

# Demand Side Management Programs

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# Presentation Outline

- Why should you care?
- If you decide to play, learn the rules of the game.
- Winning strategies; the best offense is a good offense.


Why should you care?

# Financial Interest

Spending per customer = Cost per customer (California exception)



Best programs spend \$20 per customer; low-income households care about \$20 per household



Advocates need to make sure that the funds are spent effectively



# Participation Opportunities

- Participation by households – Equipment replacement and residential DSM programs (Colorado REACH)
- Participation by programs – Affordable housing and new multifamily construction programs
- Participation by organizations – Small commercial buildings programs

# The rules of the game...

# What counts? Usually...

- Electricity not gas
- KW not kWh
- Peak load not average load
- Opportunities not equity

# How is it counted?

- Cost effectiveness tests
  - Vary by jurisdiction
  - Not just energy savings / program costs
- Cost effectiveness “adders”
  - Environmental
  - Jobs
  - Other

# Winning strategies!

# Advantages

- Existing infrastructure
  - Lower costs
  - Quicker deployment
- Proven performance
  - Program statistics
  - Evaluation data

# Advantages

- More opportunities
  - Low existing efficiency level
  - Peak load usage (elderly)
- Better net impacts
  - No free riders
  - Local program expenditures
  - Offset other SBC expenditures

# Strategies

- Target add-ons, not new programs
  - Add electric measures to WX
  - Increase rates for qualifying measures
- Make use of client lists and data
  - Reduce marketing costs
  - Increase program performance

# Strategies

- Insist on “fair share”
  - Low-income households pay SBC
  - Low-income programs have proven performance
- Cost-effectiveness
  - Don’t accept “equity only” label
  - Demand to see verified savings estimates from other programs

# Examples

# Ohio EPP

- Target high use PIPP customers
- Direct install electric baseload services (refrigerators, CFLs, and other measures)
- Delivery by CBOs and contractors
- Performance
  - Rapid deployment (10,000 per year)
  - High savings (12% of high baseload)
  - PIPP / SBC savings
  - Employment / economic impacts

# Colorado First Response

- Target LIHEAP customers
- Direct install electric baseload services
- Energy kits – counseling setting, mass mailing, business reply mailing
- Delivery by Youth Corps and contractors
- Performance
  - Rapid deployment (15,000 per year)
  - Cost-effective savings (High BCR for best model)

# California LIEE

- Direct install comprehensive measures
  - Electric – Refrigerators / CFLs
  - Electric and Gas – Shell measures
- Delivery by CBOs and contractors
- Performance
  - Electric baseload is cost-effective
  - Shell measures are a waste of SBC funds
  - Fails cost-effectiveness tests
  - Needs to be completely redesigned

# Summary

# DSM Opportunities

- Make programs work for your clients
  - Learn the rules / be at the table
  - Identify opportunities / aggressively pursue
  - Set the stage for performance measurement
  - Demand allocation based on performance

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