



Electric Energy Efficiency 2012 Industrial Program

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February 2012

ACEEE

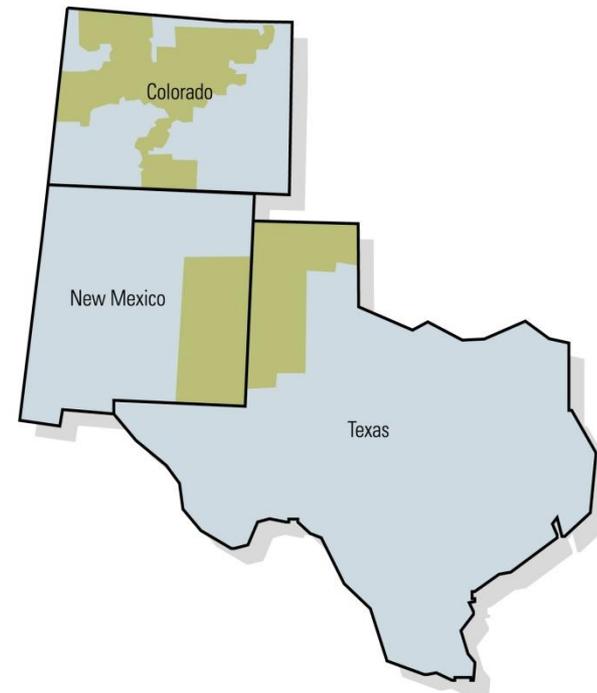
American Council for an Energy-Efficient Economy

**Xcel Energy Awarded
“Champion of Energy Efficiency in Industry”
2011**

For creativity and persistence in delivering exemplary energy efficiency programs to industrial customers, and for providing leadership and support to the electric and natural gas utility industry in the design and implementation of industrial energy efficiency programs.

Xcel Energy

- ▶ 3.4 million electricity customers
- ▶ 1.9 million natural gas customers
- ▶ \$11.2 billion in revenues
- ▶ #1 wind power provider
- ▶ #5 Solar Power Provider



Effective Programs

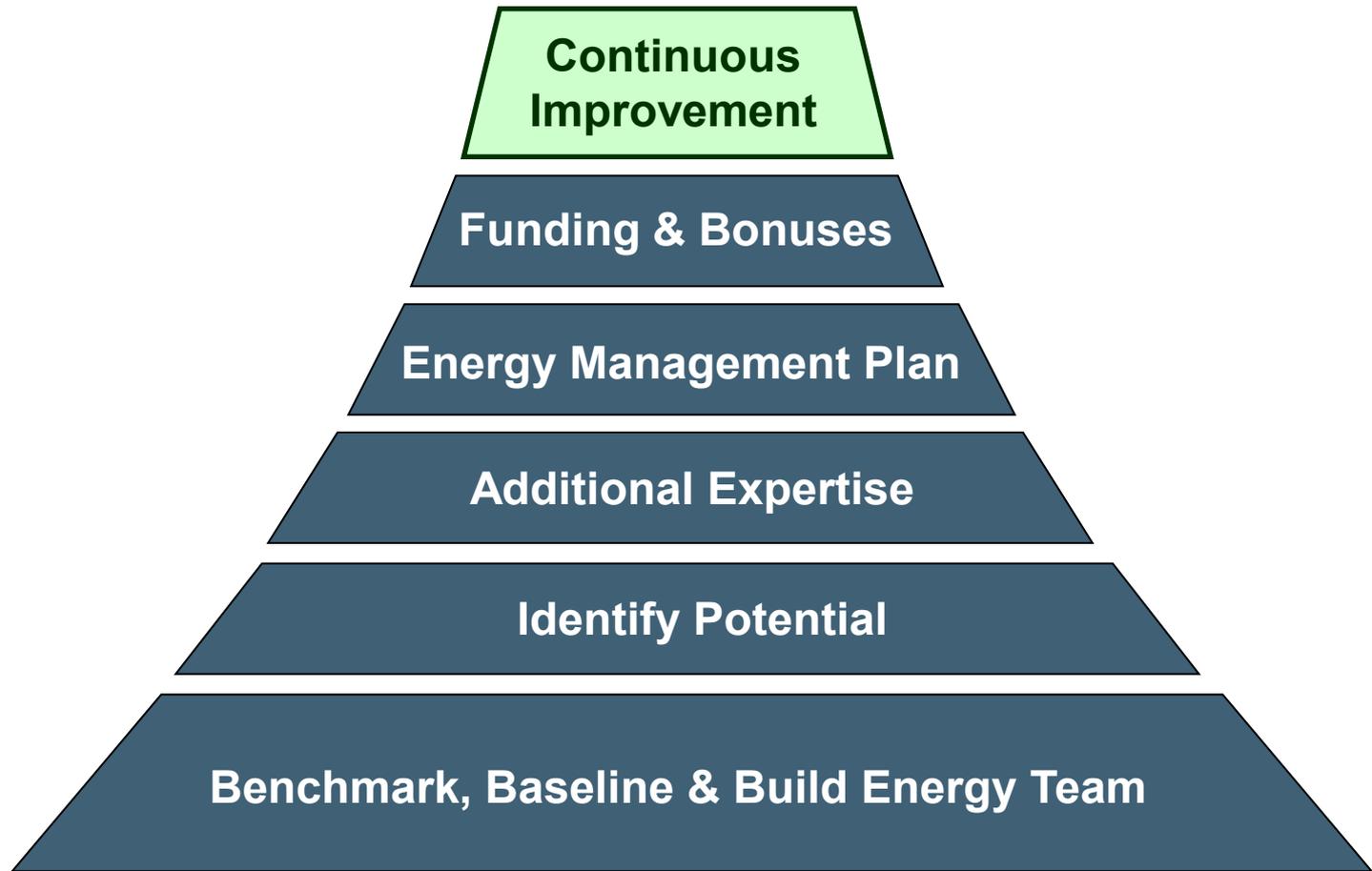
Program	Rebates	Comments
<p>Process Efficiency</p>	<ul style="list-style-type: none"> ▶ Study funding for entire facility with customer contribution capped at 25% or \$7,500 ▶ Rebates also available per applicable program 	<ul style="list-style-type: none"> ▶ Only open to Industrial customers ▶ Qualifier: must have saving potential of 2 GWhs ▶ Designed for multi-phase, multi-year plan ▶ Bonus incentives are available for milestones
<p>Self-Directed Custom Efficiency</p>	<ul style="list-style-type: none"> ▶ \$525/kW saved, or \$0.10/kWh vs. smaller rebates in most other programs ▶ Customer required to do M&V 	<ul style="list-style-type: none"> ▶ Qualifier: must have over 2 MW in any one month and 10 GWhs combined energy use ▶ Larger rebates, customer is doing most of the “work” ▶ Rebates can cover up to 75% of incremental cost vs. 50%

