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

The 6th Northwest Power Plan calculated conservation potential for the four-state region (The Northwest Power and Conservation Council, September 2009).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Idaho	2010

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

IRP's submitted by each utility include specific numeric targets. However, the Commission has stated that it would continue to hold that the plans are not to be given the force and effect of law, [but] we presume that utilities intend to follow the plans after they have been filed for our acceptance. (Order 25260, Case No. GNR-E-93-3, issued in 1993).

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Idaho	2010

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

According to the state reviewer in 2010, IPUC staff, utilities and interested parties developed a memorandum of understanding on the level of E, M & V that was expected in regards to energy efficiency expenditures.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

The ID PUC requires utilities to file and implement DSM plans. Programs are funded by utilities, who recover costs through riders, rate cases, rate design, etc.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Avista and Intermountain gas file IRPs every two years that include DSM. According to the latest Avista IRP, the company submits the IRP as required by state regulation (Avista, 2009).

NATURAL GAS RECOMMENDATION N

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION ac

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Idaho	2010

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

IRPs are updated at least every 2 years (Order 25260 from Case #GNR-E-93-3, issued in 1993)

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Each of the three major investor-owned utilities has energy efficiency riders in place that allow them to recover costs of demand-side management, conservation and energy efficiency programs (PUC Report to the Legislature, December 2009,). The Commission has been willing to grant utility requests to significantly increase these riders over recent years to encourage conservation, energy efficiency and DSM. According to the state reviewer in 2010, in the Rocky Mountain (Pacificorp) case, the rider amount was temporarily increased but less than the requested amount, and the rider issue was deferred to the general rate case.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Avista has a gas EE cost recovery rider. Intermountain Gas, the other natural gas utility in Idaho, does not.

NATURAL GAS RECOMMENDATION Y-

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Idaho	2010

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

In 2007, Idaho Power was granted a three-year pilot fixed-cost adjustment decoupling mechanism for residential and small business customers (Case No. IPC-E-04-15, Order No. 30267). In 2009, Idaho Power sought to make the fixed cost adjustment decoupling mechanism permanent. Due to questions regarding the extent to which reduced electricity consumption were a result of Company efforts or general economic conditions, the Commission ordered that it be continued as a pilot in 2010 (Case No. IPC-E-09-28).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Idaho	2010

QUESTION **5.2.1**

Utility/shareholder EE incentives are provided

ELECTRIC

Idaho Power requested that the Commission open a new docket to consider development of a DSM performance incentive mechanism, however the Commission declined to do so, and instead suggested that Idaho Power continue discussions with Commission Staff and other parties as to the potential to create an incentive mechanism (IPC-E-09-04, Order 30806, May 14, 2009).

As of the end of 2008, Idaho Power had a three-year pilot incentive for its Energy Star New homes program. The utility earned an incentive based on the penetration of Energy Star new homes in the marketplace. However, this incentive was discontinued retroactive to January 1, 2009 (IPC-E-09-04, Order 30806, May 14, 2009).

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

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STATE	POLICY YEAR
Montana	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Montana requires integrated resource plans or resource procurement plans (see 1.2.1). Montana rules define the IRP process as one that includes actively pursuing and acquiring all cost effective energy conservation (Administrative Rules of MT 38.5.2001(1)).

Bonneville Power Administration provides conservation programs and funding for the consumer-owned utilities which purchase its power. In 1980, the federal Pacific Northwest Electric Power Planning and Conservation Act (also known as the Northwest Power Act) required Bonneville Power Administration to acquire EE as its highest priority, cost-effective resource. In addition, the Act gives EE a 10% cost advantage over other resources, by stating that an EE measure is considered cost-effective even if it is up to 10% more expensive than the next most expensive resource (U.S. Congress, 1980).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

Montana requires one utility to complete a natural gas default supply portfolio resource plan, but energy efficiency is not required to receive equal treatment with supply resources in the guidelines (see 1.2.1).

Bonneville Power Administration provides conservation programs and funding for the consumer-owned utilities which purchase its power. In 1980, the federal Pacific Northwest Electric Power Planning and Conservation Act (also known as the Northwest Power Act) required Bonneville Power Administration to acquire EE as its highest priority, cost-effective resource. In addition, the Act gives EE a 10% cost advantage over other resources, by stating that an EE measure is considered cost-effective even if it is up to 10% more expensive than the next most expensive resource (U.S. Congress, 1980).

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Montana	2010

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

Montana rules require electric utilities under the jurisdiction of the Commission to submit integrated resource plans; integrated resource plans are defined as those that integrate the demand- and supply-side resources that represent the least cost to society over the long-term (Administrative Rules of MT 38.5.2001 et seq). Montana-Dakota Utilities falls under these rules.

Montana requires a restructured utility, NorthWestern, to file a resource procurement plan (MT Code Annotated 69-8-419 et seq; Administrative Rules of MT 38.5.8201 et seq). The definition of electricity supply resource under this process includes demand-side management activity, including energy efficiency and conservation programs, load control programs, and pricing mechanisms (Administrative Rules of MT 38.5.8202) NorthWestern Energy prepared an Electric Supply Resource Procurement Plan in 2009 (NorthWestern Energy, 2009 Electric Supply Resource Procurement Plan).

The Sixth Northwest Power Plan, produced by the Northwest Power and Conservation Council, was issued in 2010. This regional energy plan guides the federal Bonneville Power Administration, and serves as a reference document for the other utilities in the region. The plan recommended energy efficiency be deployed aggressively, meeting 85% of the new demand for electricity during the next 20 years. The plan's EE targets include 1,200 average MW by 2015, and 5,900 average MW by 2030 (NPCC, Sixth Northwest Power Plan, 2/10).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Montana rules require NorthWestern Energy to complete a natural gas default supply portfolio resource plan; the rules define default supply costs as including DSM costs, set an objective of incorporating DSM measures when cost-effective and appropriate, and require utilities to identify DSM measures in the plan (MT PSC, Docket N2005.6.101, Order 6683d, 4/12/07). NorthWestern completed their latest plan in 2010; energy efficiency activity is included in the plan (NorthWestern Energy, 2010 Natural Gas Biennial Procurement Plan)

NATURAL GAS RECOMMENDATION Y-

STATE	POLICY YEAR
Montana	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

Montana Dakota Utilities completes an IRP, where transmission constraints are considered; targeted DSM has been considered as an alternative to transmission lines in the past.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

The cost-effectiveness of the resources considered in the IRP process (see 1.2.1) must meet the societal cost test (Administrative Rules of MT 38.5.2001). That test is defined as consisting of all costs to the utility plus all external costs which are imposed on the global society; and attributes of the test may include, but may not be limited to: environmental externalities, efficiency of the resource, administrative costs, cost effectiveness in the context of the utility system, risk and uncertainty, reliability, and associated transmission costs (Administrative Rules of MT 38.5.2002 and 38.5.2005). MT Rules also reject the use of the RIM test for IRP (Administrative Rules of MT 38.5.2005).

There is no specific cost-effectiveness test required for NorthWestern Energy, the restructured utility that creates a procurement plan instead of an IRP (see 1.2.1), although the TRC test has been used in the past. MT Rules specify that the RIM test should not be used in the resource procurement plan process (Administrative Rules of MT 38.5.8218).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Montana	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

NorthWestern Energy, the state's restructured utility, completed a potential study in 2009 as part of its default procurement plan (NorthWestern Energy, 2009 Electric Supply Resource Procurement Plan).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NorthWestern Energy, the state's restructured utility, completed a potential study in 2008 as part of its Natural Gas Biennial Procurement Plan (NorthWestern Energy, Natural Gas Supply Procurement Plan, December 2008).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

MT rules state that in the procurement planning process, a utility should develop and strive to achieve targets for steady, sustainable investments in cost-effective, long-term demand-side resources (Administrative Rules of MT 38.5.8218(4)). NorthWestern Energy, the restructured utility that undertakes a resource procurement plan, has established a high case goal of 6 aMW/year in its Electric Supply Resource Procurement Plan in 2009 (NorthWestern Energy, 2009 Electric Supply Resource Procurement Plan). The MT PSC has approved that plan.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Montana	2010

QUESTION **2.5.3**

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

EE cannot be used to fulfill Montana's current RPS requirements.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION **2.6.1**

