

Delaware EEAC Goal Selection Process

Presentation to the Council
August 12, 2015

EE Goals are Informed by Several Datapoints

- ▶ Past program activity
- ▶ Projected potential
- ▶ Demonstrated achievement in other jurisdictions

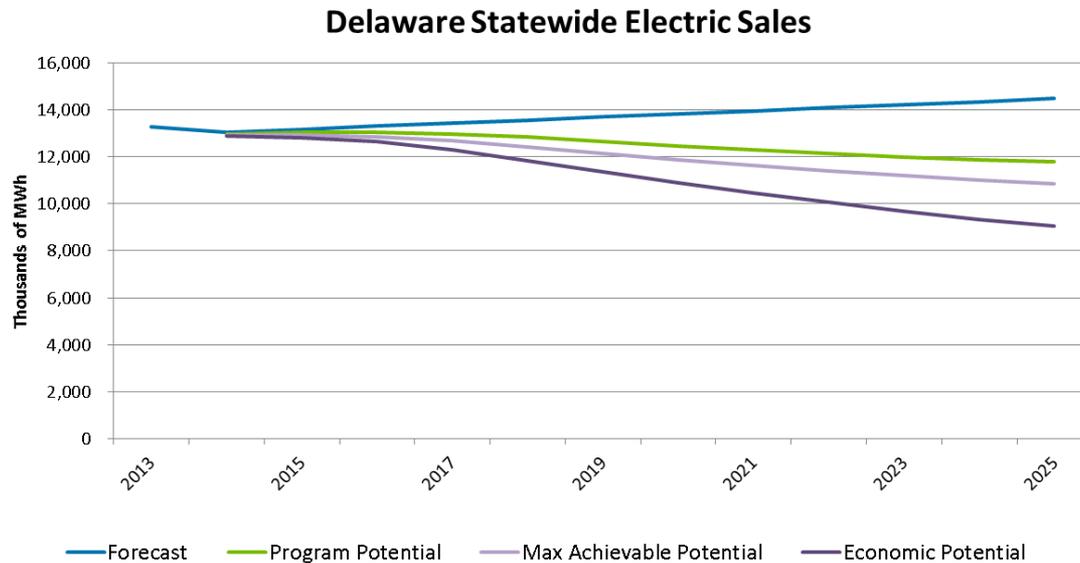
2014 Study Found Substantial EE Potential

- ▶ Savings in all fuels
- ▶ Highly cost-effective program potential
- ▶ EE investments benefit the environment and the economy
- ▶ Energy savings reduce average customer bills
- ▶ Well designed programs maximize customer participation across all sectors
- ▶ **Savings levels identified in this study are already being achieved in other jurisdictions**

Potential Savings Rates Much Higher than Past

	Electric		Natural Gas		Petroleum Fuels	
	GWh	%	BBtu	%	BBtu	%
Program Potential	2,708	19	4,319	9	1,203	12
Max Achievable Potential	3,620	23	5,904	13	1,913	20
Economic Potential	4,670	30	8,561	18	2,391	25

Cumulative 12-year Annual Energy Savings Potential Relative to Sales Forecast, 2025



2014 Results are Comparable to 2011 Study

	CEEP (2011)	Optimal (2013)	
Program Potential (Full Study Period)	Study Period	5 years	12 years
	Electric Potential (GWh)	797-1,190	2,709
	(% Savings)	(6.8-10.1%)*	(18.7%)
	Gas Potential (MMBtu)	1,021-1,794	4,319
	(% Savings)	(2.9-5.1%)	(9.1%)
	Petroleum Potential (MMBtu)	N/A	1203
	(% Savings)		(12.4%)
	Program Cost (\$million)	198-362	839
	Emissions Savings (Thousand MT CO₂)	786-,1177	2,102
Program Potential (Annual Average)	Electric Potential (GWh)	159-238	226
	(% Savings)	(1.4-2.0%)	(1.6%)
	Gas Potential (MMBtu)	204-359	360
	(% Savings)	(0.6-1.0%)	(0.8%)
	Petroleum Potential (MMBtu)	N/A	100
	(% Savings)		(1.0%)
	Program Cost (\$million)	40-72	70
	Emissions Savings (Thousand MT CO₂)	157-235	175

On an annual basis, results are similar

The 2011 CEEP study estimated energy savings relative to 2007 sales. Savings as a percent of sales are therefore higher than they would be if comparing savings to sales in each year. For example, assuming a 1% growth rate would result in percent savings estimates approximately 0.5% lower if comparing savings to sales in 2015 rather than 2007.

