

First Substitute H.J.R. 9

Representative Roger E. Barrus proposes the following substitute bill:

1

JOINT RESOLUTION ON COST-EFFECTIVE

2

ENERGY EFFICIENCY AND UTILITY

3

DEMAND-SIDE MANAGEMENT

4

2009 GENERAL SESSION

5

STATE OF UTAH

6

Chief Sponsor: Roger E. Barrus

7

Senate Sponsor: Patricia W. Jones

8

9 **LONG TITLE**

10 **General Description:**

11 This joint resolution of the Legislature urges state and local governments and
12 electrical and natural gas corporations and utilities to encourage all available cost-
13 effective energy efficiency and conservation and participate in existing cost-
14 effective energy efficiency programs.

15 **Highlighted Provisions:**

16 This resolution:

17 . urges state and local governments, electrical corporations, natural gas utility
18 corporations, rural electric cooperatives, and municipal utilities to work together to
19 recognize energy efficiency as a priority resource, to promote and encourage all
20 available cost-effective energy efficiency and conservation, and to participate in
21 existing cost-effective energy efficiency programs; programs for customers of rural
22 electric cooperatives and municipal electric and gas utilities designed to reduce

23 projected natural gas and electric usage.

24 . expresses support for cost-effective energy efficiency and load management
25 programs for customers of Rocky Mountain Power, and the setting of an electricity
26 savings goal through a regulatory process;

27 . expresses support for cost-effective energy efficiency and load management
28 programs by customers of Questar Gas, and the setting of a natural gas savings
29 goal through a regulatory process;

30 . expresses support for regulator mechanisms intended to help remove utility
31 disincentives and create incentives to efficiency and conservation so long as these
32 mechanisms are found to be in the public interest.

33 **Special Clauses:**

34 None

35

36 *Be it resolved by the Legislature of the state of Utah:*

37 WHEREAS, according to Section 63M-4-301 , Utah Code Annotated, it is the
38 policy of the state that Utah will pursue energy conservation and energy efficiency;

39 WHEREAS, Governor Huntsman has set a goal of increasing energy efficiency
40 in the state by 20% by 2015;

41 WHEREAS, the Federal Energy Independence and Security Act of 2007
42 requires electrical and natural gas utilities to adopt policies establishing energy
43 efficiency as a priority resource;

44 WHEREAS, increasing cost-effective efficiency of energy use will save
45 consumers and businesses money, save resources for future generations, and
46 reduce energy costs for all Utahns;

47 WHEREAS, electrical corporations, natural gas utility corporations, certain
48 municipal utilities, and rural electric cooperatives have adopted initiatives to
49 emphasize energy efficiency and conservation as an integral part of their decision-
50 making process for energy resources;

51 WHEREAS, electrical corporations, natural gas utility corporations, distribution
52 electric cooperatives, and municipal utilities can play an essential role in helping
53 consumers and businesses identify and implement cost-effective energy efficiency

54 measures;

55 WHEREAS, if electrical corporations and natural gas utility corporations lose
56 revenues when they help their customers save energy, it could create a disincentive
57 for the utility to achieve all cost-effective energy efficiency; and

58 WHEREAS, the Public Service Commission may approve regulatory
59 mechanisms which remove utility disincentives to efficiency and conservation
60 provided that they result in just and reasonable rates:

61 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of
62 Utah urges state and local governments, electrical corporations, natural gas utility
63 corporations, rural electric cooperatives, and municipal utilities to work together to
64 recognize energy efficiency as a priority resource and to promote and encourage all
65 available cost-effective energy efficiency and conservation.

66 BE IT FURTHER RESOLVED that the Legislature urges state and local
67 governments to participate in existing cost-effective energy efficiency programs.

68 BE IT FURTHER RESOLVED that the Legislature expresses support for cost-
69 effective energy efficiency and load management programs for customers of rural
70 electric cooperatives and municipal electric and gas utilities designed to reduce
71 projected natural gas and electric usage.

72 BE IT FURTHER RESOLVED that the Legislature expresses support for cost-
73 effective energy efficiency and load management programs for customers of Rocky
74 Mountain Power and the setting of an electricity savings goal through a regulatory
75 process that includes Rocky Mountain Power, utility regulators, utility customers,
76 and other interested parties, designed to reduce projected electrical sales by an
77 amount equal to not less than 1% of its annual retail sales and that do not penalize
78 the utility if it fails to meet the savings goals so long as it makes a good faith effort
79 to meet the goals.

80 BE IT FURTHER RESOLVED that the Legislature expresses support for cost-
81 effective energy efficiency and load management programs by customers of
82 Questar Gas and the setting of a natural gas savings goal through a regulatory
83 process that includes Questar Gas, utility regulators, utility customers, and other
84 interested parties designed to reduce projected natural gas sales by an amount

85 equal to not less than 0.5% of its annual retail sales and that do not penalize the
86 utility if it 86 fails to meet the savings goals so long as it makes a good faith effort
87 to meet the goals.

88 BE IT FURTHER RESOLVED that the Legislature expresses support for
89 regulator mechanisms, which might include performance-based incentives,
90 decoupling fixed cost recovery from sales volume, and other innovative rate designs
91 intended to help remove utility disincentives and create incentives to efficiency and
92 conservation so long as these mechanisms are found to be in the public interest.

93 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the
94 Public Service Commission, the Utah League of Cities and Towns, the Utah
95 Association of Counties, the Utah Rural Electric Association, Rocky Mountain
96 Power, Questar Gas, Utah Associated Municipal Power Systems, and the Utah
97 Municipal Power Agency.