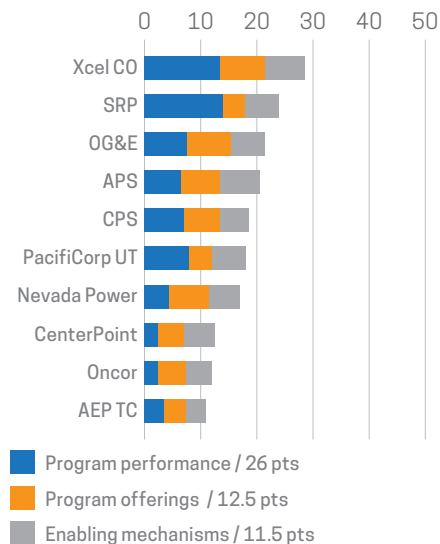
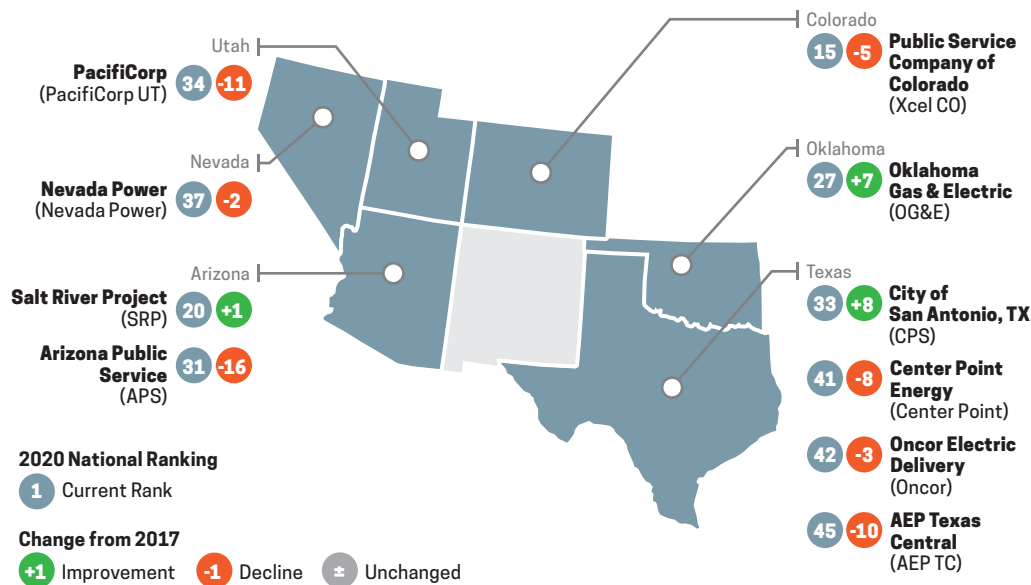


Points earned by southwestern utilities



Southwest



Highlights and Opportunities

The highest-ranking southwestern utilities in the 2020 Utility Energy Efficiency Scorecard are Xcel CO in 15th place, followed by SRP in 20th place and OG&E in 27th. The performance of the region's utilities varies widely, placing them throughout the rankings. Energy efficiency progress has been mixed, as more than half the southwestern utilities have fallen in the rankings since 2017. However SRP, OG&E, and CPS all improved their performance, rising by one, seven, and eight places in rank since 2017, respectively.

While Xcel CO is no longer in the top 10 utilities overall, it continues to be a leading utility, especially in the Southwest. Regionally, it led the way by offering a wide breadth of programs and by having strong mechanisms in place to enable energy efficiency. Its program achievements were correspondingly high, as it was second regionally (behind SRP) in metrics measuring efficiency savings, spending, and other quantitative success indicators. Both SRP and OG&E made strong improvements compared to 2017. OG&E jumped into to the top three southwestern utilities and CPS moved from the bottom of the pack to slightly above the middle. We may see additional improvement in the Southwest's performance in coming years, as APS committed to increasing funding for its programs, Nevada Power committed to a 2020 savings target that is 44% higher than its 2018 achievements, and Colorado is leading in promoting electric vehicles.

Category 1. Annual and lifetime energy savings, demand savings, efficiency spending, and program participation

The southwestern utilities varied in efficiency program performance, scoring between 14 out of 26 points (SRP) and only 2.5 points (Oncor and CenterPoint). On average, the region's utilities scored a total of about 7 points on program performance, which is slightly lower than the average for all US utilities (9.5 points). The Southwest falls near the bottom compared to the other regions in this category, ahead of only the Southeast. Only two utilities from the region (SRP and Xcel CO) delivered incremental savings above 1.5%, with the rest all delivering savings below 1.0%. Southwestern utilities spent an average of about 1.6% of revenue on efficiency, also lower than the national average of 2.6%.

Category 2. Portfolio comprehensiveness including new, existing, low-income, and electric vehicle offerings

Together the southwestern utilities performed just below the national average in delivering comprehensive portfolios to their customers. Their individual performance varied widely. For example, Xcel CO's portfolio included 21 different core programs and 6 emerging programs, whereas AEP TC offered only 7 core and 2 emerging programs. Almost all of the utilities offer residential home retrofit and HVAC equipment programs, as well as commercial and industrial custom, HVAC, and lighting programs. All but one offered small business programs. This region had not yet strongly pursued electric vehicle offerings as of 2018, with 6 of the 10 utilities offering electric rates to customers with electric vehicles to encourage off-peak charging (APS, Nevada Power, OG&E, PacifiCorp UT, SRP, Xcel CO). None of the utilities offered incentives for charging infrastructure in 2018, but states in the Southwest, such as Arizona and Colorado, have passed legislation to promote electric vehicles and utilities are likely to increase efforts in this area.

Category 3. Mechanisms to enable efficiency, including advanced metering, savings targets, rate design, the utility business model, and resource planning

APS and Xcel CO led in this category, while the region overall performed below the national average. SRP and Xcel CO both have strong savings targets, with goals of over 1.3% each year 2018-20. SRP's targets are about 2% for each year, among the highest in the country. OG&E, along with PacifiCorp UT, Nevada Power, and CenterPoint, led the way in EM&V practices, which help utilities improve their program offerings each year. All but two utilities in the region are eligible to earn performance incentives for efficiency achievements, but no utility earned full credit for residential rates that encourage energy-efficient behaviors. However, APS and SRP are two of only three utilities nationwide to offer a time-of-use rate as the default option for residential customers. Most southwestern utility plans treat efficiency as a demand resource (APS, Nevada Power, OG&E, SRP, Xcel CO), with only PacifiCorp UT treating plans as a supply resource and, in the case of CPS, as both.