



SPS NM Energy Efficiency and Load Management Programs

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Overview

- Energy Efficiency & Load Management (EE/LM) Compliance
- Recent EE/LM Plan Filings & Outcomes
- Current DM Offerings in SPS-NMx
- 2023-2025 Approved Program Forecasts
- Upcoming Plan Filings

EE/LM Compliance

- IOUS are required to achieve savings of no less than 5% of 2020 total retail kWh sales to New Mexico customer classes that have the opportunity to participate in calendar year 2025 as a result of energy efficiency and load management programs implemented in years 2021 through 2025.
 - Required Utilities to file Staggered Triennial Plan Filings
 - Required EE/LM funding to be set at 3-5% of customer billing
 - Overage/Underages applied to next Plan Year (PY) Budget (EX: 2023 underspend will increase 2025 approved budget.)
- Programs must be cost effective through the Utility Cost Test.
- Programs must be evaluated every three years by Statewide Evaluator
- Plans and Annual Reports on [Xcelenergy.com](https://www.xcelenergy.com)

Recent EE/LM Plan Filings

- **Case No. 19-00140-UT- 1st Triennial Plan Filing**
 - Covered PYs 2020-2022
 - Removal of LM offerings
 - Saver's Switch, Thermostats, ICO
 - Addition of Heat Pump Water Heaters
 - Additional Market Research funding for Potential Study
- **Case No. 21-00186-UT- 2021 Potential Study**
 - Presented Potential Study findings
 - Requested reduced Statutory Goal (246 GWH over 5 years) based on 2020 sales
 - Update PY 2022 program offerings and goals- Inclusion of Residential Thermostat Rewards
- **Case No. 22-00142-UT -SPS**
 - Covering PYs 2023-2025
 - Program updates- Inclusion of Codes and Standards (Res), Low-Income segment for Res HVAC, Business Thermostat Rewards

Current Demand Management Offerings in SPS-NM

- Residential Thermostat Rewards – The Residential Thermostat Rewards program (previously known as Smart Thermostats) allows customers to enroll their thermostat devices into the cooling and/or heating rewards program and receive demand response incentives in the form of bill credits for doing so. The program also offers a \$50 energy efficiency rebate for eligible devices. Customers can participate in the program through the Bring Your Own Thermostat (“BYOT”) channel for those who already have a device or through the Direct Install channel, where the Company will provide a device and installation of the device free-of-charge. In exchange for joining the Residential Thermostat Rewards program, customers allow SPS to call cooling and/or heating demand response events and measure the capacity savings of such events. Customers must have electric heat or central AC, an eligible Wi-Fi enabled smart thermostat, and receive electric service from SPS in order to qualify for the program.
- Business Thermostat Rewards – The Business Thermostat Rewards program seeks to reduce system load by using smart thermostats to curtail air conditioning (“AC”) unit load during months where air conditioning load is active. The offering is targeted towards the small-to-medium size business customers and will offer to install smart thermostats free of charge through the program contractors for thermostats that control a central AC or rooftop unit. In addition to the direct install channel, the program will have a Bring Your Own Thermostat (BYOT) enrollment channel option for those customers with an eligible smart thermostat already installed and controlling an eligible cooling load. BYOT customers will receive an enrollment incentive in the form of a bill credit upon program eligibility verification and all customers who remain enrolled in the program will receive an annual bill credit for each actively enrolled thermostat.