What is Process Efficiency?

Holistic, systematic approach to improving energy efficiency at industrial facilities

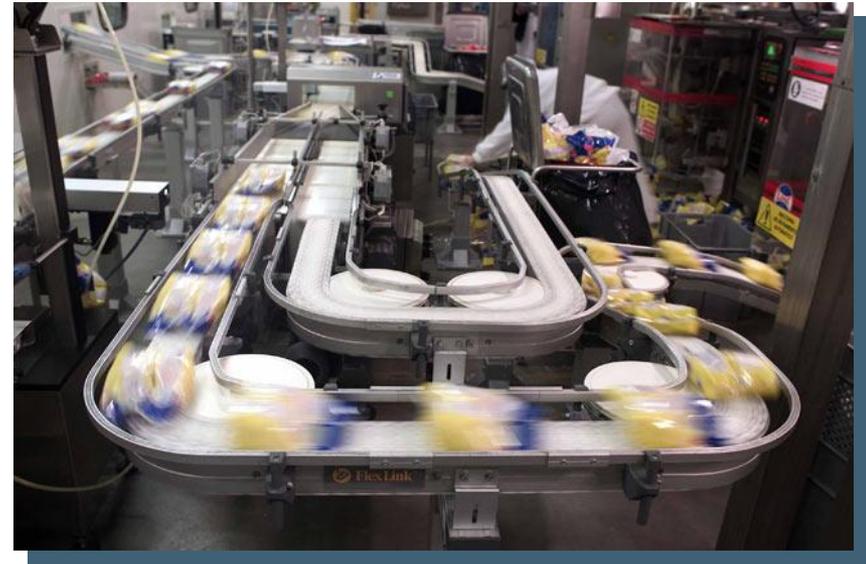


Benefits of Process Efficiency



Key Industries

- ▶ Metals
- ▶ Water treatment
- ▶ Mining
- ▶ Food and Beverage
- ▶ Plastics
- ▶ Chemicals
- ▶ Petro-chemicals
- ▶ Pharmaceuticals
- ▶ Electrical and Electronics
- ▶ Oil refining



Process Efficiency Program Impacts

	2011	2012 (Forecast)
kWh	6,579,263	11,029,631
kW	943	782
Rebates	\$482,025	\$1,582,703
Budget	\$1,365,606	\$2,017,096

What is Self Direct?

- ▶ Program is designed for large commercial and industrial customers in Colorado
- ▶ Customer performs the design, engineering, M&V and reporting
- ▶ Customer receives increased rebates to offset cost and implementation
- ▶ Customer must have a peak demand of 2 MW in any single month and 10 GWh in annual usage

Benefits of Self Direct

- ▶ **Customer can aggregate meters to meet program minimum requirements**
- ▶ **Long term planning tool**
- ▶ **Energy Efficiency measures are “bundled” into one opportunity.**
- ▶ **Rebates are base on the amount of energy savings attained**
- ▶ **Largest rebates to date are Mesa County School District, \$1,444,202**

Self Direct Program Impacts

	2011	2012 (Forecast)
kWh	7,666,147	8,975,070
kW	428	1957
Rebates	\$779,762	\$1,736,120
Budget	\$997,629	\$1,908,790

Industrial – Lessons Learned

- ▶ Long lead time to build new channels
- ▶ Wide variety of operational attention to DSM
- ▶ Many stakeholders at a single customer
- ▶ Wide variety of capital access
- ▶ Investment and competitive advantage messaging work best
- ▶ Delivery of programs through account managers most effective

Industrial - Lessons Learned

- ▶ Stakeholders are typically not in service territory
- ▶ Unique operations
- ▶ Customers resistant to change
- ▶ Customers are highly reactive to market changes
- ▶ Difficult to build credibility



Questions?



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