

Energy Efficiency Investments in the Midst of an Economic Downturn

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An Economic Contraction

- Businesses have scaled back
- Unemployment is up
- Overall investment is down
- EE continues to compete with other capital needs
- New construction projects have stalled



The EE Market is Growing

- Prioritization of EE
 - Corporate image
 - Adjusted opportunity cost
 - Increased awareness of economic benefits
- Federal support
- State program activity
 - 35 states active
 - e.g. IL, MI, PA, OH, NM, NC
 - 20% growth since '07
 - 1% plus of revenues



Recent Launches in IL and MI

- ComEd fast start in 2008
 - Previously limited EE activity
 - Goals on track: 100 – 220 – 370 GWh
 - Pent-up demand, waiting list, strong PY2
- Similar Michigan start in 2009
 - New large IOU programs — electric and gas
 - Consumers Energy
 - DTE Energy
 - Particularly hard-hit market, strong 2009 interest

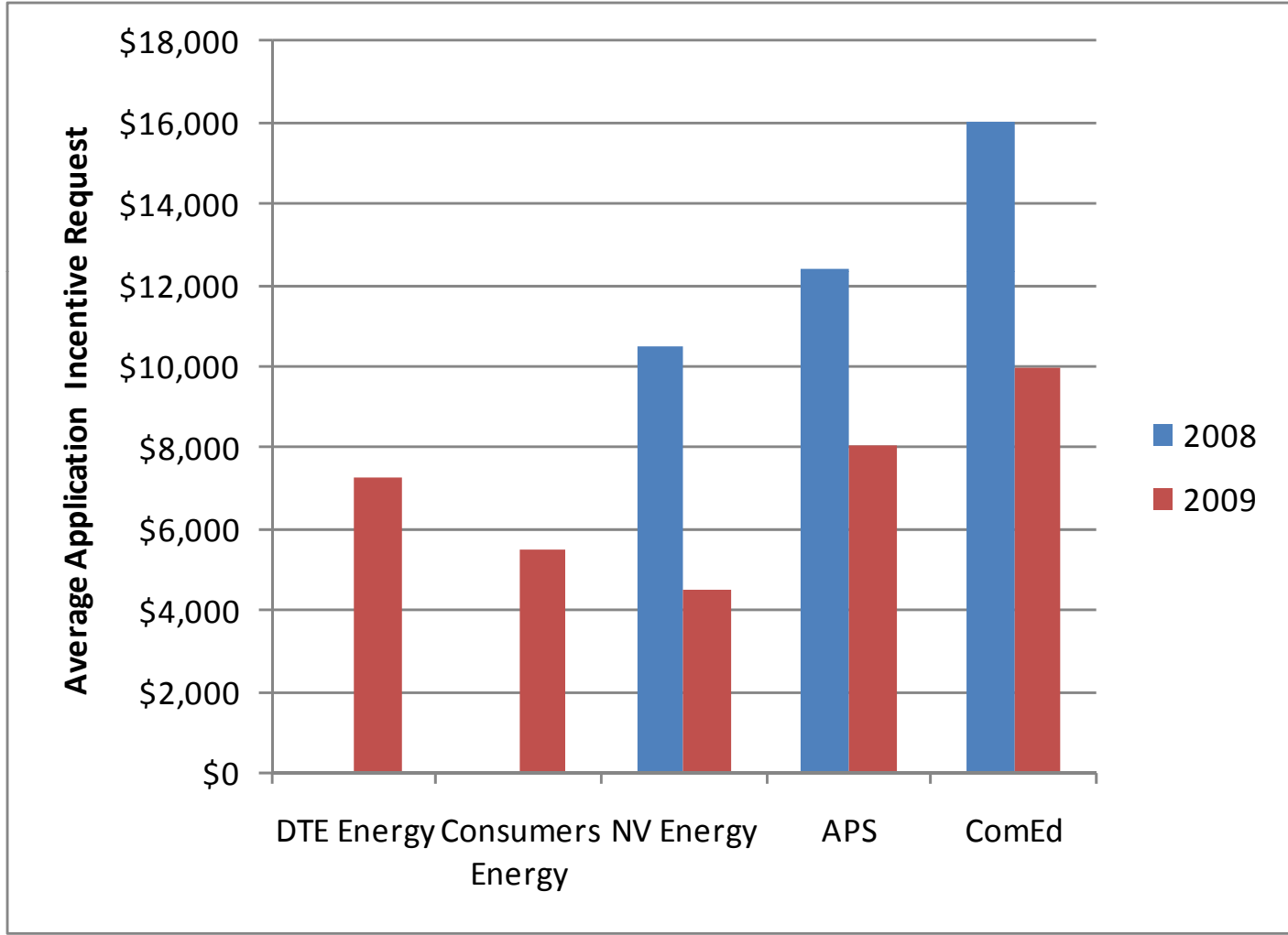


Trade Ally Market Reactions

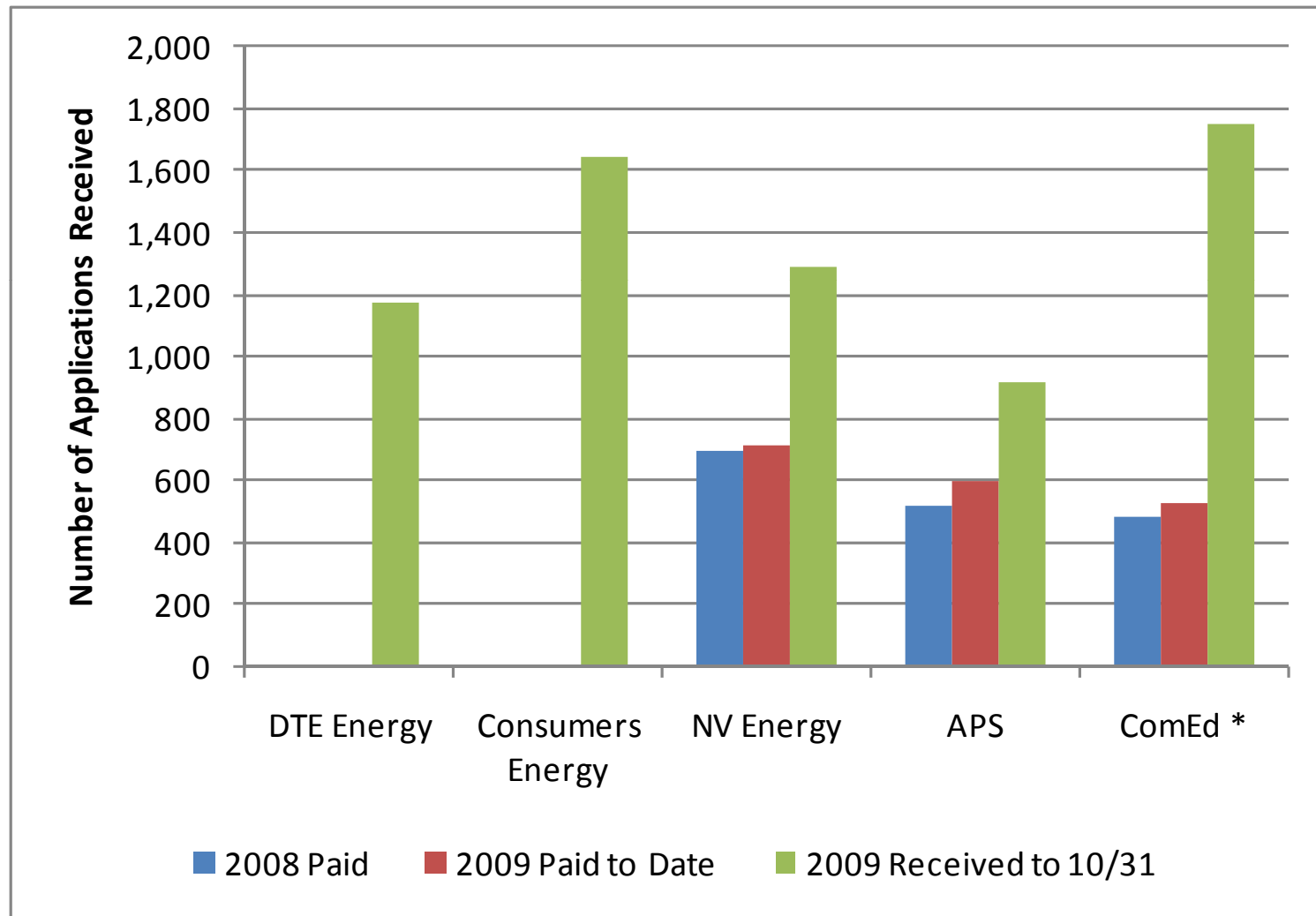
- Economic downturn concerns
- April 2009 outreach
- Waitlist established in Dec 2009 (Nov 2008)



