

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 electrical
12 and natural gas corporations and utilities to encourage all available cost-effective
13 energy efficiency and conservation programs and to participate in existing
14 cost-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;

22 ▶ expresses support for cost-effective energy efficiency and load management
23 programs for customers of rural electric cooperatives and municipal electric and
24 gas utilities designed to reduce projected natural gas and electric usage;

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

28 ▶ expresses support for cost-effective energy efficiency and load management
29 programs by customers of Questar Gas, and the setting of a natural gas savings goal

30 through a regulatory process; and

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

34 **Special Clauses:**

35 None



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

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

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

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

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

48 WHEREAS, electrical corporations, natural gas utility corporations, certain municipal
49 utilities, and rural electric cooperatives have adopted initiatives to emphasize energy efficiency
50 and conservation as an integral part of their decision-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 consumers
53 and businesses identify and implement cost-effective energy efficiency measures;

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

57 WHEREAS, the Public Service Commission may approve regulatory mechanisms

58 which remove utility disincentives to efficiency and conservation provided that they result in
59 just and reasonable rates:

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

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

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

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

78 BE IT FURTHER RESOLVED that the Legislature expresses support for cost-effective
79 energy efficiency and load management programs by customers of Questar Gas and the setting
80 of a natural gas savings goal through a regulatory process that includes Questar Gas, utility
81 regulators, utility customers, and other interested parties designed to reduce projected natural
82 gas sales by an amount equal to not less than 0.5% of its annual retail sales and that do not
83 penalize the utility if it fails to meet the savings goals so long as it makes a good faith effort to
84 meet the goals.

85 BE IT FURTHER RESOLVED that the Legislature expresses support for regulator

86 mechanisms, which might include performance-based incentives, decoupling fixed cost
87 recovery from sales volume, and other innovative rate designs intended to help remove utility
88 disincentives and create incentives to increase efficiency and conservation so long as these
89 mechanisms are found to be in the public interest.

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