

PUC wins praise for Xcel decision

**Denver Business Journal - by [Cathy Proctor](#) Denver Business Journal
Thursday, June 5, 2008 - 2:50 PM MDT**

Supporters of energy efficiency efforts on Thursday hailed a 56-page decision by the **Colorado Public Utilities Commission**, calling it a "landmark" for policies that promote energy conservation.

The Boulder-based Southwest Energy Efficiency Project (SWEEP) said that if **Xcel Energy Inc.** (NYSE: XEL) meets the goals set out by the commission, the utility and its customers will reduce the peak power demand by between 886 megawatts and 994 megawatts in 2020 and lower electricity use in 2020 by nearly 3.7 billion kilowatt-hours.

The goals call for the utility and its customers to cut electricity use in 2020 by 11.5 percent from energy efficiency programs implemented between now and then.

Xcel is based in Minneapolis. It is Colorado's largest utility with 1.3 million electricity customers, and serves about 70 percent of the state's population.

Howard Geller, SWEEP's executive director, said he thought the utility could achieve the goals with a total of between \$700 million and \$1 billion. The programs would also represent a net economic benefit of about \$1.5 billion, he said.

The PUC's written order was issued Thursday, and Xcel officials were still reviewing it.

"Xcel continues to support the concept of energy conservation because it's good for the company, our customers and the state," said utility spokesman Tom Henley.

But the PUC's decision lays out goals that are higher than what Xcel proposed. In October 2007, the utility proposed cutting 694 megawatts of power from its customers' demands between 2009 and 2020 -- at an estimated cost of \$738 million.

"These are ambitious but achievable energy savings goals," Geller said in a statement, "Achieving the goals will cut load growth in half and eliminate the need for two large power plants over the next 12 years. The goals are also consistent with energy savings and emissions reductions expected from utility energy efficiency programs in Gov. [Bill] Ritter's Climate Change Action Plan. SWEEP applauds the PUC for setting strong energy efficiency goals."

The PUC's decision allows Xcel to earn a profit of up to 20 percent on the money it spends on the energy conservation programs, as long as it hits at least 80 percent of its annual conservation goal. Xcel can also charge customers the cost of running the conservation programs, SWEEP said.