

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: \_\_\_\_\_

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9                                   **LONG TITLE**

10                                  **General Description:**

11                                  This joint resolution of the Legislature urges state and local governments, electric and  
12                                  natural gas utilities, and Utah's Public Service Commission to work to increase cost-  
13                                  effective and energy efficient utility services.

14                                  **Highlighted Provisions:**

15                                  This resolution:

16                                  ▶ urges state and local governments, electric and natural gas utilities, and municipal  
17                                  utilities to work together to promote and encourage cost-effective energy efficiency  
18                                  and conservation;

19                                  ▶ urges that state and local government and local and municipal utility programs be as  
20                                  cost effective and energy efficient as is technically and economically feasible;

21                                  ▶ urges the Public Service Commission to work with electric utilities and other  
22                                  interested parties to identify and, where appropriate, approve cost-effective energy  
23                                  efficiency and load management programs designed to reduce projected electric  
24                                  usage by not less than 1% of the utility's annual retail sales;

25                                  ▶ urges the Public Service Commission to work with natural gas utilities and other  
26                                  interested parties to identify and, where appropriate, approve cost-effective energy  
27                                  efficiency programs designed to reduce projected natural gas usage by not less than



- 28 0.5% of the utility's annual sales;
- 29       ▶ urges the Public Service Commission to ensure that electric and natural gas utilities
- 30 recover expenses incurred in promoting and making available energy efficiency and
- 31 local management programs and that they are not penalized financially if their
- 32 programs fail to meet the saving goals approved by the Commission;
- 33       ▶ urges the Public Service Commission to approve regulatory mechanisms that
- 34 remove utility disincentives to efficiency and conservation and enable utilities to
- 35 recover reasonable fixed costs; and
- 36       ▶ urges the Public Service Commission to allow electric and natural gas corporations
- 37 to earn a profit on their investments in cost-effective energy efficiency and load
- 38 management programs, with the level of profit tied to an indicator of program
- 39 performance.

40 **Special Clauses:**

41       None



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

44       WHEREAS, according to Utah Code 63-53b-301, it is the policy of the state that Utah

45 will pursue energy conservation and energy efficiency;

46       WHEREAS, Governor Huntsman has set a goal of increasing energy efficiency in the

47 state of Utah by 20% by 2015;

48       WHEREAS, increasing cost-effective efficiency of energy use will save consumers and

49 businesses money, save resources for future generations, and reduce energy costs for all

50 Utahns;

51       WHEREAS, the Legislature has created incentives and a revolving loan fund to help

52 state agencies increase energy efficiency;

53       WHEREAS, state and local governments, electric and natural gas utilities, and

54 municipal utilities should work together to promote and encourage cost-effective energy

55 efficiency and conservation;

56       WHEREAS, electric and natural gas utilities and municipal utilities can play an

57 essential role in helping consumers and businesses to identify and implement cost-effective

58 energy efficiency measures;

59 WHEREAS, the Public Service Commission, in consultation with electric utilities and  
60 other interested parties, should identify and, where appropriate, approve cost-effective energy  
61 efficiency programs that are designed to reduce projected electric and natural gas usage;

62 WHEREAS, the Public Service Commission should ensure that electric and natural gas  
63 utilities recover the expenses incurred in promoting and making available energy efficiency and  
64 local management programs and that they are not penalized financially if programs fail to meet  
65 the saving goals approved by the Commission;

66 WHEREAS, electric and natural gas utilities should not be penalized financially by  
67 providing consumers and businesses with access to information and programs which increase  
68 their energy efficiency and reduce their utility bills;

69 WHEREAS, the Public Service Commission should ensure that utilities are not  
70 penalized financially when they help their customers save money;

71 WHEREAS, the Public Service Commission should approve regulatory mechanisms  
72 that remove utility disincentives to efficiency and conservation and enable utilities to recover  
73 reasonable fixed costs; and

74 WHEREAS, the Public Service Commission should allow electric and natural gas  
75 utilities to earn a profit on their investments in cost-effective energy efficiency and load  
76 management programs, with the level of profit tied to a reliable indicator of program  
77 performance:

78 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah  
79 urges state and local governments, electric and natural gas utilities, and municipal utilities to  
80 work together to promote and encourage cost-effective energy efficiency and conservation.

81 BE IT FURTHER RESOLVED that the Legislature urges that state and local  
82 government and local and municipal utility programs be as cost effective and energy efficient  
83 as is technically and economically feasible.

84 BE IT FURTHER RESOLVED that the Legislature urges the Public Service  
85 Commission, in consultation with electric utilities and other interested parties, to identify and,  
86 where appropriate, approve cost-effective energy efficiency and load management programs for  
87 customers, with the programs designed to reduce projected electric usage by an amount equal  
88 to not less than 1% of the utility's annual retail sales.

89 BE IT FURTHER RESOLVED that the Legislature urges the Public Service

90 Commission, in consultation with natural gas utilities and other interested parties, to identify  
91 and, where appropriate, approve cost-effective energy efficiency programs that are designed to  
92 reduce projected natural gas usage by customers by an amount equal to not less than 0.5% of  
93 the utility's annual sales.

94 BE IT FURTHER RESOLVED that the Legislature urges the Public Service  
95 Commission to ensure that electric and natural gas utilities recover the expenses incurred in  
96 promoting and making available energy efficiency and local management programs and that  
97 they are not penalized financially if programs fail to meet the saving goals approved by the  
98 Public Service Commission.

99 BE IT FURTHER RESOLVED that the Legislature urges that the Public Service  
100 Commission ensure that utilities are not penalized financially when they help their customers  
101 save money.

102 BE IT FURTHER RESOLVED that the Legislature urges the Public Service  
103 Commission to approve regulatory mechanisms, including performance-based incentives,  
104 decoupling fixed cost recovery from sales volume, and other innovative rate designs that  
105 remove utility disincentives to efficiency and conservation and enable utilities to recover  
106 reasonable fixed costs.

107 BE IT FURTHER RESOLVED that the Legislature urges the Public Service  
108 Commission to allow electric and natural gas utilities to earn a profit on their investments in  
109 cost-effective energy efficiency and load management programs, with the level of profit tied to  
110 the level of energy savings achieved, the net economic benefits provided by the energy  
111 efficiency and local management programs, or some other indicator of program performance.

112 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Public  
113 Service Commission, the Utah League of Cities and Towns, the Utah Association of Counties,  
114 and the electrical and natural gas utilities operating in the state of Utah.

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**Legislative Review Note**  
as of **1-23-09 9:52 AM**

**Office of Legislative Research and General Counsel**

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**Fiscal Note**

**H.J.R. 9 - Joint Resolution on Cost-effective Energy Efficiency and Utility  
Demand-side Management**

2009 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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