A robust M&V process has been established

ELECTRIC

NorthWestern Energy, the restructured utility that produces a resource procurement plan, is authorized to recover lost revenues from the effect of DSM programs on an interim basis, only until the program savings have been verified through a post-program evaluation. In the past, M& V activity has been funded by NorthWestern and completed by a third party. The MT PSC has reviewed the results of the evaluation in contested cases (Rosquist, Will, MT PSC, 1/25/11).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Montana	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

The Universal System Benefits Program requires all electric utilities, including coops, to contribute annually 2.4% of their 1995 revenues to the program, which supports cost-effective energy conservation, weatherization renewable projects, R& D related to EE and renewables, market transformation, and low-income energy assistance (MT Code Annotated 69-8-402). Utilities may spend the funds on internal programs or contract to fund programs externally or turn the funds over to state agencies to administer. Large electricity users may fund their own programs instead of contributing to the program. The Commission declined to require NorthWestern Energy to use a third-party administrator to conduct its DSM programs in 2008. Bonneville Power Administration (BPA) supplies electricity to municipal and cooperative utilities in Montana. Municipal and cooperative utilities provide electricity to some portion of customers in Montana. Municipal and cooperative utilities are not regulated by the Commission, and they are not subject to Commission energy efficiency requirements. BPA conducts energy efficiency planning and programs in accordance with requirements under the Northwest Power Act of 1980.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute requires the Commission to establish a natural gas Universal System Benefit Program, and starting in 2007, there is a minimum annual funding requirement for low-income weatherization and low-income energy bill assistance at 0.42% of a natural gas utility's annual revenue (MT Code Annotated 69-3-1408). Natural gas utilities are required to prepare natural gas energy conservation plans (Administrative Rules of MT 38.6.201).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION ac

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Montana	2010

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

IRPs and resource procurement plans are required to be submitted every two years (Administrative Rules of MT 38.5.2012 and 38.5.8226). (See 1.2.1.)

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NorthWestern Energy is required to complete a natural gas default supply portfolio resource plan every two years (MT PSC, Docket N2005.6.101, Order 6683d, 4/12/07).

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Statute requires that the Commission shall establish an electricity cost recovery mechanism that allows a public utility to fully recover prudently incurred electricity supply costs (MT Code Annotated 69-8-210). Montana's Universal System Benefits Program was established in 1998, and has been extended several times, most recently in 2009 when the legislation removed the expiration date of the program (MT Legislature, HB 27, 2009). Electric utilities, including coops, are required to contribute annually 2.4% of their 1995 revenues to the program. Some additional DSM costs are recovered in base rates. Utilities are allowed to recover costs of planning and portfolio development related to DSM if the Commission finds them to be reasonable (Administrative Rules of MT 38.5.2011(4)).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

A Universal System Benefits Program exists for natural gas programs (MT Code Annotated 69-3-1408). In addition, MT rules require natural gas utilities to prepare conservation plans, and state the commission authorizes a reasonable cost incurred by regulated utilities in compliance with this request to be included in the operating costs for rate making purposes (Administrative Rules of MT 38.6.201). Such DSM costs are recovered in rates.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Montana	2010

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION bc

NATURAL GAS

NATURAL GAS RECOMMENDATION bc

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

The MT Commission approved a four-year pilot decoupling mechanism for NorthWestern Energy, the restructured utility, for residential and small commercial customers in 2010 (MT PSC, Docket D2009.9.129, 12/7/10). NorthWestern submitted a motion for reconsideration in that Docket on 12/20/10. Previously, NorthWestern was granted lost revenue recovery mechanisms.

A 2008 Commission Order required Montana-Dakota Utilities to consider decoupling in its 2009 cost-of-service / rate design filing. No further information is available.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

The MT Commission approved a four-year pilot decoupling mechanism for NorthWestern Energy, the restructured utility, for residential and small commercial customers in 2010 (MT PSC, Docket D2009.9.129, 12/7/10).

Lost revenue recovery was approved for Montana-Dakota Utilities' natural gas efficiency programs in 2005 (MT PSC, Docket 2005.10.156).

NATURAL GAS RECOMMENDATION Y-

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION ab

STATE	POLICY YEAR
Montana	2010

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

MT statute states that the Commission may allow an increment of up to 2% added to the rate of return on DSM investments; however, this provision has not yet been approved for any utility (MT Code Annotated 69-3-712).

MT rules state that the Commission must evaluate the restructured utility's (NorthWestern's) performance in relation to the requirements in the procurement plan guidelines, and may reward the utility monetarily for superior performance (Administrative Rules of MT 38.5.8227).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

MT statute states that the Commission may allow an increment of up to 2% added to the rate of return on DSM investments; however, this provision has not yet been approved for any utility (MT Code Annotated 69-3-712).

NATURAL GAS RECOMMENDATION Y-

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STATE	POLICY YEAR
Nevada	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

NV has an IRP process, and EE is treated equally with supply (see 1.2.1). EE may also contribute 25% toward NV's Clean Energy Portfolio Standard (see 2.5.3).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

Nevada's IOUs are required to perform integrated resource planning every three years; resource plans are required to include EE and a plan for DSM (NV Revised Statutes 704.741; NV Administrative Code 704.9215 et seq). Nevada Energy had IRPs approved for its two affiliates in 2010 (PUC of NV, Docket 10-02009, 7/28/10; Docket 10-07003, 12/10/10).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute requires an informational report be filed annually which has some elements of a resource plan, but does not specify any consideration of EE (NV Revised Statutes 704.991). NV rules state that this report must include any EE programs the gas company has chosen to implement, and effects of EE programs must be included in demand forecasts (NV Administrative Code 704.953 et seq).

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Nevada	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

NV's IRP process integrates transmission, stating that transmission facilities must be included in the IRP (NV Revised Statutes 704.937). In addition, the IRP must include a plan for construction or expansion of transmission facilities to serve renewable energy zones and to facilitate the utility in meeting the portfolio standard (NV Revised Statutes 704.741).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

NV rules require a utility to include in its DSM plan, which is part of the IRP, a life-cycle analysis of the programs using the TRC test (NV Administrative Code 704.934). The TRC test is defined as a method of determining the overall economic efficiency of a demand management program from the perspective of society by measuring the net costs of the program based on its total costs, including, without limitation, the costs to both participants and the utility. The environmental costs of a DSM plan must be quantified for air emissions, water, and land use (NV Administrative Code 704.9359).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Resource planning is not required of natural gas utilities. However, if they undertake EE programs, they must submit their EE plan to the Commission for approval, and must use the TRC test to evaluate programs (NV Administrative Code 704.9708). The test is defined as a measure of the overall economic efficiency of a conservation and energy efficiency program from the perspective of society which measures the net costs of a conservation and energy efficiency program based on the total costs of the program, including both participant and utility costs (NV Administrative Code 704.9597).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Nevada	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

Utilities had potential studies conducted in conjunction with their 2009 resource planning processes (Weil 2010). In addition, the Commission approved that a potential study should be conducted by LNBL in 2010 (PUC of NV, Docket 10-03026, Orders on 7/29/10 and 9/28/10).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

See 2.5.3.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Nevada	2010

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

Nevada has a Clean Energy Portfolio Standard for electric providers, and EE may be used to fulfill up to 25% of the standard (NV Revised Statutes 704.7801 et seq; NV Administrative Code 704.8831 et seq). The standard is equal to 12% of the total amount of electricity sold by the utility to retail customers each calendar year in 2009 and 2010, ramping up to 25% by 2025. If a utility elects to use energy efficiency toward the standard, at least half of the energy savings credits must come from electricity savings in the residential sector. In addition, to qualify, efficiency measures must be sited or implemented at a retail customer's location; must be partially or completely subsidized by the electric utility; and must reduce the customer's energy demand, not shift demand to off-peak hours. Energy efficiency includes geothermal systems for providing hot water that reduce electricity or fossil fuel use.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

NV rules require utilities to file a proposed M& V protocol for every EE measure proposed in their DSM plan, a required part of the IRP. Utilities also are required to meet the requirements of the most recent M& V protocol approved by the Commission (NV Administrative Code 704.9522). In NV Power's IRP approved in 2010, the M& V program was expanded (Weil, 2010). NV Energy operates a DSM Collaborative, in which stakeholders review and advise on the company's DSM programs, including M& V (Weil, 2010).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Nevada	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Nevada's vertically integrated, investor-owned utilities are required to perform IRP and related DSM programs. The utility companies administer the energy efficiency programs with oversight by the Commission. The companies propose a budget and program plan to the Commission as part of IRP requirements (NV Administrative Code 704.9005 et seq, especially 704.934).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NV gas utilities undertake EE programs at their own initiative. If they choose to undertake EE programs, NV rules stipulate requirements for the EE plan, which must be approved by the Commission (NV Administrative Code 704.9702 et seq).

