

Growing Pains

How Electric Utilities Are Meeting Increasing Efficiency Goals

Utility spending on electric demand-side management (DSM) has continued to increase through 2015, albeit at a slower pace than earlier in the decade.

To meet these increasing goals, utilities are relying more on behavioral programs than on traditional custom and prescriptive programs.



Total electric DSM spending by year

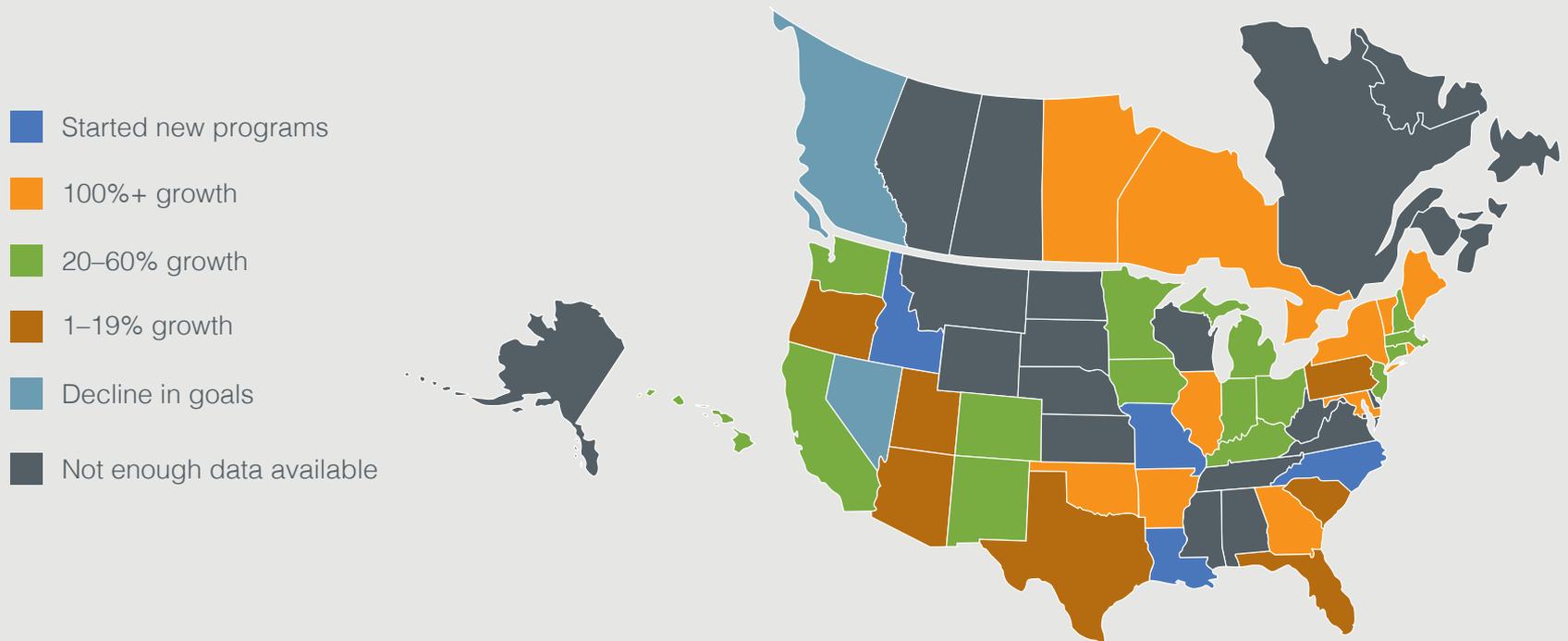
Planned electric DSM goals have increased by approximately 33 percent from 2011 to 2015. After big increases in 2012 and 2014, electric DSM goals declined by about 4 percent in 2015.





Increase in planned electric DSM spending by state or province (2012–2015)

Across the US and Canada, planned electric DSM spending increased by a range of negative growth to a maximum of 251 percent growth, with an average of 71 percent.





Change in electric portfolio configuration by program category (2012–2015)

Between 2012 and 2015, the program composition of electric portfolios dramatically changed, according to reports of actual savings across DSM portfolios. During this time, program administrators (PAs) relied more on behavior-change, codes and standards support, and building/home performance programs as each category's percentage contribution to total electric savings more than doubled. The design assistance and direct-install program categories also grew, whereas appliance recycling, custom rebates, prescriptive rebates, and all other categories declined as a share of total electric portfolio savings.





Portfolios shift away from traditional programs



As a percentage of total electric portfolio savings, savings from behavior-change or feedback programs grew by **190 percent**. In 2015, this program category delivered 2.5 percent of all electric savings; in 2015, that percentage rose to 4.5 percent.



More PAs began counting savings from codes and standards support.



