JOINT RESOLUTION ON COST-EFFECTIVE ENERGY EFFICIENCY AND UTILITY DEMAND-SIDE MANAGEMENT

2009 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Roger E. Barrus
Senate Sponsor: Patricia W. Jones

LONG TITLE

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

Highlighted Provisions:
This resolution:

- urges state and local governments, electrical corporations, natural gas utility corporations, rural electric cooperatives, and municipal utilities to work together to recognize energy efficiency as a priority resource, to promote and encourage all available cost-effective energy efficiency and conservation, and to participate in existing cost-effective energy efficiency programs;
- expresses support for cost-effective energy efficiency and load management programs for customers of rural electric cooperatives and municipal electric and gas utilities designed to reduce projected natural gas and electric usage;
- expresses support for cost-effective energy efficiency and load management programs for customers of Rocky Mountain Power, and the setting of an electricity savings goal through a regulatory process;
- expresses support for cost-effective energy efficiency and load management programs by customers of Questar Gas, and the setting of a natural gas savings goal
through a regulatory process; and
> expresses support for regulator mechanisms intended to help remove utility
disincentives and create incentives to increase efficiency and conservation so long
as these mechanisms are found to be in the public interest.

**Special Clauses:**

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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