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Memo

To: Members of the AR Residential, Commercial, and Industrial (RCI) Technical Work Group (TWG)

From: The Center for Climate Strategies

CC: Arkansas Governor's Office
Kathy Webb, GCGW Co-Chair
Kevin Smith, GCGW Co-Chair

Subject: Energy Efficiency Acquisition Briefing

Date: July 11, 2008

The following graphs and table from recent energy efficiency resource assessments are meant to compliment the report by Steven Nadel, Anna Shipley and R. Neal Elliott with the American Council for an Energy-Efficient Economy. This data can potentially help inform the RCI subcommittee in its deliberations on RCI policy options.

I. Best Practices in DSM Programs

Source: Quantec. (2008). *Assessment of Energy and Capacity Savings Potential in Iowa* Prepared for The Iowa Utility Association. February 15. p. I7-I10

Best Practice Results

This section compares 2006 DSM program results for residential and C&I customer sectors combined across the various locations. See Appendices for complete data and statistics.¹⁵

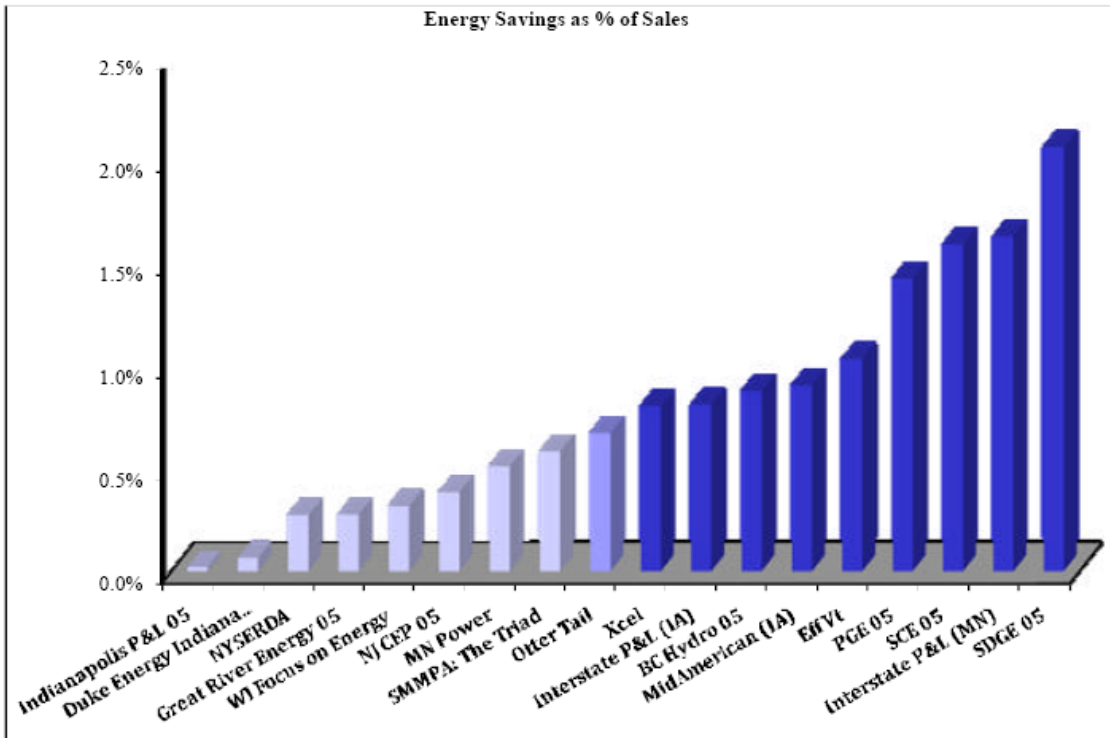
Overall DSM Results

Table I.3 shows the median result for DSM spending, savings, costs, and energy costs over all customer sectors for the reviewed organizations.

Table I.3. Medians for Overall Results

Spending as % of Revenue	Energy Savings as % of Sales	Demand Savings as % of Peak Demand	Cost of Energy \$/kWh	Cost of Savings	
				\$/kWh	\$/kW
1.8%	0.7%	0.9%	\$0.07	\$0.17	\$757

Figure I.3. DSM Energy Savings as % of Sales First Year



All of the seven organizations with above median DSM spending rates also achieved above median energy savings as a percentage of sales: SDG&E has the highest energy savings as a percentage of sales at about 2.1%, three times the median of 0.7%, while Xcel Energy, Interstate P&L (IA), BC Hydro, MidAmerican (IA) and Efficiency VT achieved savings rates of about 0.9% of sales; PG&E, SCE, and Interstate P&L (MN) achieved savings rates of about 1.5%.

