

Energy efficiency savings goals: What are they?

The electric energy efficiency law sets two savings goals for each plan year:

- 1 Cumulative Persisting Annual Savings Goal (CPAS)
- 2 Applicable Annual Incremental Goal (AAIG)

The rate of return that is earned is generally adjusted up or down as a function of each electric utilities performance relative to its AAIG.

Cumulative Persisting Annual Savings Goal (CPAS)

- » The total electric energy savings in a given year from measures installed that year or in previous years that are still operational and providing savings in that year because the measures have not yet reached the end of their useful lives.
- » Measures will be assumed to provide a full year of savings in the year they are installed plus the appropriate number of additional years given their measure life and any savings degradation factors.
- » Missing or exceeding the CPAS goal does not directly impact the utility's return rate.

Applicable Annual Incremental Goal (AAIG)

- » The AAIG for a given year is the difference between the approved CPAS goal for that year and the approved CPAS goal for the immediately preceding year.
- » Energy savings from measures installed in previous years that have reached the end of their useful lives must first be replaced before any progress can be made towards the achievement of the current year's AAIG.
- » Missing or exceeding the AAIG directly impacts the utility's return rate.