NATURAL GAS RECOMMENDATION N

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

Resource plans are required every three years. (See 1.2.1).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Resource plans are not required for natural gas. (See 1.2.1).

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Nevada	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Statute requires all reasonable and prudent expenditures in carrying out a utilities IRP shall be recovered from ratepayers (NV Revised Statutes 704.751). Rules address cost recovery as well; changes to the rules were made in 2010, such that utilities will now recover expenses annually, and also receive balancing account adjustments for lost revenues annually (NV Administrative Code 704.9523).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Rules stipulate that natural gas utilities may recover all reasonable and prudent costs in carrying our a energy efficiency and conservation plan (NV Administrative Code 704.9714).

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION ab

STATE	POLICY YEAR
Nevada	2010

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

Legislation that passed in 2009 requires the Commission to adopt regulations to allow electric utilities to recover an amount on measurable and verifiable effects the cost of financial disincentives (among other things), thus codifying a lost revenue process (NV Legislature, SB 358, 2009). The process is described in rules (NV Administrative Code 704.9524).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

In 2007, legislation was issued requiring the Commission to establish regulations that remove financial disincentives for natural gas utilities during rate case procedures (NV Legislature, SB 437, 2007). In 2008, the Commission adopted temporary rules; the rules were made permanent in 2009 (PUC of NV, Docket 07-06046, 11/19/09). The rules allow utilities to remove disincentives by calculating revenue requirements for program costs and including them in the rate base using the utility's ROE plus 5%; or to seek approval from the Commission for decoupling (NV Administrative Code 704.9704 and 704.9716 et seq). Southwest Gas was granted a decoupling mechanism in 2009 (PUC of NV, Docket 09-04003, Orders on 11/3/09 and 12/21/09).

NATURAL GAS RECOMMENDATION Y-

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION -b-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

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NATURAL GAS

NATURAL GAS RECOMMENDATION N

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STATE	POLICY YEAR
New Mexico	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Legislation enacted in 2005 requires demand and supply-side resources to be evaluated consistently in the IRP process (NM Statutes Annotated 62-17-1 et seq). Legislation that passed in 2008 directs electric and gas utilities to acquire all cost-effective and achievable energy efficiency and load management resources, subject to Commission approval (NM Legislature, HB 305, 2008).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

Legislation enacted in 2005 requires demand and supply-side resources to be evaluated consistently in the IRP process (NM Statutes Annotated 62-17-1 et seq). Legislation that passed in 2008 directs electric and gas utilities to acquire all cost-effective and achievable energy efficiency and load management resources, subject to Commission approval (NM Legislature, HB 305, 2008).

NATURAL GAS RECOMMENDATION Y+

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

Statute requires electric utilities to conduct IRP, and evaluate supply and demand resources on a consistent and comparable basis (NM Statutes Annotated 62-17-10). The Commission created IRP rules for electric utilities in 2007 (NM Administrative Code 17.7.3).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute requires gas utilities to conduct IRP, and evaluate supply and demand resources on a consistent and comparable basis (NM Statutes Annotated 62-17-10). The Commission created IRP rules for gas utilities in 2007 (NM Administrative Code 17.7.4).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
New Mexico	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

Statute requires that the TRC test be used to evaluate EE programs (NM Statutes Annotated 62-17-5).

Rules define the TRC test as being met if the monetary costs that are borne by the utility and the participants and that are incurred to develop, acquire and operate energy efficiency or load management resources on a life-cycle basis are less than the avoided monetary costs associated with developing, acquiring and operating the associated supply-side resource. A list of elements that utilities must include in the cost-effectiveness test is given in the rules. For programs directed at low-income customers, electric utilities shall assume that 20% of the calculated energy savings is the reasonable value of reductions in working capital, reduced collection costs, low or bad-debt expense, improved customer service effectiveness and other appropriate utility system economic benefits associated with low income programs (NM Administrative Code 17.7.2).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

Statute requires that the TRC test be used to evaluate EE programs (NM Statutes Annotated 62-17-5).

Rules define the TRC test as being met if the monetary costs that are borne by the utility and the participants and that are incurred to develop, acquire and operate energy efficiency or load management resources on a life-cycle basis are less than the avoided monetary costs associated with developing, acquiring and operating the associated supply-side resource. A list of elements that utilities must include in the cost-effectiveness test is given in the rules (NM Administrative Code 17.7.2).

NATURAL GAS RECOMMENDATION Y-

STATE	POLICY YEAR
New Mexico	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

Public Service of NM completed an electric EE potential study of its territory in 2006 (Itron, 2006).

A study was performed for Tri-State Transmission and Generation Association in 2010 that provided some estimates of potential for the electric cooperatives that are members of the Association (Nexant, 2010).

A statewide energy efficiency potential study covering all electric and gas utilities was underway in 2010, commission by the NM Energy, Minerals and Natural Resource's Department and conducted by Global Energy Partners. The study was expected to be completed in 2011.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Public Service of NM completed a natural gas EE potential study in 2005 (GDS Associates, The Maximum Achievable Cost Effective Potential for Gas Energy Efficiency in the Service Territory of PNM: Final Report, prepared for PNM and the New Mexico Governor‘s Energy Efficiency Task Force, May 2005; referred to in SWEEP, New Mexico EE Strategy: Policy Options, November 2008).

A statewide energy efficiency potential study covering all electric and gas utilities was underway in 2010, commission by the NM Energy, Minerals and Natural Resource's Department and conducted by Global Energy Partners. The study was expected to be completed in 2011.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
New Mexico	2010

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

Statute requires electric and gas IOUs to acquire all cost-effective and achievable energy efficiency and load management; for electric utilities, this requirement shall not be less than savings of five percent of 2005 total retail kWh sales in calendar year 2014, and ten percent of 2005 total retail kWh sales in 2020, as a result of energy efficiency and load management programs implemented starting in 2007. All programs must be approved by the Commission, and if a utility finds that it cannot meet the savings targets, it may propose a new target for Commission approval (NM Statutes Annotated 62-17-5).

Statute requires cooperative utilities, which are not regulated by the Commission, to establish their own energy savings targets and undertake EE programs starting in 2009; and report annually to the Commission describing their EE efforts (NM Statutes Annotated 62-17-11).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute requires electric and gas IOUs to acquire all cost-effective and achievable energy efficiency and load management, but does not prescribe specific savings targets for gas utilities (NM Statutes Annotated 62-17-5).

NATURAL GAS RECOMMENDATION N

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION -b-

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
New Mexico	2010

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

NM has an RPS, but EE cannot be used to fulfill its requirements.

ELECTRIC RECOMMENDATION N

NATURAL GAS

Same as electric.

NATURAL GAS RECOMMENDATION N

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

Statute requires that at least every three years, a public utility shall submit to the commission a comprehensive measurement, verification and program evaluation report prepared by an independent program evaluator (NM Statutes Annotated 62-17-8). Rules provide additional guidance (NM Administrative Code 17.7.2.12). Utilities finance M& V as part of their program costs, and the Commission contracts with a statewide M& V evaluation provider. There is an EE M& V Committee, appointed by the Commission, which manages and oversees M& V activities; the Commission is the final arbiter (Primm, 2011).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute requires that at least every three years, a public utility shall submit to the commission a comprehensive measurement, verification and program evaluation report prepared by an independent program evaluator (NM Statutes Annotated 62-17-8). Rules provide additional guidance (NM Administrative Code 17.7.2.12). Utilities finance M& V as part of their program costs, and the Commission contracts with a statewide M& V evaluation provider. There is an EE M& V Committee, appointed by the Commission, which manages and oversees M& V activities; the Commission is the final arbiter (Primm, 2011).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
New Mexico	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Statute requires utilities to undertake EE programs (NM Statutes Annotated 62-17-1 et seq).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Same as electric.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

NM Rules require electric utilities to file IRPs every three years (NM Administrative Code 17.7.3).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NM Rules require gas utilities to file IRPs every four years (NM Administrative Code 17.7.4).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
New Mexico	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Statute establishes that EE program costs may be recovered through an approved tariff rider or in base rates, or by a combination of the two. The tariff rider may not exceed $75,000 per year on a customer's bill, without the customer's consent (NM Statutes Annotated 62-17-6). EE spending amounts are determined through the DSM plan approval process. Additional guidance around cost recovery is provided in Rules (NM Administrative Code 17.7.2.12; and 17.7.430).

