

PUC plan rewards Xcel, users for saving

Trimming energy usage by 940 megawatts could remove the need for the utility to build two new power plants.

By Andy Vuong *The Denver Post*

The Colorado Public Utilities Commission is adopting an aggressive energy-efficiency policy that could reduce the pressure on Xcel Energy to build additional power plants.

Under a new incentive plan approved by the commission, Xcel could recover from ratepayers all costs for programs that encourage customers to use energy more efficiently. Xcel also could receive bonuses if it meets certain targets.

Such programs include Xcel's Saver's Switch, which gives residential customers a \$25 credit each year for allowing the utility to turn off their air conditioners for 20-minute intervals during peak-usage hours.

Xcel gives rebates to businesses that install energy-efficient lighting, motors and central air-conditioning systems, and other power-saving equipment.

The goal is for Xcel to cut peak power demand by up to 940 megawatts by 2020. Starting next year, the plan would allow Xcel to receive a \$2 million upfront payment each year.

The payment is contingent on Xcel meeting at least 80 percent of an annual energy-savings goal, said Jeff Ackermann, an adviser to the commission. In addition, the utility would get bonuses based on how much energy it saves.

Although undetermined monthly costs would be built into ratepayer bills, PUC chairman Ron Binz said some customers would benefit from reduced power use and all customers would benefit by deferring the cost of new power plants. A 940-megawatt peak-demand reduction could eliminate the need for two power plants.

"Avoiding more power plants is a very significant benefit of this," Binz said. "We're at a turning point where we have to be more efficient with the power we have available to us now."

Binz said commissioners voted 3-0 to adopt the plan last week. A written order is expected early next week.

"It really is a win-win for customers and Xcel," said Howard Geller, executive director of the Boulder-based Southwest Energy Efficiency Project.

Critics say all ratepayers eat the costs of such programs while only those who participate directly benefit.

"Our customers believe that if somebody is going to do conservation, they're the ones that are benefiting and it shouldn't be somebody else that pays for it," said Stan Lewandowski, general manager of the Intermountain Rural Electric Association.

Xcel spokesman Mark Stutz declined to comment on plan specifics until a written order is issued. But he said the utility supports the concept.

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