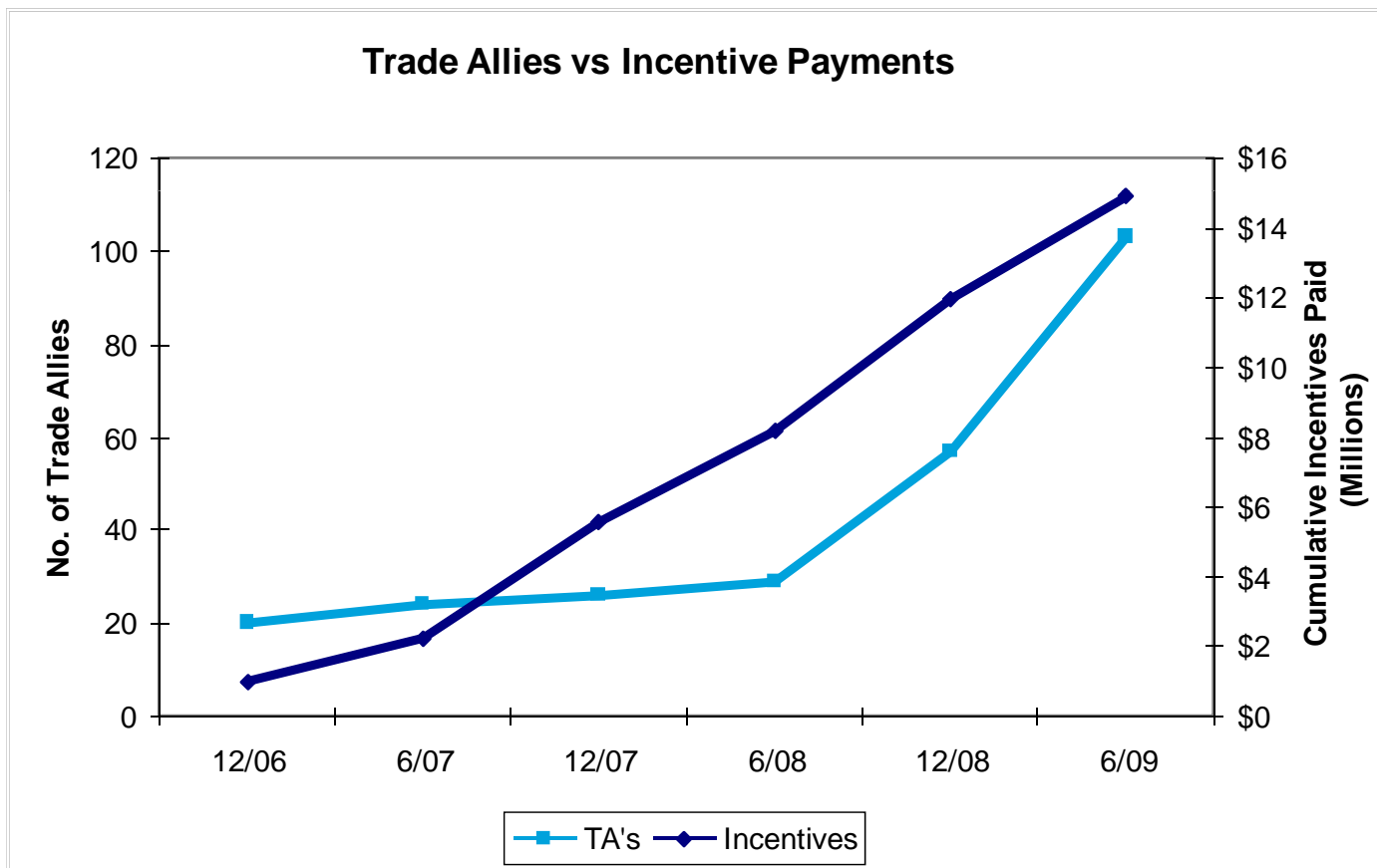
Decrease in Average Incentive