Electric distribution cooperatives are not under the jurisdiction of the Commission, but they may collect from customers a renewable energy and conservation fee of no more than 1% of the customer's bill; approval for the programs rests with each cooperative's governing body.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute establishes that EE program costs may be recovered through an approved tariff rider or in base rates, or by a combination of the two. The tariff rider may not exceed $75,000 per year on a customer's bill, without the customer's consent (NM Statutes Annotated 62-17-6). EE spending amounts are determined through the DSM plan approval process. Additional guidance around cost recovery is provided in Rules (NM Administrative Code 17.7.2.12; and 17.7.430).

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION ab

STATE	POLICY YEAR
New Mexico	2010

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

Statute requires the Commission to identify and remove financial barriers to EE procurement, and give utilities the opportunity to earn a profit on EE programs so that EE is financially more attractive than supply resources (NM Statutes Annotated 62-17-5). Rules revised in 2010 directed electric utilities to file proposals by 7/1/10 to propose a rate design and ratemaking methods to remove regulatory disincentives to achieving EE savings (NM Administrative Code 17.7.2.9K(7)). Southwestern Public Service and El Paso Electric submitted proposals in 2010 that proposed lost-revenue recovery mechanisms; the Dockets were on-going at the end of 2010 (NM PRC, Docket 10-00197-UT, Docket 10-00266). Public Service Company of NM submitted an application for a general rate case in 2010, which included a proposal for a roughly three-year pilot decoupling program for residential and small power customers in the company's northern region. The company also proposed to start moving to a straight-fixed-variable rate design for large customers through the use of higher demand and customer charges. The Docket was still on-going at the end of 2010 (NM PRC, Docket 10-00086).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

Statute requires the Commission to identify and remove financial barriers to EE procurement, and give electric and gas utilities the opportunity to earn a profit on EE programs so that EE is financially more attractive than supply resources (NM Statutes Annotated 62-17-5). However, there is no mechanism currently in place for gas utilities.

NATURAL GAS RECOMMENDATION N

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
New Mexico	2010

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

Statute states that utilities shall have the option of receiving Commission-approved incentives (NM Statutes Annotated 62-17-6). Rules also address performance incentives; those rules were revised in 2010 (NM PRC, Docket 08-00024-UT, Order on 4/8/10). The 2010 rules state that an adder to the tariff rider or base rates will be determined by the Commission each year based on the energy savings achieved by each electric utility. The adder mechanism is described in the rules (NM Administrative Code 17.7.2.9K). The three electric public utilities had dockets open in 2010 regarding their adders (NM PRC, Dockets 10-00161-UT; 10-00127-UT; 09-00390-UT). The rule and the adder mechanism currently are on appeal to the NM Supreme Court (Primm, 1/18/11).

The revised rules also direct electric utilities to file proposals by 7/1/10 to propose a rate design and ratemaking methods to remove regulatory disincentives to achieving EE savings (NM Administrative Code 17.7.2.9K(7)). The three electric utilities did so in 2010; see 5.1.1. Southwestern Public Service and El Paso Electric also made proposals for a new incentive structure in the same Dockets. The rules state that after the Commission has approved mechanisms for removing disincentives (through these Dockets), the adder mechanism amounts will be reduced.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute states that utilities shall have the option of receiving Commission-approved incentives (NM Statutes Annotated 62-17-6). No incentive mechanism has been established for gas utilities.

NATURAL GAS RECOMMENDATION N

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STATE	POLICY YEAR
Oregon	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

OR has an IRP process, and utility IRPs must evaluate supply and demand side resources on a consistent and comparable basis (OR PUC, Order 89-507, 1989). Guidelines updated in 2007 require utilities to include in IRP action plans all best cost/risk portfolio conservation resources for meeting projected resource needs (which is effectively the same as a requirement for all cost-effective EE) (OR PUC, Docket UM 1056, Orders on 1/8/07 and 2/9/07).

Bonneville Power Administration provides conservation programs and funding for the consumer-owned utilities which purchase its power. In 1980, the federal Pacific Northwest Electric Power Planning and Conservation Act (also known as the Northwest Power Act) required Bonneville Power Administration to acquire EE as its highest priority, cost-effective resource. In addition, the Act gives EE a 10% cost advantage over other resources, by stating that an EE measure is considered cost-effective even if it is up to 10% more expensive than the next most expensive resource (U.S. Congress, 1980).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

OR has an IRP process, and utility IRPs must evaluate supply and demand side resources on a consistent and comparable basis (OR PUC, Order 89-507, 1989). Guidelines updated in 2007 require utilities to include in IRP action plans all best cost/risk portfolio conservation resources for meeting projected resource needs (which is effectively the same as a requirement for all cost-effective EE) (OR PUC, Docket UM 1056, Orders on 1/8/07 and 2/9/07).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Oregon	2010

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

IRP has been required since 1989 (OR PUC, Order 89-507, 1989). Updated IRP guidelines were issued in 2007 (OR PUC, Docket UM 1056, Orders on 1/8/07 and 2/9/07). Utilities must evaluate all known demand-side resources as part of the planning process. OR is also part of the Northwest Power and Conservation Council, which develops a regional long-term power plan. .

The Sixth Northwest Power Plan, produced by the Northwest Power and Conservation Council, was issued in 2010. This regional energy plan guides the federal Bonneville Power Administration, and serves as a reference document for the other utilities in the region. The plan recommended energy efficiency be deployed aggressively, meeting 85% of the new demand for electricity during the next 20 years. The plan's EE targets include 1,200 average MW by 2015, and 5,900 average MW by 2030 (NPCC, Sixth Northwest Power Plan, 2/10).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

IRP has been required since 1989 (OR PUC, Order 89-507, 1989). Updated IRP guidelines were issued in 2007 (OR PUC, Docket UM 1056, Orders on 1/8/07 and 2/9/07). Utilities must evaluate all known demand-side resources as part of the planning process.

NATURAL GAS RECOMMENDATION Y

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

Transmission is required to be reviewed as a resource in IRPs under the updated IRP guidelines (see 1.2.1). The State-Provincial Steering Committee, the body composed of state commissions and other state appointees, is providing input into consideration of EE in Western Interconnection-wide transmission plans (Recovery Act funded activity). They have recommended EE scenarios for WECC to study.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Oregon	2010

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

The Energy Trust of OR uses the Utility System Test and the Societal Cost Test as the primary tests to evaluate EE programs (must pass both if data permits use of both). It also uses the Consumer perspective to design projects (Energy Trust of OR, Policy 4.06.000-P).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

The Energy Trust of OR uses the Utility System Test and the Societal Cost Test as the primary tests to evaluate EE programs. It also uses the Consumer perspective to design projects (Energy Trust of OR, Policy 4.06.000-P).