Recent Examples of Program Acceleration

	2010	2011	2012	2013	2014	2015
Massachusetts						
Average Target	1.4%	2.0%	2.4%	2.5%	2.55%	2.6%
<i>Achieved Savings</i>	1.2%	1.7%	2.1%	2.4%		
Maryland						
Average Target	1.0%	1.2%	1.2%	1.6%	1.6%	1.6%
<i>Achieved Savings</i>	0.6%	0.7%	1.3%	1.6%		
Pennsylvania						
Average Target		1.0%	1.0%	1.0%	0.8%	0.8%
<i>Achieved Savings</i>	0.2%	1.0%	1.0%	1.0%		
Arkansas						
Average Target		0.2%	0.5%	0.8%	0.8%	0.9%
<i>Achieved Savings</i>	0.1%	0.2%	0.5%	0.9%		
Arizona						
Average Target		1.2%	1.8%	2.0%	2.2%	2.2%
<i>Achieved Savings</i>	1.0%	1.4%	1.7%	1.7%		

Goals are the First Step

- ▶ Provide a target for program designs including training, education, partnership, marketing needs
- ▶ Better understand cost to achieve
- ▶ Better understand bill impacts
- ▶ Understand future needs

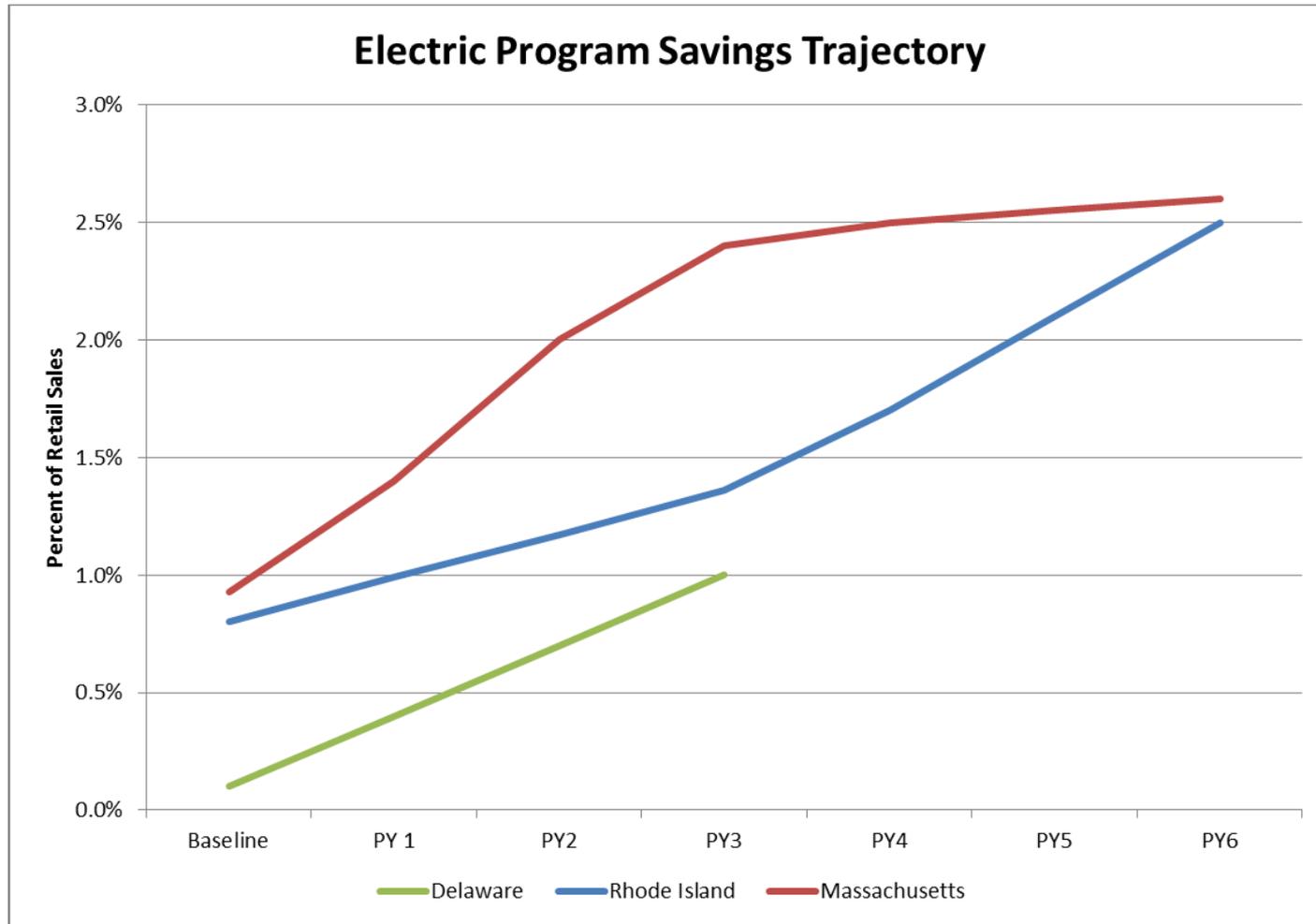
Factors in EEAC Decision-making

- ▶ Available/existing potential
- ▶ Current status of infrastructure
 - Contractor base, supply and stocking practices
 - Success of implementation in surrounding territories
 - Market maturity
- ▶ Ability to ramp up staff, procurement, oversight, and data collection
- ▶ Program delivery structure, implementation arrangements, and geographic coverage
- ▶ Regulatory climate: EM&V, bill impacts, funding sources

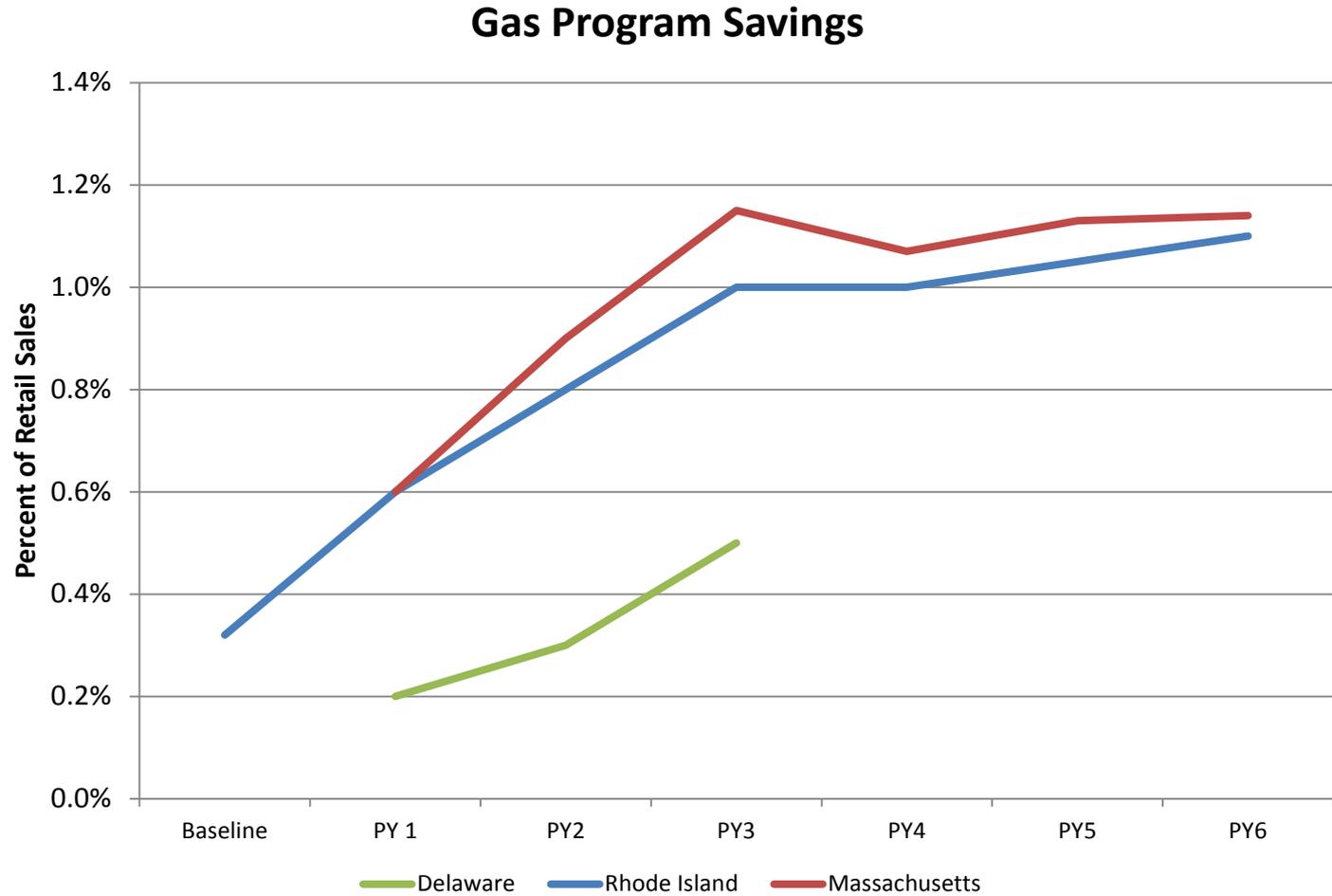
Putting All of the Pieces Together...

