

# THE \$20 BILLION BONANZA



*Best Practice Electric Utility Energy Efficiency Programs and Their Benefits for the Southwest*

## New Mexico Highlights

**The Bottom Line: Households and businesses can save \$1.7 billion through increased commitment to energy efficiency.**

Energy efficiency is the lowest-cost, cleanest, and least risky resource available to electric utilities in New Mexico. By implementing best practice energy efficiency programs, electric utilities in New Mexico would:

- Save their customers nearly **\$1.7 billion net**
- **Cut electricity use in 2020 by 24%** and peak demand by 20%
- **Avoid 3.5 large power plants**
- Save 5 billion kilowatt hours per year by 2020, equivalent to **the electricity use of 580,000 typical households**
- Support **2,330 new jobs** and boost economic activity in the state
- Cut air pollution and **improve public health**
- Reduce CO<sub>2</sub> emissions by 6.2 million metric tons per year by 2020, equivalent to taking **1.2 million passenger vehicles off the road**
- Reduce water consumption by **4.6 billion gallons** per year by 2020

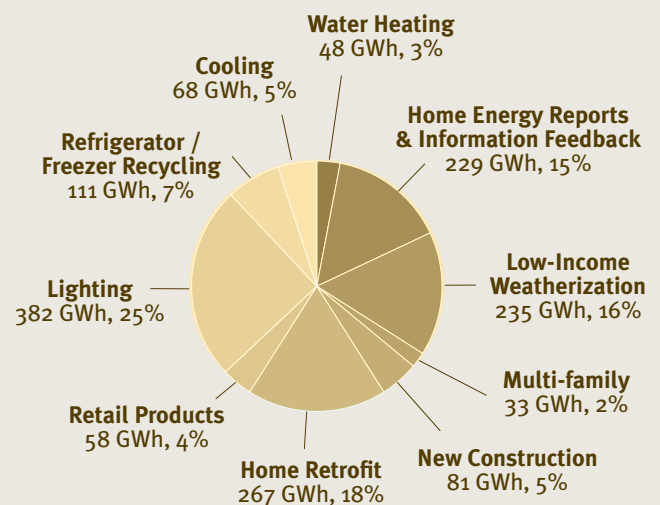
### We'll Get There by Employing Best Practices

To reap the benefits listed above, New Mexico's utilities should ramp up their energy efficiency funding significantly during 2013–2020.

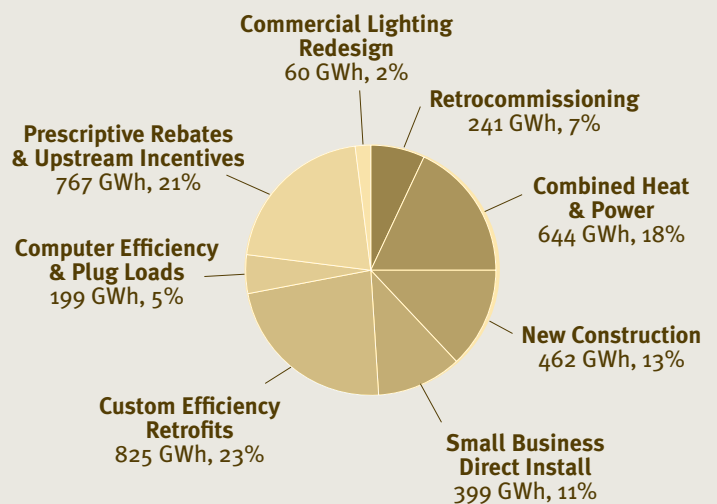
Best Practice utility energy efficiency programs include education, technical assistance and financial incentives for all customers.

Utilities should promote all cost-effective energy efficiency measures including energy-efficient lighting, appliances, air conditioning systems, electronic devices, control systems, building envelope retrofits and better performing new homes and commercial buildings.

**TOTAL RESIDENTIAL ELECTRICITY SAVINGS IN 2020 BY PROGRAM (GWh)**



**TOTAL COMMERCIAL & INDUSTRIAL ELECTRICITY SAVINGS IN 2020 BY PROGRAM (GWh)**



## THE \$20 BILLION BONANZA — New Mexico Policy Recommendations

**Utilities in New Mexico Are Lagging Behind Those in Other States in Terms of Energy Efficiency Programs and Energy Savings.** New Mexico should adopt the following policies to ramp up energy savings and achieve the benefits summarized below:

- **Strengthen Energy Efficiency Requirements:** New Mexico's legislature should increase utility energy efficiency requirements to at least 15% of electricity sold by 2020 for all electric utilities in the state.
- **Remove Disincentives:** New Mexico's Public Regulation Commission (PRC) should separate electricity sales from utility fixed-cost recovery so that utilities are not financially harmed when they implement energy efficiency programs for their customers.
- **Reward Performance:** The PRC should establish performance-based incentives that enable utility shareholders to earn a reasonable profit when utilities implement effective energy efficiency programs for their customers.
- **Maximize Participation and Electricity Savings:** Electric utilities and the PRC should fully fund all cost-effective efficiency programs.
- **Involve All Utilities:** All utilities in New Mexico should provide robust energy efficiency programs to their customers.