2022 Performance

Program	2022 Estimated								2022 Reported and Verified							
	Participants	Budget	Peak Demand Savings (Net Customer kW)	Annual Energy Savings (Net Customer kWh)	Peak Demand Savings (Net Generator kW)	Annual Energy Savings (Net Generator kWh)	Utility Avoided Cost	Utility Cost Test	Participants	Expenditures	Peak Demand Savings (Net Customer kW)	Annual Energy Savings (Net Customer kWh)	Peak Demand Savings (Net Generator kW)	Annual Energy Savings (Net Generator kWh)	Utility Avoided Cost	Utility Cost Test
Residential Segment																
Energy Feedback	24,400	\$144,485	823	4,586,748	960	5,176,917	\$ 191,252	1.32	25,941	\$163,714	1,014	3,873,062	1,183	4,371,402	\$ 148,552	0.91
Heat Pump Water Heaters	455	\$280,000	115	868,585	134	980,344	\$ 282,296	1.01	2	\$8,180	1	6,074	1	6,856	\$ 1,798	0.22
Home Energy Services: Residential and Low Income	3,891	\$2,131,716	817	8,004,036	953	9,033,901	\$ 4,618,682	2.17	4,045	\$2,678,541	706	8,694,037	824	9,812,683	\$ 4,787,261	1.79
Home Lighting & Recycling	439,635	\$1,534,743	2,577	14,760,530	2,953	16,483,303	\$ 7,944,635	5.18	257,161	\$1,402,777	1,476	9,164,664	1,722	10,343,865	\$ 4,810,153	3.43
Residential Cooling	680	\$444,300	319	905,715	372	1,022,252	\$ 565,380	1.27	46	\$374,601	8	24,225	9	27,342	\$ 14,113	0.04
School Education Kits	11,500	\$160,046	63	617,300	74	696,727	\$ 331,888	2.07	3,205	\$187,103	130	613,507	152	692,446	\$ 317,975	1.70
Refrigerator Recycling	1,000	\$210,208	90	707,753	105	798,818	\$ 156,267	0.74	32	\$21,328	1	19,099	1	21,556	\$ 3,863	0.18
Residential Thermostat Rewards	1,575	\$165,625	518	525,125	604	592,692	\$ 134,689	0.81	116	\$48,674	0	67,119	0	75,755	\$ 15,308	0.31
Residential Segment Total	483,136	\$5,071,123	5,321	30,975,792	6,156	34,784,954	\$ 14,225,091	2.10	290,548	\$4,884,918	3,336	22,461,787	3,893	25,351,904	\$ 10,099,023	2.07
Business Segment																
Business Comprehensive	535	\$8,348,676	3,492	25,516,282	3,825	27,466,397	\$ 12,204,631	1.46	542	\$8,937,909	5,456	39,099,103	5,976	42,087,301	\$ 16,251,439	1.82
Business Segment Total	535	\$8,348,676	3,492	25,516,282	3,825	27,466,397	\$ 12,204,631	1.46	542	\$8,937,909	5,456	39,099,103	5,976	42,087,301	\$ 16,251,439	1.82
Planning & Research Segment																
Consumer Education		\$200,000								\$241,002						
Market Research		\$360,000								\$306,630						
Measurement & Verification		\$15,000								\$944						
Planning & Administration		\$350,000								\$308,981						
Product Development		\$190,000								\$105,017						
Planning & Research Segment Total		\$1,115,000								\$962,574						
2022 TOTAL	483,670	\$14,534,799	8,813	56,492,075	9,981	62,251,350	\$ 26,429,722	1.82	291,090	\$14,785,400	8,792	61,560,890	9,869	67,439,205	\$ 26,350,462	1.78

In 2022, SPS achieved verified net electric savings of 8,792 kilowatts (“kW”) and 61,560,890 kilowatt-hours (“kWh”) at the customer level, for a total cost of \$14,785,400 (see Table 1 below.) This equals 109% of SPS’s 2022 approved energy goal, while spending 102% of the approved budget. The portfolio was cost-effective with a UCT ratio of 1.78.

