E Source Releases DSM Industry Benchmarking Report

Most Utilities Exceeded Overall Electric and Gas Energy-Savings Projections Without Commensurate Spending Increases
By Kym Wootton
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E Source recently released its fifth DSM Achievements and Expenditures benchmark. The report presents actual demand-side management (DSM) results from 55 North American electric and natural gas utilities, along with E Source analysis and identification of industry trends. Detailed data indicates which program administrators are reaching their energy-efficiency goals and how close they came to doing so within budget. It also shows which sectors are having the most success and reveals year-over-year trends in portfolio performance.

“The good news is that even in these times of rising goals and flattening budgets, most utilities exceeded overall electric and gas energy-savings projections without commensurate spending increases. Nonresidential and residential portfolios performed well in 2014, but nonresidential electric portfolios performed especially well, with more than half meeting or exceeding their energy-savings projections. But there’s still room for improvement on projecting budget and energy savings across sectors to ensure that DSM is the reliable resource utilities claim it is,” says Julie Herman, business line manager for the *E Source Demand-Side Management Service*.

In addition to looking at how residential, nonresidential, and low-income programs perform, this year’s study dug deeper into more subsectors, including behavior, multifamily, new construction, and small business programs. “We believe these sectors will be playing an increasingly important role as utilities strive for deeper energy savings in a cost-effective manner. Although overall goals are being met, we see that it’s becoming harder to meet them cost-effectively. One important takeaway from our research is that gas and electric residential behavior programs accounted for a noticeable share of total energy savings and a much smaller share of portfolio expenses,” adds Herman.

“This benchmark enables utilities to identify best practices in the industry they can adopt to make their own programs more successful,” says Katie Ryder, senior research analyst and author of the report. “That kind of program analysis is going to be increasingly important to utilities as they begin to develop strategies to meet goals under the US Environmental Protection Agency’s Clean Power Plan,” says Ryder.

The in-depth benchmark study also revealed that despite concerns about more-restrictive codes and standards reducing utilities' opportunities to pick the traditional low-hanging fruit, the average cost of nonresidential and residential electric and gas energy savings remains stable. That means there's still a lot of energy savings to be had.

About E Source

For 26 years, E Source has been providing research, consulting, and market research to more than 300 utilities and their partners. This guidance helps our customers advance their efficiency programs, enhance customer relationships, and use energy more efficiently.

Public Relations Contact

Kym Wootton, Vice President of Marketing, E Source
Email Kym Wootton
303-345-9168

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