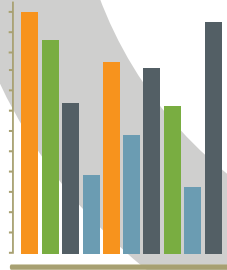



» — *Did You Meet Your* — «

DSM Goals in 2015?



A silhouette of a city skyline with various buildings of different heights and shapes, set against a light blue background. The skyline is positioned at the top of the page, above a white diagonal band that separates it from the main text area.

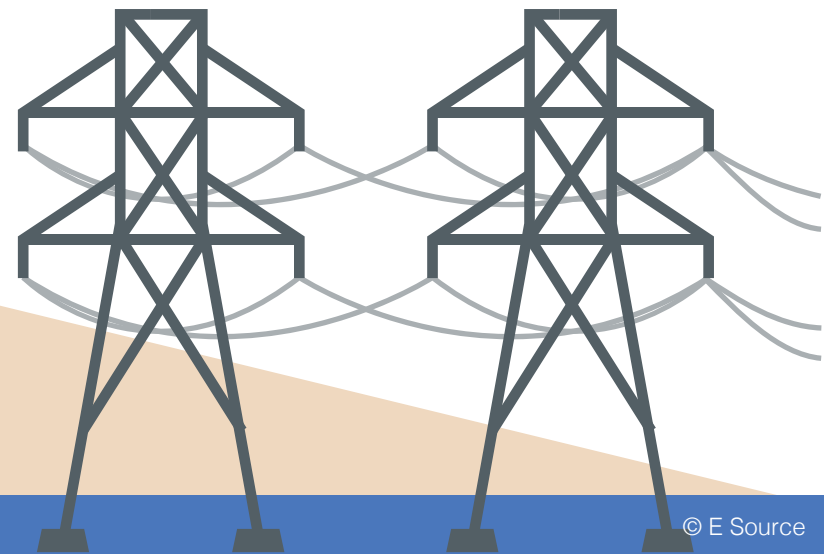
At the end of 2016 E Source surveyed more than 55 utilities for our annual study of [DSM Achievements and Expenditures](#). Demand-side management (DSM) program executives and administrators are increasingly being called upon to validate program performance and spending. In spite of increasing goals and diminishing savings opportunities, we were impressed that a majority met or exceeded their 2015 targets.

With the help of [E Source DSM Insights](#)—our repository for annual DSM reports, plans, evaluations, and other regulatory filings—we compiled actual energy savings and budget results from 2015 to enable our members to compare their results to those of other utilities. We took a deep dive into behavioral, multifamily, small business, and new construction programs, and here are some of our top findings.



Biggest overall energy savers.

Absolute energy savings are heavily dependent on the size of the utility, so it was not a surprise to see that some of the largest investor-owned utilities—such as Pacific Gas and Electric Co., Southern California Edison (SCE), and Southern California Gas Co.—topped the list for total 2015 energy savings. These utilities' savings were almost evenly divided between the residential and nonresidential sectors. Interestingly, the category “other,” which could include strategies such as education and awareness or research and pilots, had a significant impact on the utilities with the greatest savings. For example, SCE earned 42 percent of its electric savings from “other,” largely because of codes and standards programs.





Residential new construction programs growing again.

New construction programs (especially in the residential sector) lost momentum in 2008 as a result of the US economic downturn. Within the past few years, however, as the housing market has improved in several regions, new construction programs have once again gained ground. Though they comprise a relatively small portion of the overall portfolio, residential new construction programs showed strong performance in 2015—in some cases achieving significantly more energy savings than projected.

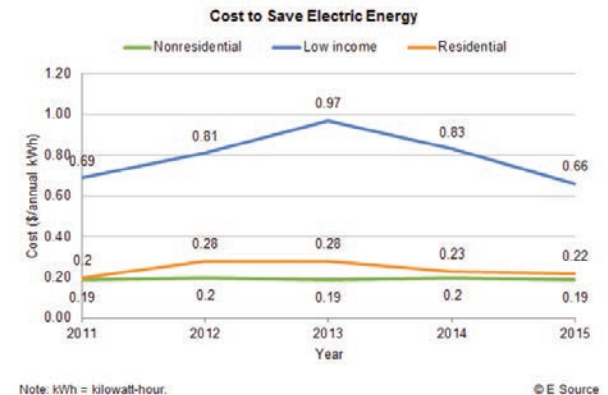




Untapped opportunities.

Since 2011, the cost of nonresidential and residential energy savings has remained stable. Low-income costs rose steadily from 2011 to 2013, with a fall beginning in 2014 and continuing to 2015. Low-income programs typically cost more than residential or nonresidential programs, and in 2012 and 2013, it cost significantly more to save a residential kilowatt-hour (kWh) than a nonresidential one.

Recently, implementers have been concerned with the lack of low-hanging fruit in program energy savings. But, as the above chart shows, untapped opportunities are available in both the residential and nonresidential sectors through the steady average cost per annual kWh.





Behavioral programs are low budget, high impact.

Residential electric behavioral programs are reaching about 10 percent of total portfolio savings while contributing to a much smaller percentage—about 2 percent—of portfolio spending. We focused on these programs because of their remarkable adoption rate by utilities over the past five years and the magnitude of savings these programs achieved as a percentage of total portfolio savings.





For 30 years, E Source has been providing market research, data, and consulting services to more than 300 utilities and their partners. This guidance helps our customers advance their efficiency programs, enhance customer relationships, and use energy more efficiently.



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