NATURAL GAS RECOMMENDATION Y+

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

IRP guidelines require utilities to ensure a potential study is conducted periodically (OR PUC, Docket UM 1056, Orders on 1/8/07 and 2/9/07). The utilities or Energy Trust of OR may conduct it. The Energy Trust of OR completed a potential study for electricity and natural gas in 2009 (ETO, 2009). The Northwest Power and Conservation Council's 6th Northwest Power Plan, adopted in February 2010, calculated conservation potential for the four-state region including Oregon (NPCC, 9/09).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

IRP guidelines require utilities to ensure a potential study is conducted periodically (OR PUC, Docket UM 1056, Orders on 1/8/07 and 2/9/07). The utilities or Energy Trust of OR may conduct it. The Energy Trust of OR completed a potential study for electricity and natural gas in 2009 (ETO, 2009).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Oregon	2010

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

The Commission approves annual performance benchmarks for the Energy Trust of OR, through ETO's planning and budget-setting processes (see e.g., OR PUC, Docket UM 1158(5), Order on 11/4/08); the ETO also sets long-term energy-savings goals. Under RPS legislation, PGE and Pacific Power can file (and have filed) tariffs to include in rates funding for cost-effective efficiency incremental to what can be achieved through the public purpose charge (OR Legislature, SB 838 (RPS bill), 2007). Goals also are set through the IRP process.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

The Commission approves annual performance benchmarks for the Energy Trust of OR, through ETO's planning and budget-setting processes (see e.g., OR PUC, Docket UM 1158(5), Order on 11/4/08); the ETO also sets long-term energy-savings goals.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

The Commission approves annual performance benchmarks for the Energy Trust of OR, through ETO's planning and budget-setting processes (see e.g., OR PUC, Docket UM 1158(5), Order on 11/4/08); the ETO also sets long-term energy-savings goals

ELECTRIC RECOMMENDATION acd

NATURAL GAS

The Commission approves annual performance benchmarks for the Energy Trust of OR, through ETO's planning and budget-setting processes (see e.g., OR PUC, Docket UM 1158(5), Order on 11/4/08); the ETO also sets long-term energy-savings goals

NATURAL GAS RECOMMENDATION ac

STATE	POLICY YEAR
Oregon	2010

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

OR passed an RPS in 2007 (OR Revised Statutes 469a). EE does not directly qualify under the RPS. However, there is a cost protection mechanism under which, in lieu of procuring renewable resources, a utility may pay an Alternative Compliance Payment (ACP) to be placed in a holding account to be spent on energy conservation programs, power plant efficiency upgrades, or eligible renewable energy resources; the ACP rates are set by the Commission, except for ACP rates for consumer-owned utilities, which are set by their governing bodies.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

Statute requires independent review of the public purpose charge to develop recommendations for the legislature. A report was released in 2006 that recommended developing more consistent M&V procedures for public purpose charge funds. M&V is done by the Energy Trust of OR. The Energy Trust of OR has a robust program for process and impact evaluations and a robust quality control and quality assurance process to make sure M&V is done well.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute requires independent review of the public purpose charge to develop recommendations for the legislature. A report was released in 2006 that recommended developing more consistent M&V procedures for public purpose charge funds. M&V is done by the Energy Trust of OR. The Energy Trust of OR has a robust program for process and impact evaluations and a robust quality control and quality assurance process to make sure M&V is done well.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Oregon	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Legislation passed in 1999 (OR Legislature, SB 1149, 1999) established the Energy Trust of Oregon, a third party non-profit entity to deliver energy efficiency programs to Pacific Power and Portland General Electric customers (which together had 68% of statewide MWh sales and served 73% of OR customers in 2010). A small portion of OR is served by Idaho Power, which administers its own efficiency programs. OR's electric utilities that are consumer-owned (which together had 29% of statewide MWh sales and served 26% of customers in 2010) are not subject to regulatory jurisdiction of the PUC. These utilities purchase power from BPA, which undertakes its own EE programs.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

The Energy Trust of OR administers EE programs for NW Natural (as of 2003) and Cascade Natural Gas Corporation (as of 2006). Avista Utilities administers its own EE programs.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION abc

NATURAL GAS

NATURAL GAS RECOMMENDATION ab

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

New IRPs must be filed within 2 years of Commission acknowledgment of an IRP unless Commission grants waiver

ELECTRIC RECOMMENDATION Y

NATURAL GAS

New IRPs must be filed within 2 years of Commission acknowledgment of an IRP unless Commission grants waiver

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Oregon	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Legislation that passed in 1999 instituted a 3% public purpose charge on utility revenues of the state's two largest IOUs, with about half the funds used for EE administered by the Energy Trust of OR (OR Legislature, SB 1149, 1999). However, the bill also served as a cap on efficiency expenditures. Legislation that passed in 2007 allowed utilities to file tariffs for funding additional cost-effective EE in base rates (OR Legislature, SB 838, 2007). The Commission approved tariffs for additional EE funding for both Pacific Power and PGE in 2008. Idaho Power, which serves a small portion of eastern Oregon, has a rider.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Northwest Natural Gas and Cascade Natural Gas customers are assessed riders (termed public purpose charges) to fund EE programs, administered by the Energy Trust of OR. Decoupling orders for natural gas utilities included funding of EE programs administered by the Energy Trust of Oregon. See 5.1.1.

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

PGE and Pacific Power have system benefit charge for base funding, and a rider for incremental funding. Idaho Power, which serves a small portion of eastern Oregon, has a rider.

ELECTRIC RECOMMENDATION ac

NATURAL GAS

Northwest Natural Gas and Cascade Natural Gas customers are assessed riders (termed public purpose charges) to fund EE programs, administered by the Energy Trust of OR. See 5.1.1.

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Oregon	2010

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

Legislation passed in 1999 established a 3% public purpose charge for Portland General Electric and Pacific Power, and authorized the creation of a third party to administer efficiency programs (OR Legislature, SB 1149, 1999). The PUC helped establish the Energy Trust of Oregon and executed a grant agreement in 2001 for program administration. Idaho Power administers its own EE programs, and has been granted lost revenue recovery. Portland General Electric in 2009 was granted decoupling for residential and small non-residential customers, and lost revenue recovery for large non-residential customers with loads less than 1 average MW; both mechanisms were set initially for two years (OR PUC, Docket UE 197, Orders on 1/22/09 and 5/19/09). The Commission also required PGE to take a 10 basis point reduction in Return on Equity; and required that when applying the recovery true-up mechanism, any amount over 2% of the revenue requirement that might accrue would roll over to future years; but any amount remaining in this deferred account after the second year of rate adjustments would not be eligible for recovery. OR law also states that the Commission may establish policies to protect utilities from short-term earnings reductions due to DSM (OR Revised Statutes 757.262); and that acquisition of least-cost resources should be the energy utility's most profitable course of action (OR Administrative Rules 860-027-0310).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

The Commission decoupled Northwest Natural Gas' revenues from sales in 2002 (OR PUC, Docket UG 143, Order on 9/12/02). At the same time, a public purpose funding mechanism was created that set aside 0.9% of revenues for EE programs (administered by the Energy Trust of Oregon) and low-income weatherization, plus a $0.25 per month charge for low-income bill payment assistance. In 2005, the mechanism was modified slightly and extended, along with the public purpose charge, for four more years; in 2007, the mechanism was extended until 10/31/12 (OR PUC, Docket UG 163, Orders on 8/25/05 and 9/26/07). In 2006, the Commission granted decoupling to Cascade Natural Gas and established a set-aside fund for EE programs to be administered by the Energy Trust of Oregon and community groups (OR PUC, Docket UG 167, Order on 4/19/06).

NATURAL GAS RECOMMENDATION Y+

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION abc

NATURAL GAS

NATURAL GAS RECOMMENDATION ac

STATE	POLICY YEAR
Oregon	2010

QUESTION **5.2.1**

Utility/shareholder EE incentives are provided

ELECTRIC

OR's Administrative Rules allow utilities to request approval of incentive programs (OR Administrative Rules 860-027-0310). When the public purpose charge was enacted (effective March 2002), the incentive issue was muted. However, legislation passed in 2007 that allows utilities to file tariffs to include in rates funding for incremental energy efficiency beyond that funded by the public purpose charge (OR Legislature, SB 838, 2007).