Actual Program Collections: \$17,723,282.71
 PY Underage of ~ \$2.4M

2023 Approved Program Forecast

2023	Electric Participants	Electric Budget	Net Customer kW	Net Customer kWh	Net Gen kW	Net Generator kWh	Utility Cost Test Ratio
Business Program							
Business Comprehensive	376	\$9,239,402	3,937	26,473,342	4,289	28,374,429	1.01
Building Tune-Up	4	\$22,000	0	6,885	0	7,380	0.05
Cooling Efficiency	28	\$528,000	78	297,264	85	318,610	0.25
Custom Efficiency	44	\$5,113,000	1,855	15,280,584	2,021	16,377,904	1.01
Lighting Efficiency	224	\$1,154,302	821	4,144,442	894	4,442,060	1.30
Motors & Drives	76	\$2,422,100	1,183	6,744,167	1,288	7,228,475	1.05
Business Thermostat Rewards	48	\$38,400	133	24,145	0	25,879	0.11
Commercial Codes & Standards	0	\$14,797	0	0	0	0	N/A
Business Program EE Total	424	\$9,292,599	4,070	26,497,488	4,289	28,400,308	1.00
Residential Program							
Home Energy Insights	34,365	\$200,300	1,100	6,056,146	1,284	6,835,379	1.05
Heat Pump Water Heaters	455	\$310,800	156	1,179,698	182	1,331,487	1.01
Home Energy Services - Residential and Low Income	8,953	\$2,515,733	656	9,666,110	765	10,909,831	1.32
Residential Home Energy Services	853	\$1,240,759	285	4,377,490	332	4,940,734	1.06
Low Income Home Energy Services	850	\$1,209,394	332	4,912,035	387	5,544,057	1.51
Low Income Energy Savings Kit	7,250	\$65,580	39	376,585	46	425,039	2.42
Home Lighting & Recycling	327,420	\$1,425,627	928	9,502,792	1,078	10,589,014	1.87
HVAC - Residential and Low Income	672	\$778,331	236	1,095,971	276	1,236,988	0.62
Residential HVAC	577	\$399,331	135	495,975	157	559,791	0.55
Low Income HVAC	95	\$379,000	102	599,997	119	677,197	0.70
School Education Kits	3,498	\$217,365	95	798,312	111	901,029	1.25
Refrigerator Recycling	750	\$158,148	41	503,551	48	568,342	0.59
Residential Codes & Standards	595	\$91,894	287	47,397	335	53,495	2.71
Residential Thermostat Rewards	1,250	\$207,159	592	514,642	0	580,860	0.49
Residential Program EE Total	377,958	\$5,905,357	4,092	29,364,617	4,079	33,006,423	1.30
Planning and Research							
Consumer Education	0	\$250,000	0	0	0	0	N/A
Market Research	0	\$150,000	0	0	0	0	N/A
Measurement & Verification	0	\$230,000	0	0	0	0	N/A
Planning & Administration	0	\$420,000	0	0	0	0	N/A
Product Development	0	\$190,000	0	0	0	0	N/A
EE Planning and Research Total	0	\$1,240,000	0	0	0	0	N/A
PORTFOLIO TOTAL	378,382	\$16,437,956	8,162	55,862,105	8,368	61,406,732	1.04

2024 Approved Program Forecast

2024	Electric Participants	Electric Budget	Net Customer kW	Net Customer kWh	Net Gen kW	Net Generator kWh	Utility Cost Test Ratio
Business Program							
Business Comprehensive	400	\$10,188,288	4,239	28,616,891	4,618	30,671,909	1.01
Building Tune-Up	5	\$29,200	0	6,885	0	7,380	0.04
Cooling Efficiency	30	\$549,100	82	306,233	89	328,224	0.26
Custom Efficiency	51	\$5,707,000	1,987	16,245,584	2,164	17,412,201	0.99
Lighting Efficiency	238	\$1,355,088	938	4,985,654	1,022	5,343,680	1.34
Motors & Drives	76	\$2,547,900	1,232	7,072,536	1,342	7,580,424	1.07
Business Thermostat Rewards	112	\$51,200	333	49,155	0	52,685	0.17
Commercial Codes & Standards	1	\$15,264	101	101,953	110	109,274	7.47
Business Program EE Total	513	\$10,254,752	4,672	28,767,999	4,727	30,833,869	1.02
Residential Program							
Home Energy Insights	31,880	\$203,685	1,018	5,629,748	1,188	6,354,117	0.86
Heat Pump Water Heaters	500	\$335,800	171	1,298,073	200	1,465,093	1.05
Home Energy Services - Residential and Low Income	9,506	\$2,308,124	623	9,099,656	727	10,270,492	1.36
Residential Home Energy Services	826	\$1,136,188	274	4,165,836	320	4,701,846	1.12
Low Income Home Energy Services	830	\$1,098,501	307	4,529,341	358	5,112,123	1.55
Low Income Energy Savings Kit	7,850	\$73,435	42	404,479	48	456,523	2.35
Home Lighting & Recycling	238,099	\$1,257,761	690	7,070,027	802	7,877,781	1.63
HVAC - Residential and Low Income	739	\$913,631	266	1,403,711	310	1,584,324	0.67
Residential HVAC	609	\$403,631	145	526,316	169	594,036	0.60
Low Income HVAC	130	\$510,000	120	877,395	141	990,288	0.73
School Education Kits	3,523	\$215,000	96	804,208	112	907,684	1.30
Refrigerator Recycling	1,000	\$217,457	55	670,677	65	756,972	0.58
Residential Codes & Standards	618	\$96,098	353	79,818	411	90,088	3.53
Residential Thermostat Rewards	1,635	\$207,780	1,591	566,415	0	639,295	0.52
Residential Program EE Total	287,500	\$5,755,337	4,863	26,622,332	3,814	29,945,845	1.25
Planning and Research							
Consumer Education	0	\$250,000	0	0	0	0	N/A
Market Research	0	\$150,000	0	0	0	0	N/A
Measurement & Verification	0	\$245,000	0	0	0	0	N/A
Planning & Administration	0	\$433,944	0	0	0	0	N/A
Product Development	0	\$196,308	0	0	0	0	N/A
EE Planning and Research Total	0	\$1,275,252	0	0	0	0	N/A
PORTFOLIO TOTAL	288,013	\$17,285,341	9,535	55,390,332	8,541	60,779,714	1.02

