

# IURC News Release

Indiana Utility Regulatory Commission  
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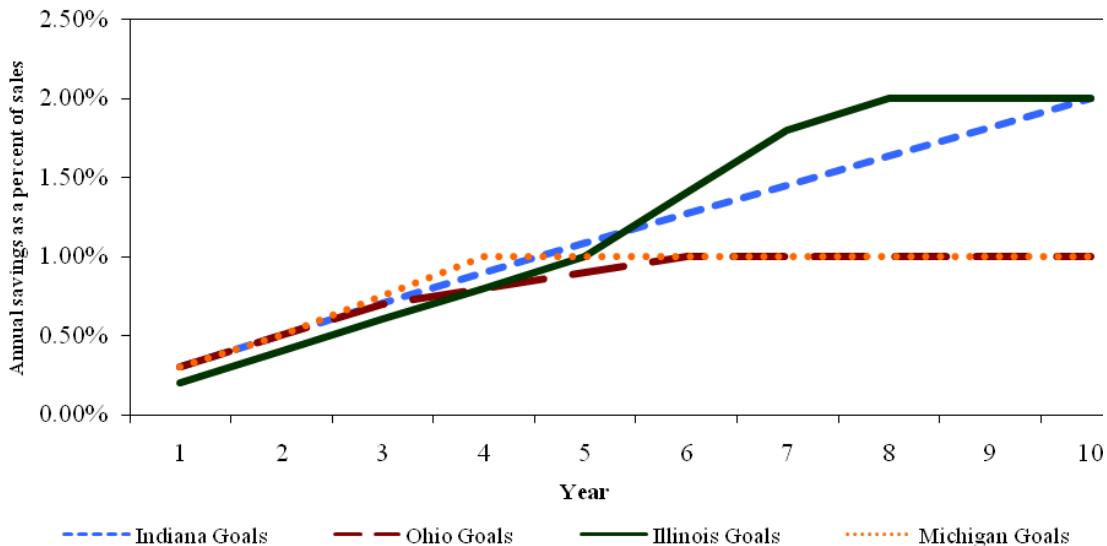
## The IURC Concludes Demand-Side Management Investigation *Hoosiers to benefit from core programs*

INDIANAPOLIS – The Indiana Utility Regulatory Commission (Commission) took a firm stance today on energy conservation and savings in an order that instructed the state’s jurisdictional electric utilities to create core demand-side management (DSM) programs. Through a reasonable but aggressive timeline, the utilities are expected to achieve an annual energy savings goal of 2 percent within 10 years with interim savings goals for years one through nine.

DSM programs benefit consumers by saving energy, which is the most cost-effective way of meeting future energy supply needs. It also has the corresponding benefit of reducing the need to build additional generation capacity. The initial core programs should be designed and offered by end of calendar year 2010 for all customer classes – residential, commercial and industrial.

With regard to energy savings as a percentage of utility sales, Indiana ranks 22<sup>nd</sup> nationally and 4<sup>th</sup> among the seven Midwestern states. For the amount spent on energy efficiency initiatives, Indiana ranks 31<sup>st</sup> and 6<sup>th</sup>, respectively. During the course of the investigation, three Midwestern states, Illinois, Ohio and Michigan established annual DSM savings targets for electric utilities. Based on these figures, Indiana would rival Illinois and surpass the other two states. The graph below depicts how the savings goals differ between the states.

**Midwest Electric Efficiency Goals**



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Due to nonexistent or inconsistent DSM program offerings between the individual utilities, the Commission ordered the utilities to move forward with the following core programs: a home energy audit program; low-income weatherization program; residential lighting program; energy efficiency schools program; and commercial and industrial program.

The Commission also ordered the formation of a DSM coordination committee that will consist of representatives from jurisdictional utilities, consumer groups and the Office of Utility Consumer Counselor. The committee will be responsible for developing program designs, coordinating the development and maintenance of a statewide database for all program results, and creating periodic joint reports for the Commission on the status of the DSM programs. The initial objective of the committee, however, is to issue two requests for proposals (RFP).

Taking the state’s current program structure into account and those of other states, the Commission created a hybrid approach to the DSM initiative. While the utilities will retain responsibility for the program offerings, including the management and implementation of DSM programs that go beyond the core program offerings, the first RFP is to seek an independent third party administrator to oversee and coordinate the core programs for the utilities. The second RFP is for an evaluation administrator or administrators to undertake the evaluation, measurement and verification of the DSM programs to ensure their effectiveness.

<b>Year</b>	<b>Annual Electric Savings Goal</b> (% of weather-normalized average electric sales for prior three years)
2010	0.3%
2011	0.5%
2012	0.7%
2013	0.9%
2014	1.1%
2015	1.3%
2016	1.5%
2017	1.7%
2018	1.9%
2019	2.0%

In order to further chart the development of these programs, the utilities are required to file with the Commission three-year DSM plans indicating their proposals and projected or actual progress in reaching the annual stepped savings targets (summarized in the table to the left). The annual savings goals will be based on the average weather-normalized electric sales over the prior three-year period. DSM plans will be filed on July 1, 2010, 2013, 2016, and 2019.

For a list of rebates and/or programs currently offered by Indiana utilities, please visit the Database of State Incentives for Renewables and Efficiency Web site at [www.dsireusa.org/](http://www.dsireusa.org/).

For additional information about this case (Cause No. 42693), please visit our Electronic Document System at <https://myweb.in.gov/IURC/eds/>.

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*The Commission is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.*