In Jan. 2008, staff filed a proposal for a pilot incentive program for power purchase agreements. The case does not address energy efficiency incentives, but if the Commission approves the pilot proposal, it could inform such a mechanism. There was no further action in this docket in 2009.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

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STATE	POLICY YEAR
Texas	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Texas established an EERS in 1999, and updated it in 2007 and again in 2010. In 2010, the Public Utility Commission of Texas (PUCT) underwent a rulemaking process to modify Substantive Rule §25.181 which establishes procedures for meeting the previous legislative mandates. As a result, energy efficiency goals were set at 20% of a utility's annual growth in demand for 2011, 25% for 2012 and 30% for 2013.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

There is no resource planning process in TX.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Texas	2010

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

TX administrative rules state that an EE program is deemed to be cost-effective if the costs (including incentives, M&V, R&D, and administrative costs) to the utility are lower than the benefits (including the value of the demand reductions and energy savings, measured in accordance with the avoided costs given in the rules) (PUC of TX, Substantive Rules 25.181). Thus, the Program Administrator Cost Test, not the TRC test, is followed.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

Legislation passed in 2007 required the Commission to fund a potential study by 2009 (HB 3693). The PUC commissioned a potential study for the largest 9 IOUs, which was completed in 2008 (Itron, 12/23/08).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

The Commission first set rules related to this standard in 2008 (PUC of TX, Substantive Rules 25.181, effective 5/14/08). The 2010 amendment as adopted raises an electric utility's energy efficiency goal from 20% to 25% of annual growth in the electric utility's demand of residential and commercial customers by program year 2012, and 30% of the electric utility's annual growth in demand by program year 2013. The amended rule also includes cost caps to minimize the impact of the higher goals on customers, who bear the costs of the program. . Finally, the amended rule will apply to all electric utilities, not just electric utilities that are subject to Public Utility Regulatory Act, Texas Utilities Code Annotated §39.905

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Texas	2010

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION -b-

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

Texas has an RPS requirement, but EE may not be used to fulfill requirements of the RPS. The City of Austin has its own RPS, but EE is not a qualifying resource.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

M&V procedures are guided by administrative rules (PUC of TX, Substantive Rules 25.181). Utilities are responsible for conducting M&V according to Commission-established methods. Each standard offer EE program shall include an industry-accepted measurement and verification (M&V) protocol. An EE service provider shall not receive final compensation until it establishes that the work is complete and M&V in accordance with the protocol verifies that the savings will be achieved. Commission approved deemed energy savings may be used in lieu of the EE service provider's M&V.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Texas	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Texas administrative rules establish that utilities will administer efficiency programs (PUC of TX, Substantive Rules 25.181). Electric utilities must submit an annual energy efficiency plan and report that shows how future savings goals will be met, and detailing past performance.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Some gas utilities have undertaken modest EE programs.

NATURAL GAS RECOMMENDATION N

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

Resource plans are not required.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Texas	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

TX administrative rules state that an Energy Efficiency Cost Recovery Factor (EECRF) will be included in utilities' rates to recover costs of EE, and will be tracked annually (PUC of TX, Substantive Rules 25.181). The PUC also may include EE program costs in utilities' base rates or approve an energy charge or monthly customer charge for the EECRF. Utilities submit an adjusted EECRF each year to adjust for over- or under-collection in the previous year. Administrative costs are not allowed to exceed 15% of program costs; and R& D costs are not allowed to exceed 10% of program costs. In 2010, a cap was placed on cost recovery, stating that recovery of energy efficiency costs and the EECRF shall not exceed the amounts prescribed.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION ab

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Texas	2010

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

Legislation passed in 2007 required the Commission to establish incentives to reward utilities for exceeding the EEPS goals (HB 3693). TX Rules were revised in 2008, providing for EE performance bonuses, as follows (PUC of TX, Substantive Rules 25.181). A utility that exceeds its demand reduction goal at a cost that does not exceed the cost limits established in the rules, will receive a performance bonus based on the utility's EE achievements during the previous year. The bonus entitles the utility to receive a share of the net benefits; a utility that exceeds 100% of its demand reduction goal, will receive 1% of the net benefits for every 2% that the demand reduction goal has been exceeded, with a maximum of 20% of the utility's program costs. (Net benefits are defined as total avoided costs minus all utility program costs.)

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

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STATE	POLICY YEAR
Utah	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

A 1994 Order on Standards and Guidelines established IRP guidelines for electric utilities that required an evaluation of supply-side and demand-side resources on a consistent and comparable basis. (Docket No. 91-057-09). In March 2009, the Utah Legislature in a Joint Resolution urged utilities to acquire all available cost-effective energy efficiency and to participate in existing cost-effective energy efficiency programs.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

A 1994 Order on Standards and Guidelines established IRP guidelines for natural gas that required an evaluation of supply-side and demand-side resources on a consistent and comparable basis. (Docket No. 91-057-09). In March 2009, the Utah Legislature in a Joint Resolution urged utilities to acquire all available cost-effective energy efficiency and to participate in existing cost-effective energy efficiency programs.

NATURAL GAS RECOMMENDATION Y

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

Integrated resource planning has been in place since 1994 and requires utilities to file biennial integrated resource plans which include demand-side resources and associated programs. The PSC reviews and approves these plans and associated program plans and budgets.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Integrated resource planning has been in place since 1994 and requires utilities to file biennial integrated resource plans which include demand-side resources and associated programs. The PSC reviews and approves these plans and associated program plans and budgets.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Utah	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

The IRP compares all resources across time and accounts for transmission costs/bottle necks. According to comments submitted by J Harvey on July 6, 2010, the IRP optimization models contain supply curves for DSM resources (including EE measures) which the model can select instead of selecting potential transmission projects which the model are programming in as options.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

The Utah Commission requires Rocky Mt. Power to use several different tests for the evaluation of EE programs: TRC, utility cost test, participant cost test, and the ratepayer impact cost test. (Docket No 09-035-27).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

The Utah Commission ordered Questar to devise an evaluation methodology with the Dept. of Public Service. (Docket No. 05-057-T01). Questar issued its DSM Evaluation Final Report on June 24, 2010, wherein it employed the TRC and UCT tests. (Docket No. 08-057-02).

NATURAL GAS RECOMMENDATION Y+

STATE	POLICY YEAR
Utah	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

PacifiCorp commissioned a DSM potential study in 2007. The PSC opened Docket No 08-035-56 and issued an Order on April 1, 2009 making findings about the potential study. According to comments submitted by J Harvey on July 6, 2010, the study has been used as the basis for building DSM supply curves in the IRP models.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

A potential study for the Southwest, including Utah, was conducted in 2006 by GDS, Associates as part of a paper for the ACEEE Summer Study.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

EE goals have been established in several ways. First, utilities set goals pursuant to their IRPs. Second, Governor Huntsman, in 2006, set a goal of increasing EE by 20% statewide by 2015. Finally, in 2009, the legislature stated its intention for Rocky Mountain Power to reduce annual electric sales by 1%.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

EE goals have been set in several ways. First, Questar's IRP incorporates savings goal. Second, Governor Huntsman, in 2006, set a goal of increasing EE by 20% statewide by 2015. Finally, in 2009, the legislature stated its intention for Questar to reduce annual electric sales by .5%.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION ac

NATURAL GAS

NATURAL GAS RECOMMENDATION ac

STATE	POLICY YEAR
Utah	2010

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

Utah enacted The Energy Resource and Carbon Emission Reduction Initiative in March 2008. (Utah Code 54-17-1-1 et seq and 10-19-101 et seq.) The law does not set specific targets but, rather, requires that utilities only need to pursue renewable energy to the extent that it is cost-effective to do so. DSM measures are one of the eligible technologies under the Utah RPS. (Utah Code 54-17-601(10)(e)(i)).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Utah enacted The Energy Resource and Carbon Emission Reduction Initiative in March 2008. (Utah Code 54-17-1-1 et seq and 10-19-101 et seq.) The law does not set specific targets but, rather, requires that utilities only need to pursue renewable energy to the extent that it is cost-effective to do so. DSM measures are one of the eligible technologies under the Utah RPS. (Utah Code 54-17-601(10)(e)(i)).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

By Order issued on October 7, 2009, the PSC reaffirmed its requirement that utilities by March 31st annually file an evaluation report of program performance. (Docket No 09-035-27).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

The Utah Commission ordered Questar to devise an evaluation methodology with the Dept. of Public Service. (Docket No. 05-057-T01). Questar performed a program evaluation, with impact, market transformation, and process evaluations, and filed its report on June 24, 2010. (Docket No. 05-057-T01).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Utah	2010

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

Utilities are required to undertake DSM programs. PacifiCorp administers and provides a comprehensive set of energy efficiency programs. (Docket No.). The PSC reviews and approves these plans and associated program plans and budgets.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Utilities are required to undertake DSM programs. The state's primary gas utility, Questar, administers and provides a set of EE programs. (Docket No. 05-057-T01). The PSC reviews and approves these plans and associated program plans and budgets.