	Year 1	Year 2	Year 3
Incremental Annual Electric Savings (MWh) as a % of sales forecast	53,270 0.4%	94,073 0.7%	135,657 1.0%
Incremental Annual Gas Savings (MMBtu) as a % of sales forecast	87,912 0.2%	133,938 0.3%	224,481 0.5%

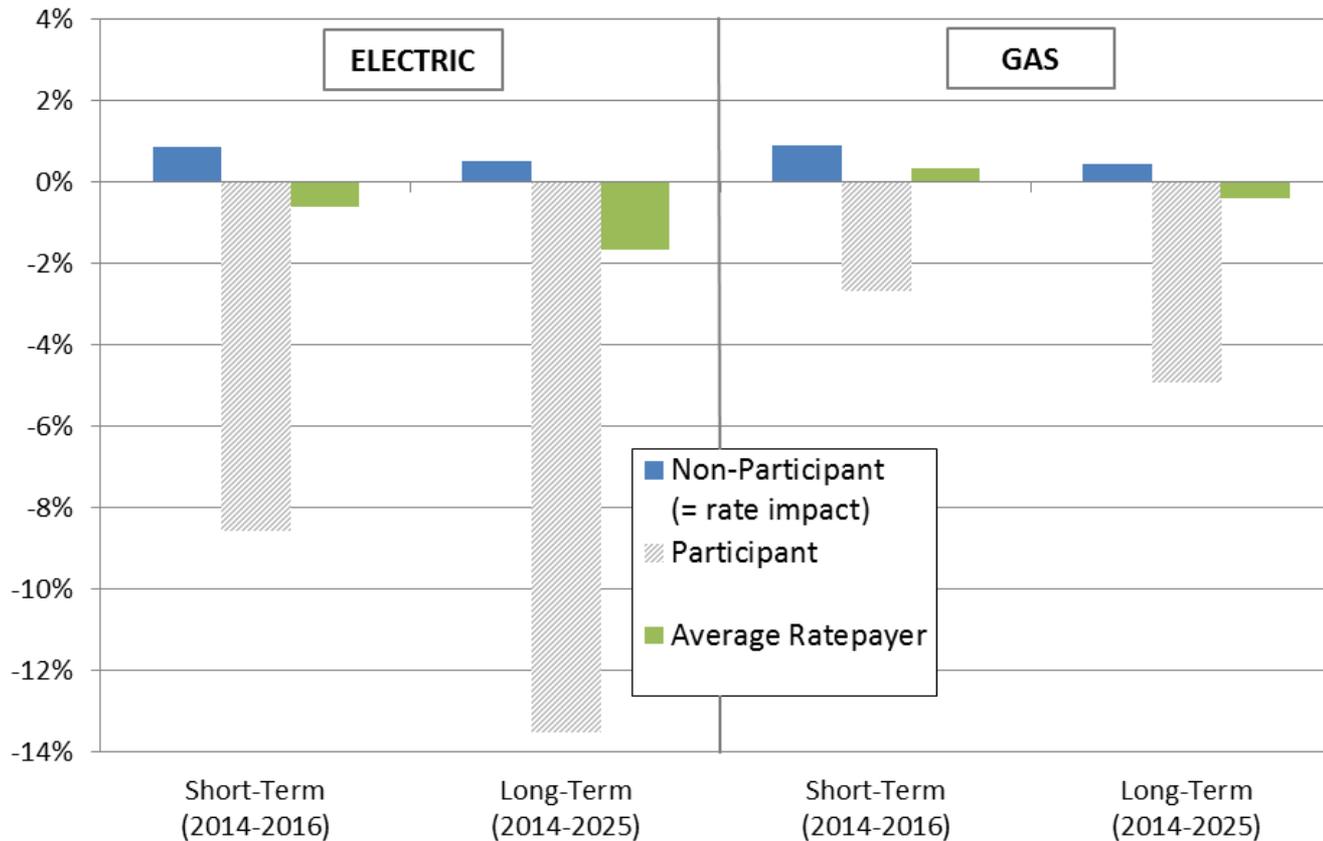
Electric Savings Ramp-up is Feasible...



Gas Savings Ramp-up is Feasible



Average Ratepayer sees Reduced Energy Bill





Integrated Energy Resources

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