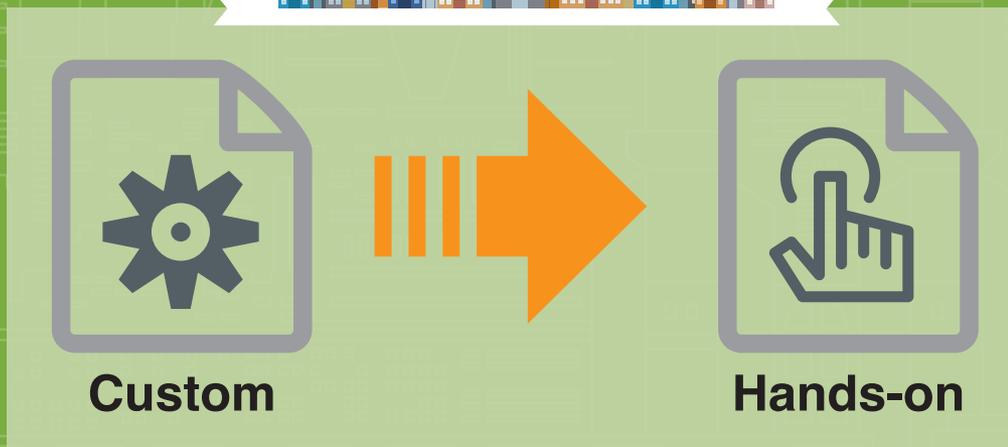
In 2015, PAs relied less on appliance recycling, custom, and prescriptive programs for energy savings than they did in 2012.





Non-residential programs offer hands-on engagement

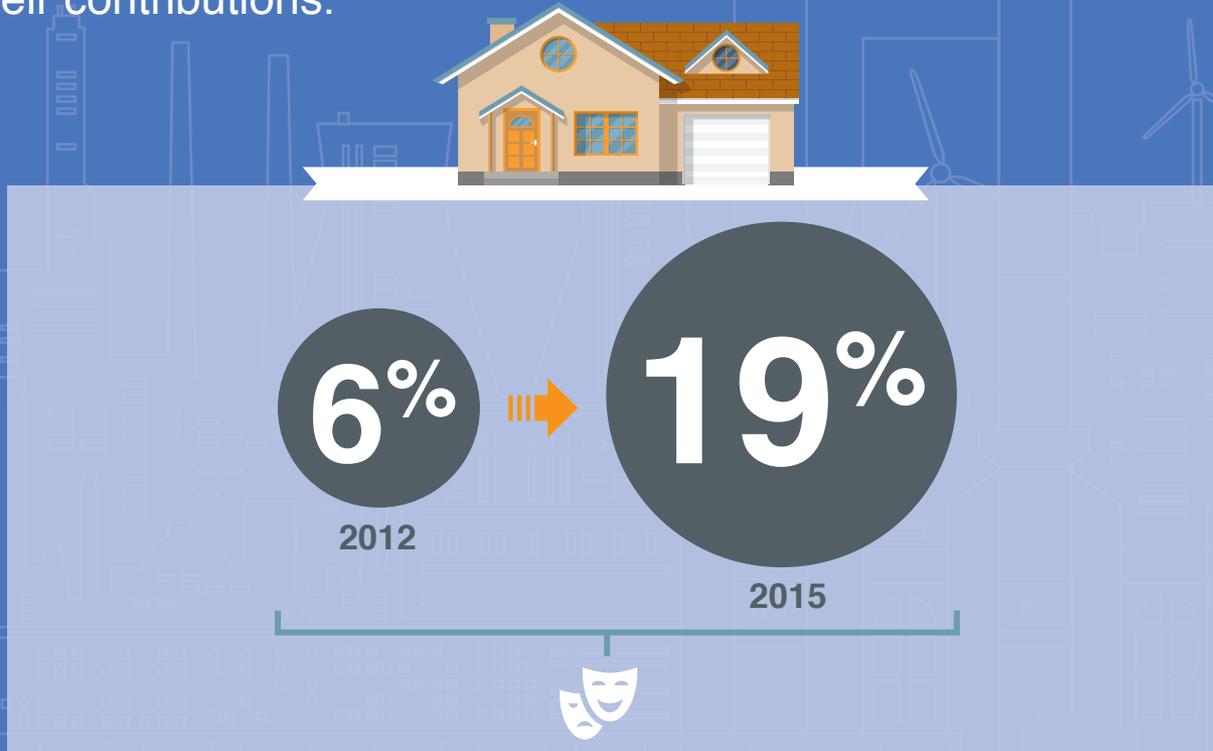
During this time, savings from custom rebate programs declined as a percentage of total nonresidential electric savings. To make up the difference, we saw greater contributions from design assistance, direct-install, building/home performance, and codes and standards support programs. Contributions from prescriptive and retrocommissioning categories modestly increased.





Residential programs also shifting toward engagement

In 2012, behavior-change programs made up 6 percent of electric portfolios; in 2015, that percentage grew to nearly 19 percent. In the residential sector, we saw a dramatic shift away from prescriptive and appliance recycling programs to behavior-change/feedback programs. Building/home performance, Energy Star New Homes, direct-install, and codes and standards support programs also increased their contributions.





For 30 years, E Source has been providing research, consulting, and market research 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.

These insights were gleaned from E Source DSM Insights, an online repository of data from regulatory filings. By analyzing the trends of electric DSM spending and savings from 2011–2015, we were able to support the assertion that electric utility portfolios are shifting more toward engagement, behavioral programs, and other hands-on assistance in place of prescriptive and custom programs.



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