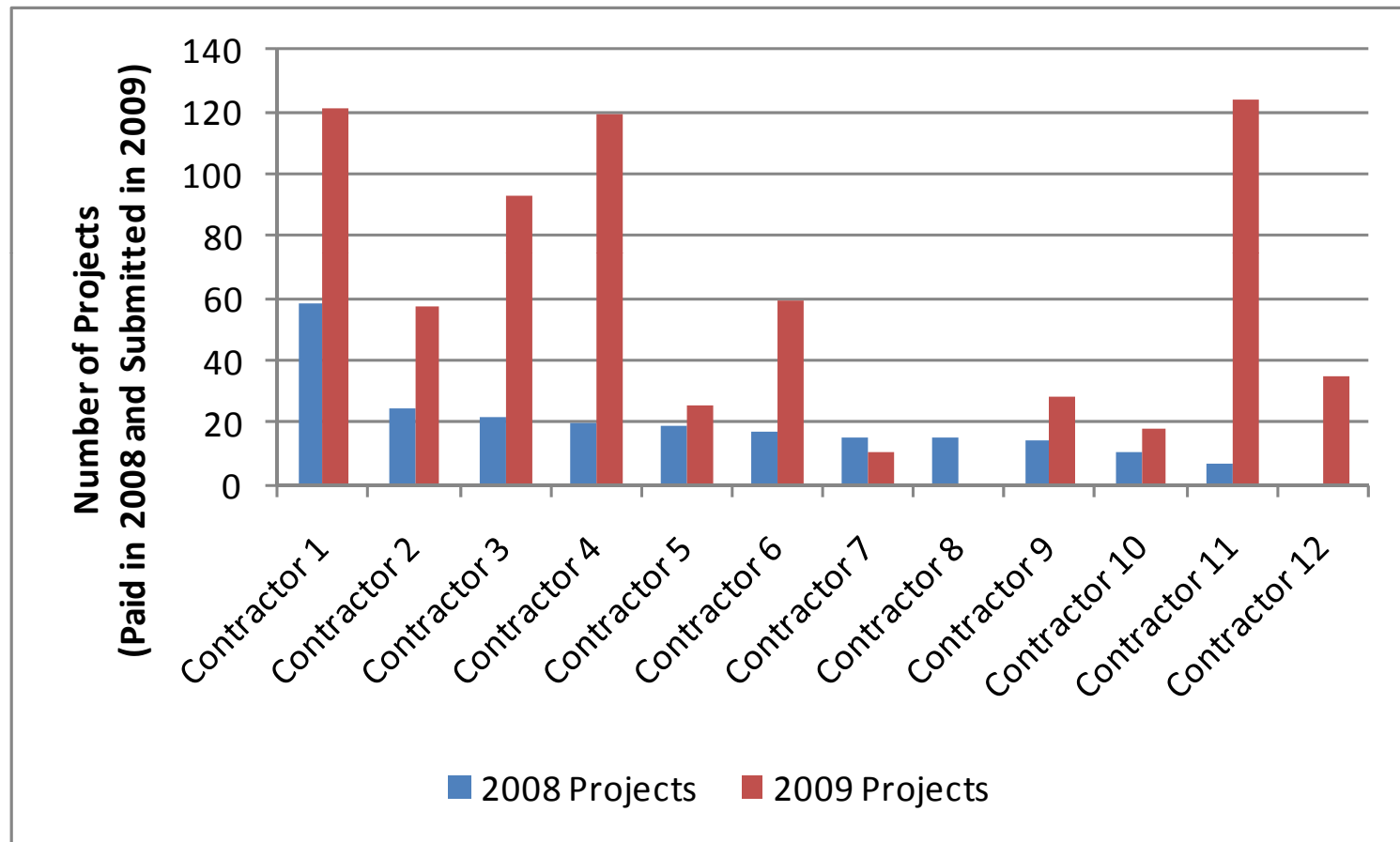
Increase in Number of Applications



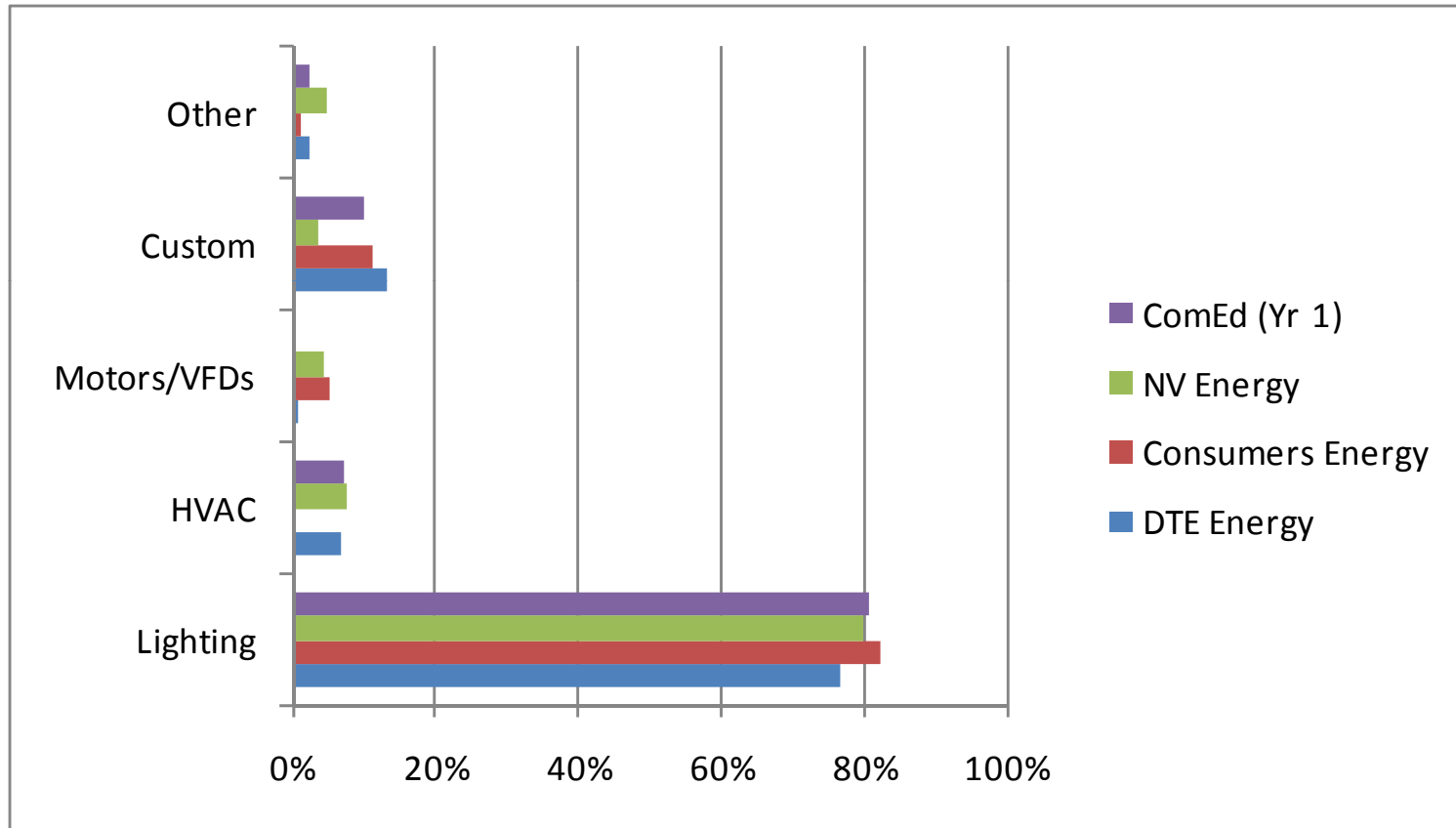
Correlation Between Trade Ally Program Participation and Incentives