2025 Approved Program Forecast

2025	Electric Participants	Electric Budget	Net Customer kW	Net Customer kWh	Net Gen kW	Net Generator kWh	Utility Cost Test Ratio
Business Program							
Business Comprehensive	425	\$10,803,570	4,344	29,321,714	4,732	31,427,347	1.01
Building Tune-Up	6	\$36,500	0	6,885	0	7,380	0.03
Cooling Efficiency	32	\$561,600	86	316,028	94	338,723	0.28
Custom Efficiency	48	\$6,001,000	1,948	15,994,101	2,122	17,142,659	0.95
Lighting Efficiency	263	\$1,465,470	1,004	5,480,328	1,094	5,873,878	1.40
Motors & Drives	76	\$2,739,000	1,305	7,524,372	1,422	8,064,707	1.10
Business Thermostat Rewards	186	\$64,300	582	72,010	0	77,181	0.20
Commercial Codes & Standards	1	\$12,796	199	201,616	217	216,094	18.89
Business Program EE Total	612	\$10,880,666	5,125	29,595,341	4,949	31,720,622	1.03
Residential Program							
Home Energy Insights	40,358	\$218,393	1,276	6,974,763	1,489	7,872,193	1.04
Heat Pump Water Heaters	550	\$353,800	188	1,429,790	220	1,613,758	1.14
Home Energy Services - Residential and Low Income	9,559	\$2,084,893	580	8,285,370	676	9,351,434	1.41
Residential Home Energy Services	803	\$1,038,020	260	3,849,478	303	4,344,784	1.17
Low Income Home Energy Services	806	\$973,089	277	4,025,326	324	4,543,258	1.60
Low Income Energy Savings Kit	7,950	\$73,784	42	410,566	49	463,392	2.46
Home Lighting & Recycling	164,290	\$1,153,811	493	5,054,937	573	5,632,076	1.34
HVAC - Residential and Low Income	783	\$990,288	267	1,560,972	312	1,761,820	0.70
Residential HVAC	643	\$413,288	157	558,437	183	630,290	0.66
Low Income HVAC	140	\$577,000	110	1,002,535	129	1,131,529	0.72
School Education Kits	3,548	\$212,969	96	810,104	112	914,339	1.36
Refrigerator Recycling	1,250	\$276,497	68	836,733	79	944,393	0.59
Residential Codes & Standards	635	\$89,131	307	71,543	358	80,748	3.61
Residential Thermostat Rewards	2,145	\$231,420	2,516	618,154	0	697,690	0.51
Residential Program EE Total	223,118	\$5,611,202	5,791	25,642,365	3,818	28,868,452	1.20
Planning and Research							
Consumer Education	0	\$250,000	0	0	0	0	N/A
Market Research	0	\$150,000	0	0	0	0	N/A
Measurement & Verification	0	\$275,000	0	0	0	0	N/A
Planning & Administration	0	\$448,351	0	0	0	0	N/A
Product Development	0	\$202,825	0	0	0	0	N/A
EE Planning and Research Total	0	\$1,326,176	0	0	0	0	N/A
PORTFOLIO TOTAL	223,730	\$17,818,044	10,916	55,237,706	8,768	60,589,074	1.00

Upcoming Plan Filings

- Update Filing for Energy Efficiency/ Load Management
 - ~\$2.4M PY Underage for PY 2022 (impacts 2024)
 - Drop Tariff/Customer Refund for 2024 & 2025?
 - Update Avoided Cost for 2024 & 2025(check with Ben because this could help UCT test)
 - Proposal of an ICO tariff to launch in 2024.
 - Increase Business Comprehensive Spending and goals to alleviate customer backlog.

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