NATURAL GAS RECOMMENDATION Y

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

Utilities are required to file biennial IRPs.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Utilities are required to file biennial IRPs.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Utah	2010

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Funding for EE programs is provided by a tariff rider on customer bills. (Utah Code 54-7-12.8). An Order and settlement agreement in 2003 established the details of the tariff rider for Rocky Mountain Power. (Docket No. 02-035-T12).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Funding for Questar's EE programs occurs through rate cases. (Docket No. 05-057-T01).

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -b-

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

No decoupling mechanism is in place for electric utilities, despite a Joint Resolution by the Utah Legislature voicing support for decoupling.

ELECTRIC RECOMMENDATION N

NATURAL GAS

In 2010, Questar's Pilot DSM program was made permanent, including the CET decoupling mechanism, which allows non-gas distribution rates to be recovered on a per customer basis. (Docket No. 09-057-16).

NATURAL GAS RECOMMENDATION Y+

STATE	POLICY YEAR
Utah	2010

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION N/A

NATURAL GAS

NATURAL GAS RECOMMENDATION ab

QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

Despite a Joint Resolution by the Utah Legislature voicing support for utility incentives for EE, none have yet been implemented.

ELECTRIC RECOMMENDATION N

NATURAL GAS

Despite a Joint Resolution by the Utah Legislature voicing support for utility incentives for EE, none have yet been implemented.

NATURAL GAS RECOMMENDATION N

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STATE	POLICY YEAR
Washington	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

WA requires electric utilities serving more than 25,000 customers (both IOUs and consumer-owned utilities) to acquire all cost-effective EE. (RCW 19.285.040). WA also requires IOUs to file IRPs that treat EE as a priority resource. (WAC 480-100-238).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

WA requires regulated natural gas distribution companies to file IRPs that treat EE as a priority resource. (WAC 480-90-238).

NATURAL GAS RECOMMENDATION Y

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

WA requires EE to be integrated into IOU's IRP process and requires the companies to pursue all cost effective EE. (RCW 19.285.40; WAC 480-100-238).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

WA requires regulated natural gas distribution companies to file IRPs that treat EE as a priority resource. (WAC 480-90-238).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Washington	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

WA's IRP process requires IRPs to include an assessment of transmission system capability and reliability, and a comparative evaluation of energy supply resources (including transmission and distribution) (WAC 480-100-238). WA also requires that smart grid in particular must be considered prior to an investment in non-advanced transmission technologies, including smart grid measures that increased EE. (WAC 480-100-505).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

WA's gas IRP process requires IRPs to include an assessment of pipeline transmission capability and reliability and opportunities for additional pipeline transmission resources, and comparative evaluation of the cost of natural gas purchasing strategies, storage options, delivery resources, and improvements in conservation (WAC 480-90-238).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

WA requires the use of a modified TRC to evaluate EE programs. (Docket # UE-100170). The Council-modified calculation of TRC includes quantifiable non-energy benefits, a risk adder, and a 10 percent conservation benefit adder that increases the avoided costs by 10 percent.

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

WA does not require the use of the total resource cost test or societal cost test to evaluate EE programs. However, utilities have used total resource cost test -- for example, in Avista Corporation's proposed EE tariff rider revisions in 2008/2009 (WA UTC, Docket UG-090052).

NATURAL GAS RECOMMENDATION Y-

STATE	POLICY YEAR
Washington	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

WA's IRP process requires electric utilities to assess conservation potential in their IRPs (WAC 480-100-238). Additionally, the potential plans must be updated every two years for the subsequent 10-year period. (RCW 19.285.040; WAC 480-109). The projection of potential must be derived from and reasonably consistent with one of two sources: 1) the utility's most recent IRP; or 2) the utility's proportionate share, developed as a percentage of its retail sales, of the conservation council's current power plan targets for the state of Washington. The Northwest Power and Conservation Council's 6th Northwest Power Plan also calculates the conservation potential for the four-state region, including WA

ELECTRIC RECOMMENDATION Y

NATURAL GAS

WA's IRP process requires gas utilities to assess conservation potential in their IRPs (WAC 480-90-238).

NATURAL GAS RECOMMENDATION Y

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

Regulated electric utilities are required to establish biennial conservation targets that identify all achievable conservation opportunities and that must be no lower than a pro rata share of the utility's ten-year cumulative achievable conservation potential. (WAC 48-109-010).

ELECTRIC RECOMMENDATION Y+

NATURAL GAS

Regulated utilities are required to include efficiency targets in their IRP filings. (WAC480-90-238).

NATURAL GAS RECOMMENDATION Y-

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Washington	2010

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

WA has an Renewables Portfolio Standard, but EE is not eligible in the RPS (RCW 19.285.040).

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

M& V takes place on a utility by utility basis.

ELECTRIC RECOMMENDATION N

NATURAL GAS

M& V takes place on a utility by utility basis.

NATURAL GAS RECOMMENDATION N

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

All regulated electric utilities in Washington with more than 25,000 customers are statutorily required to provide EE programs. (RCW 19.285.040). WA has many municipal and cooperative utilities and public utility districts, and these consumer-owned utilities are not subject to regulatory jurisdiction of the WA UTC. These utilities purchase power from BPA, which undertakes its own EE programs.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Natural gas utilities are required to conduct IRPs and short-term plans outlining actions to implement IRPs, as well as progress reports toward meeting the IRPs goals. The Energy Trust of Oregon delivers some natural gas EE programs to Northwest Natural Gas customers (Energy Trust of OR).

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Washington	2010

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

IRPs are required to be updated and filed every two years (WAC 480-100-238).

ELECTRIC RECOMMENDATION Y

NATURAL GAS

IRPs are required to be updated filed every two years (WAC 480-90-238).

NATURAL GAS RECOMMENDATION Y

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

The Commission is empowered to approve tariffs to recover electric and gas utility conservation expenses, and utilities are permitted to recover all prudently incurred costs associated with conservation activities. (RCW 80.28.303 and 19.285.050). Avista and Puget Sound Energy recover costs through tariff riders. Pacific Power's surcharge is called a system benefits charge, but this mechanism is equivalent to a rider.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

Statute allows the Commission to approve tariffs to recover gas utility conservation expenses (RCW 80.28.303). Avista and Puget Sound Energy recover costs through a tariff rider. Cascade Natural Gas and Northwest Natural Gas defer expenditures in their programs annually, with recovery through their Purchased Gas Adjustment filings.

NATURAL GAS RECOMMENDATION Y

STATE	POLICY YEAR
Washington	2010

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION ab

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

In 2010, the Commission released a policy statement supporting the practice of decoupling and providing guidance to utilities on how they should structure decoupling requests to the Commission. (Docket U-100522).

ELECTRIC RECOMMENDATION N

NATURAL GAS

In 2010, the Commission released a policy statement supporting the practice of decoupling and providing guidance to utilities on how they should structure decoupling requests to the Commission. (Docket U-100522). Certain utilities have decoupling mechanisms in place: Cascade Natural Gas (Docket UG-060256) and Avista (Docket UG-090135).

NATURAL GAS RECOMMENDATION Y-

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Washington	2010

QUESTION **5.2.1**

Utility/shareholder EE incentives are provided

ELECTRIC

No reward is in place or proposed by regulated electric utilities, but they can be penalized if they fail to meet energy savings goals. (WAC 480-109).

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

No reward is in place or proposed by regulated natural gas utilities, but they can be penalized if they fail to meet energy savings goals. (WAC 480-109).

NATURAL GAS RECOMMENDATION Y

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STATE	POLICY YEAR
Wyoming	2010

QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

Utilities offer some EE programs, but EE is not required in statute. The Commission approved demand side management programs for Rocky Mountain Power in Docket No. 20000-339-ET-08 on February 2, 2009. The Commission recently approved an IRP rule, which requires utilities operating in Wyoming that are required to file IRP's in other states, to file those same IRP's with the Commission.