Figure I.4. Demand Savings as % of Peak Demand

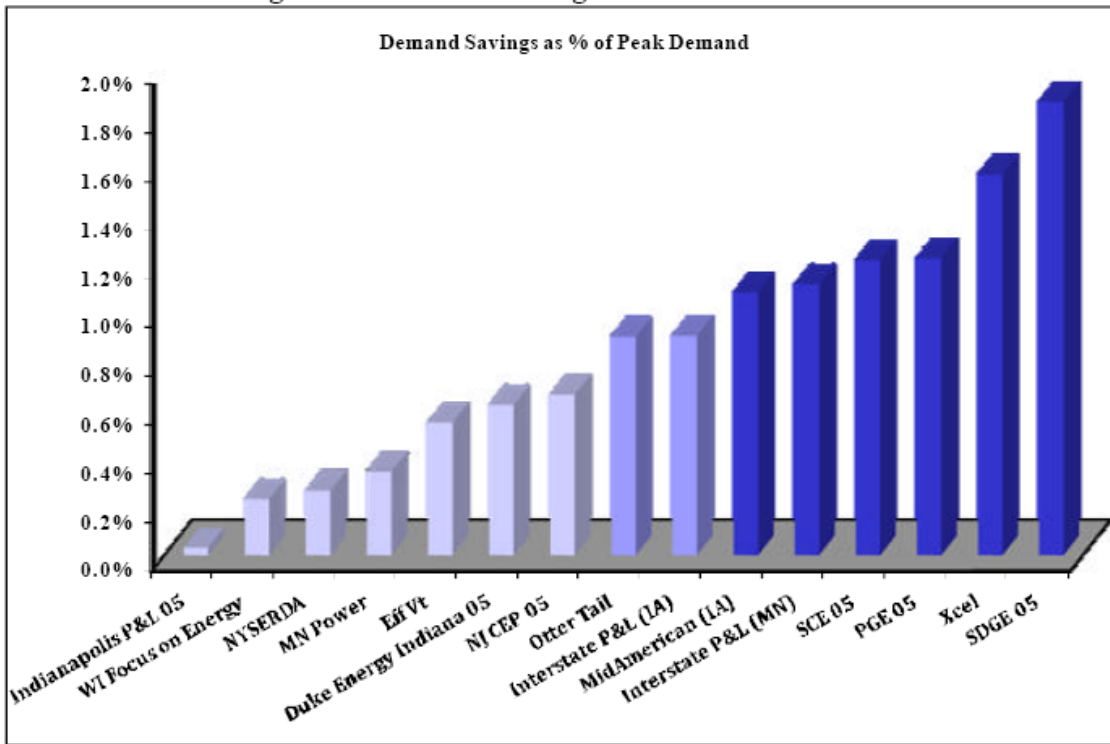


Figure I.4 shows DSM incremental demand savings as a percentage of annual peak demand. SDG&E has the highest demand savings as a percentage of peak demand, at 1.9%, about double the median of 0.9%. The other utilities with above median demand savings rate have above median rates of DSM spending: Xcel Energy conserved 1.6% of peak demand and PG&E, SCE, Interstate P&L (MN) and MidAmerican (IA) conserved about 1.1% of peak demand.

II. Energy Efficiency Potentials in Georgia

Source: ICF Consulting. (2005). *Assessment of Energy Efficiency Potential in Georgia*. Final Report to Georgia Environmental Facilities Authority. May 5.

www.gefa.org/Modules/ShowDocument.aspx?documentid=46.

Table 12. Technical and Economic Potential by Sector—Total Potential and Percent of 2004 Load

Load Type	Technical Potential	Economic Potential		
Residential				
Reduction in Electricity Sales (MWh)	15,884,676	33%	10,396,499	21%
Reduction in Peak Demand (MW)	3,836	41%	1,882	20%
Reduction in Gas Sales (MMcf)	41,292	31%	17,833	13%
Commercial				
Reduction in Electricity Sales (MWh)	13,480,921	33%	8,947,117	22%
Reduction in Peak Demand (MW)	2,602	33%	1,432	18%
Reduction in Gas Sales (MMcf)	15,492	28%	11,747	21%
Industrial				
Reduction in Electricity Sales (MWh)	6,126,964	17%	5,365,779	15%
Reduction in Peak Demand (MW)	1,265	21%	885	15%
Reduction in Gas Sales (MMcf)	6,557	4%	6,468	4%
Total				
Reduction in Electricity Sales (MWh)	35,492,561	29%	24,709,395	20%
Reduction in Peak Demand (MW)	7,703	33%	4,199	18%
Reduction in Gas Sales (MMcf)	63,341	19%	36,048	11%