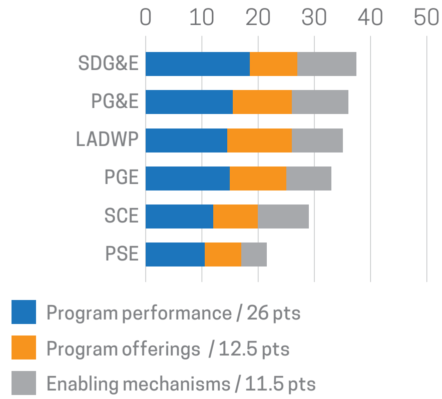
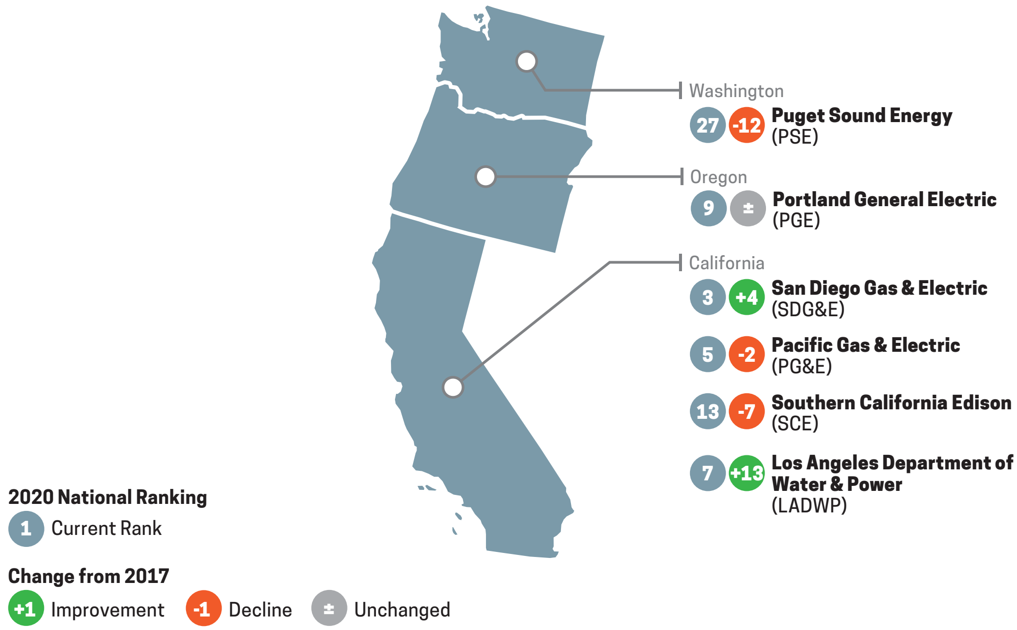
West

Points earned by western utilities





Highlights and Opportunities

As a group, the western utilities performed the best in the *2020 Utility Energy Efficiency Scorecard* with four out of six utilities falling in the top 10 overall rankings. This includes SDG&E in third, PG&E in fifth, LADWP in seventh, and PGE in ninth place. Three of these utilities were also in the top 10 in 2017, with LADWP joining them as the most improved utility, climbing 13 spots from 20th to 7th place. SCE fell just out of the top 10 at 13th, and PSE placed in the middle of the pack at 27th.

California's strong energy efficiency policies and commitment to mitigating climate change helped the utilities achieve high savings. All four utilities delivered over 1.5% energy savings in 2018. However, the state's energy savings goals for investor-owned utilities decline in future years, which may impact future performance.

PGE and its energy efficiency administrator, Energy Trust of Oregon, are leading efficiency innovation by pursuing a large slate of emerging programs. Washington may pursue utility business model reform that can enable more energy efficiency with legislation that opens the door for performance-based ratemaking.

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

The western utilities led the pack in efficiency program performance, scoring between 18.5 out of 26 points (SDG&E) and 10.5 points (PSE). All the utilities scored higher than the national average (9.5 points). Similarly, all six utilities from the region delivered annual incremental savings above the national average of 1.03%, a significant achievement. The region also delivered high peak demand savings, with SDG&E leading the national pack, having saved 3% of its 2018 peak demand through efficiency. Western utilities spent an average of about 3% of revenue on efficiency, slightly more than the national average of 2.6%. However their spending ranges from 1.7% to 4.9% of revenue, an almost threefold difference.

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

Together the western utilities offered 116 core and 52 emerging programs, representing 13% and 17% of all programs offered nationally, respectively, through only six utilities. All of the utilities offer residential home retrofit and HVAC equipment programs, as well as commercial kitchen and restaurant programs. All but one utility offered programs that aim to reduce miscellaneous plug loads. This region pursued electric vehicle offerings as of 2018, with all but one utility offering incentives for charging infrastructure. Four utilities had proposed additional programs beyond those that were already approved to further aid in developing charging infrastructure. Five of them (all but PSE) offered electric rates to customers with electric vehicles to encourage off-peak charging.

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

The western utilities led the nation in enabling mechanisms that support efficiency. We found a diversity of approaches for each enabling mechanism, even within the same state. For example, some utility plans treat efficiency as a supply resource (PG&E, PSE), and some as both a supply and demand resource (LADWP, PGE, and SDG&E). This region is also leading in offering rates to customers that encourage efficiency. For example, five out of six utilities offer time-of-use rates, one that is the default rate option for customers (SDG&E) and two that have over 8% of customers subscribed (PG&E and SDG&E).

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