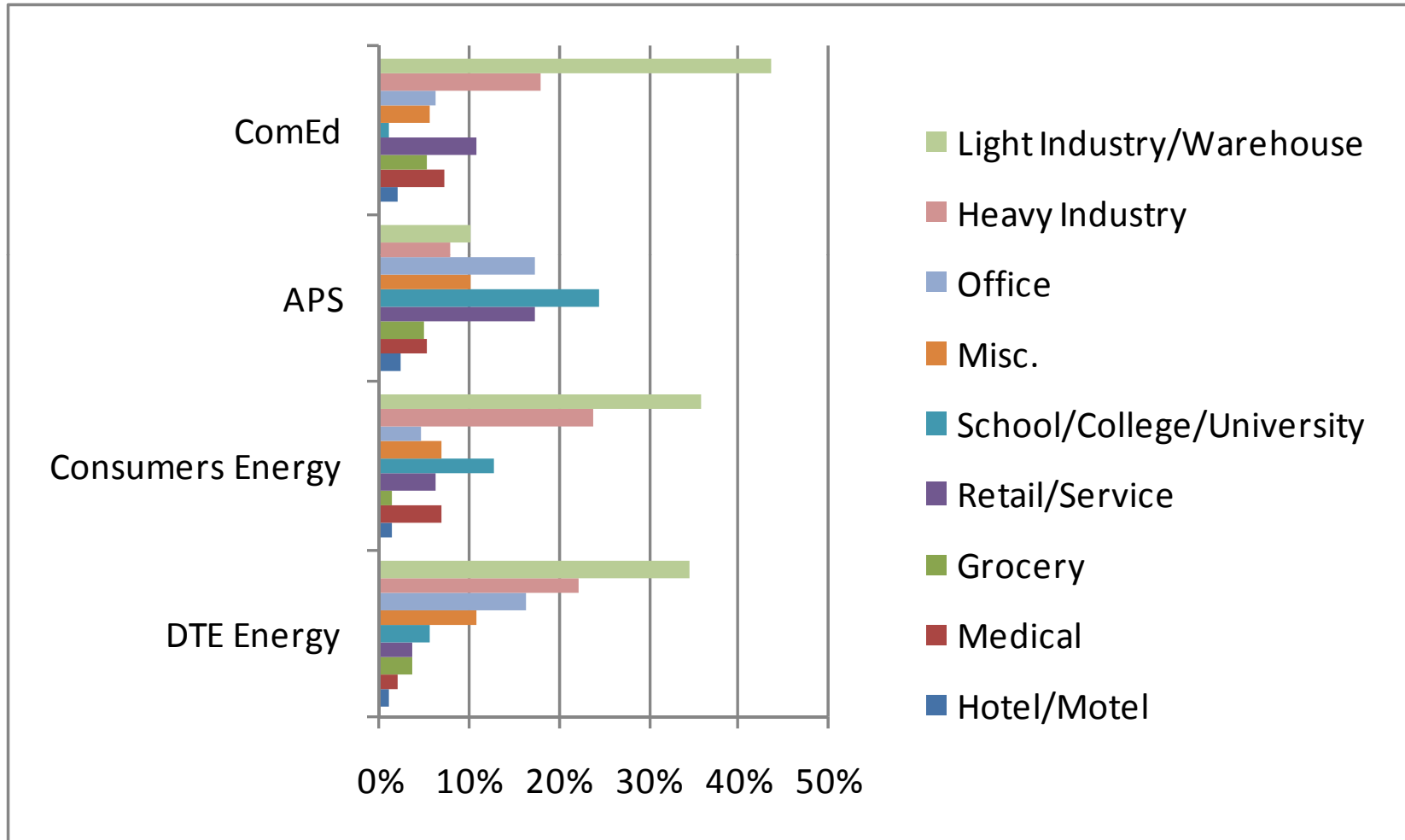
Top Contractors: 2008 vs. 2009



Energy Savings by Measure



Energy Savings by Business Type



Conclusions



- Economic climate is impacting project size
- More smaller projects requires refocus of resources
- Maximize TA and other leverage points
- Monitor project drop out
- Add new, targeted incentives and outreach
- Adapt program implementation strategies to achieve higher goals
- Flexibly plan new programs to account for these changes

For more information:

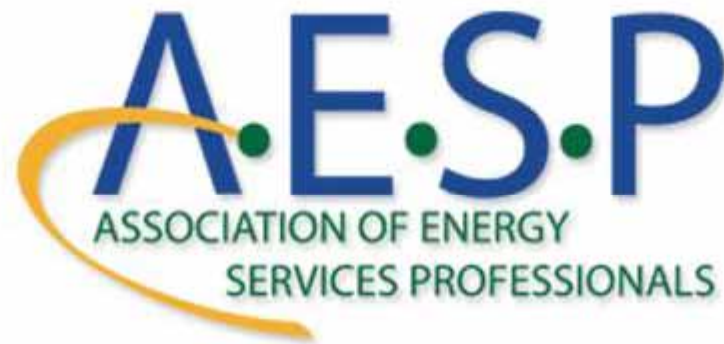
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