ELECTRIC RECOMMENDATION N

NATURAL GAS

Utilities offer some EE programs, but EE is not required in statute. The Commission ordered Rocky Mountain Power to explore ways to barter with natural gas companies in its demand side management offerings in Docket no. 20000-339-ET-08 on February 2, 2009. The Commission requested that Rocky Mountain Power make a report on the status of a collaboration with natural gas entities by March 1, 2009. It is not clear that this report was filed. Cheyenne Light, Fuel & Power filed for approval of a natural gas and electric DSM program in Docket Nos. 20003-104-EA-09 and 30005-128-GA-09. Based upon the amended applications, statements by the Company, statements by the OCA and the analysis and recommendations of Staff, the Commission found and concluded it was in the public interest to deny the application. The Commission directed Cheyenne Light to file a new suite of DSM programs by April 30, 2010.

NATURAL GAS RECOMMENDATION N

QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

In 2009, the Commission adopted an IRP rule in Docket No. 90000-107-XO-09. The rule was codified in Chapter II, Section 253 of the Public Service Commission General Rules. The IRP rule states that utilities that are required to file IRP's in other jurisdictions must file an IRP with the Commission. The Commission may also require a utility to file an IRP if the Commission finds it is in the public interest. There are only guidelines for an IRP in Wyoming. Rocky Mountain Power filed an IRP with the Commission on May 29, 2009 in Docket No. 20000-346-EA-9. PacifiCorp filed its 2011 IRP with state regulatory commissions on March 31, 2011. The filing will initiate the state processes for acknowledgment in Idaho, Oregon, Utah, Washington and Wyoming.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

In 2009, the Commission adopted an IRP rule in Docket No. 90000-107-XO-09. The rule was codified in Chapter II, Section 253 of the Public Service Commission General Rules. The IRP rule states that utilities that are required to file IRP's in other jurisdictions must file an IRP with the Commission. The Commission may also require a utility to file an IRP if the Commission finds it is in the public interest. There are only guidelines for an IRP in Wyoming. Questar Gas Company filed an IRP in WY. Questar Gas Company 2012 Integrated Resource Plan (IRP) in Docket No. 30010-112-GA-11 (Record No. 12954)

NATURAL GAS RECOMMENDATION Y-

STATE	POLICY YEAR
Wyoming	2010

QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

The Commission has previously accepted all of the standard tests, including TRC. No specific test is required. The TRC test was used in the DSM programs approved for Rocky Mountain Power on 10/2/08 in Docket No. 20000-264-EA-06.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

The Commission has previously accepted all of the standard tests, including TRC. No specific test is required. The TRC test was used in the DSM programs approved for Questar Gas Company in Docket No. 30010-94-GR-08, effective July 1, 2009. Questar's DSM cost effectiveness analysis uses an Excel spreadsheet model that performs a financial analysis of the costs and benefits of the program. The costs include the customer incentives, administration costs, advertising and marking costs, etc.; the benefits are the avoided gas costs the Company does not have to pay. The benefits are compared to the costs and then a life cycle financial analysis is done to determine a net present value of the program benefits

NATURAL GAS RECOMMENDATION Y-

STATE	POLICY YEAR
Wyoming	2010

QUESTION 2.3.1

Potential for cost-effective EE has been established through a potential study

ELECTRIC

Utilities are required to provide the expected program benefits and the evidence and reasons for the expectations when they submit proposed DSM programs to the Commission. However, a statewide potential study of all cost-effective EE has not been done. Rocky Mountain Power completed a 2007 demand-side management potential study and contracted an updated to it in 2010

ELECTRIC RECOMMENDATION N

NATURAL GAS

Utilities are required to provide the expected program benefits and the evidence and reasons for the expectations when they submit proposed DSM programs to the Commission. However, a statewide potential study of all cost-effective EE has not been done.

NATURAL GAS RECOMMENDATION N

QUESTION 2.5.1

Quantitative MW and MWh savings goals have been established and are producing incremental investment.

ELECTRIC

Rocky Mountain Power restated its goals to be 8000 mWh for 2009 and 21,000 MWh for 2010.

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.5.2

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

ELECTRIC

ELECTRIC RECOMMENDATION

NATURAL GAS

NATURAL GAS RECOMMENDATION

STATE	POLICY YEAR
Wyoming	2010

QUESTION 2.5.3

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

ELECTRIC

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION N

QUESTION 2.6.1

A robust M&V process has been established

ELECTRIC

M&V is dealt with on a case-by-case basis during each utilities' DSM filings. Rocky Mountain Power's approved DSM plan requires yearly evaluations conducted by an independent third party; the evaluations must include the kWh saved, the kW saved, the participation rate, the take rates, all with sufficient detail to show each program's cost-effectiveness.

ELECTRIC RECOMMENDATION N

NATURAL GAS

M&V is dealt with on a case-by-case basis during each utilities' DSM filings. Questar Gas Company's approved DSM plan in Docket No. 30010-94-GR-08 requires the company to report semi-annually. Montana Dakota Utilities is required to report annually in an Order dated September 23, 2006 in Docket No. 30013-166-GT-05 . The reports must include the Dth savings, the take rates, etc, all with sufficient detail to show each program's cost-effectiveness.

NATURAL GAS RECOMMENDATION N

QUESTION 2.7.1

EE delivery structure has been established

ELECTRIC

The delivery structure is through the utilities. The Commission approved demand side management programs for Rocky Mountain Power in Docket No. 20000-339-ET-08 on February 2, 2009.

ELECTRIC RECOMMENDATION N

NATURAL GAS

The delivery structure is through the utilities. Rocky Mountain Power is required to report on opportunities for providing DSM in conjunction with natural gas utilities by 3/1/09 as stated in Final Order, Docket 20000-264-EA-06. It is not clear if that report was made.

NATURAL GAS RECOMMENDATION N

STATE	POLICY YEAR
Wyoming	2010

QUESTION 2.7.2

Delivery is via (a) utility administration; (b) third-party administration; or © government agency

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 2.8

Resource plans are regularly updated

ELECTRIC

The Commission approved a new IRP rule in 2009. Reviews "may be conducted in accordance with guidelines set forth from time to time as conditions warrant."

ELECTRIC RECOMMENDATION N

NATURAL GAS

The Commission approved a new IRP rule in 2009. Reviews "may be conducted in accordance with guidelines set forth from time to time as conditions warrant."

NATURAL GAS RECOMMENDATION N

QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

Cost recovery is done on a case-by-case basis through a efficiency charge. DSM programs were approved for Rocky Mountain Power on 10/2/08; the costs will be recovered through a rate surcharge that will be set separately for residential, small commercial, and large industrial groups. No customer may opt out. Each year, the programs' cost-effectiveness will be reassessed, changes to the programs may take place, and the surcharge may be adjusted for the future year's programs, as well as to account for over- or under-collected amounts. Due to a slow start up, RMP over collected and has reduced the charge to zero to allow program activity to catch up with available funds.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

A 2006 Order in Docket No. 30013-166-GT-05 approved cost recovery for Montana Dakota Utilities gas conservation programs via a tariff rider. Questar Gas Company began its DSM programs on 7/1/09 pursuant to a June 17, 2009 Order in Docket No. 30010-94-GR-08 where the Commission approved cost recovery for Questar Gas Company

NATURAL GAS RECOMMENDATION Y-

STATE	POLICY YEAR
Wyoming	2010

QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

A tracking adjustment mechanism that includes direct lost revenue recovery was approved for a small service territory covered by Montana Dakota Utilities in Docket No. 20004-65-ET-06 in 2007. The adjustment applies to all MDU customers to recover costs and lost revenues for load management programs only. Rocky Mountain Power has no such adjustment

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

In Docket No. 30013-166-GT-05, MDU had requested lost revenue recovery for natural gas distribution sales lost to conservation programs. The request was later revised and the lost revenue request was dropped. The Commission approved a decoupling mechanism for Questar Gas Company in May 2009 in Docket No. 30010-94-GR-8.

NATURAL GAS RECOMMENDATION Y-

QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION -b-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

STATE	POLICY YEAR
Wyoming	2010

QUESTION **5.2.1**

Utility/shareholder EE incentives are provided

ELECTRIC

ELECTRIC RECOMMENDATION	N

NATURAL GAS

NATURAL GAS RECOMMENDATION	N

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