

**Federal Energy Efficiency  
Resource Standard (EERS)**

*Jobs, Consumer Savings  
Cleaner Environment*

SEPTEMBER 2009

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# Today's Energy Challenges

**Energy  
Efficiency  
Works**



- Energy Consumption Growing (except for the current recession)
- Global Warming Emissions Increasing
- Electric Prices Rising

## Today's Energy Solution: Efficiency

**Energy  
Efficiency  
Works**



**Faster:** Available now

**Cheaper:** Saves consumers money, costs less than half of building new power plant

**Cleaner:** Little or no GHG emissions

**Better:** Creates jobs, new green economy

# What is Energy Efficiency?



- Energy efficiency means getting more out of the energy we consume
- Energy efficiency means using
  - Compact florescent light bulbs
  - Efficient windows and insulation
  - Latest technology home appliances and office equipment
  - Combined heat and power systems
- Energy efficiency **does not mean** conservation, which is changing behaviors to reduce energy use

## What is an Energy Efficiency Resource Standard (EERS)?



- An EERS requires electric utilities to meet specified energy savings targets within a given timeframe.
- A federal EERS would set a national target for electric utilities to meet, but allow states flexibility on how to achieve the targets
- A strong EERS will reduce electricity usage by 10%

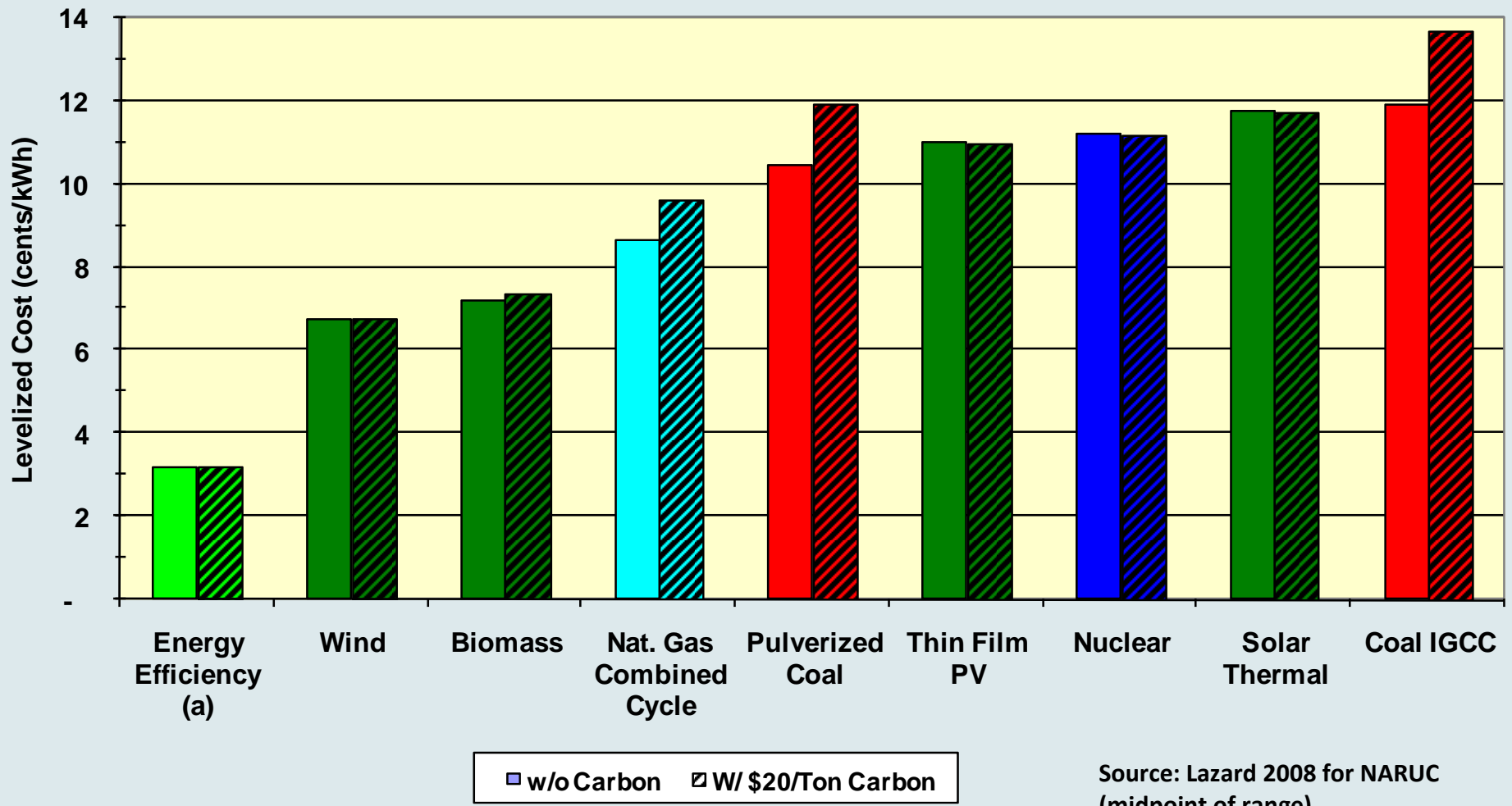


- Energy Efficiency is available now
- New coal power plant: 6 to 8 years to permit and build
- Nuclear plant: over a decade to permit and construct



- 10% EERS would save \$4.3 billion for consumers and businesses in 2020
- For every \$1 invested in efficiency, consumers save approximately \$3
- Efficiency programs deliver efficiency for less than 3 cents per kWh; which is  $\frac{1}{4}$  -  $\frac{1}{2}$  of new gas, coal and nuclear plants

# Cost of New Electricity Resources



# Energy Efficiency Programs

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- Utilities offer discounts and rebates in order to encourage residential and business customers to invest in energy-use reduction measures
- Residential programs may include discounts for compact fluorescent light bulbs, home weatherization, Energy Star refrigerators, air conditioning and furnace tune-up programs
- Commercial and industrial programs include improvements to lighting, heating and cooling in buildings, as well as industrial equipment and processes

## Case Study: ComEd (IL)

### Real Savings for Real Consumers

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- Over 2 years (2009-2010) ComEd's discount CFL program will discount compact florescent light bulbs (CFLs) by \$1.50 per bulb
- They project 11 million new CFLs in customers' homes
- Each CFL will save customers \$7 per year
- This means \$42/year savings for 6 CFLs

## Case Study: Connecticut State Program

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- Connecticut Energy Efficiency Fund (CEEF) is a partnership with United Illuminating Company (UI) and other utilities to provide energy efficiency assistance and incentives
- XtraMart convenience store in North Haven received \$4,500 incentive from UI for \$5,600 efficiency upgrade; cost to store - \$1,100
- New controls for more efficient operation of refrigeration system fans and heaters save over 26,000 kWh per year
- Annual savings to XtraMart: \$2,500

## Case Study: Nevada State Program



- Sierra Pacific Power and Nevada Power Companies' "Sure Bet Program" provides business, industrial and institutional incentives
- In 2006 the Nugget Casino in Sparks, NV received a \$10,000 incentive under the Sure Bet Program
- Replaced over 5,000 incandescent lamps with LED; anticipates saving over 244,000 kWh annually
- Project cost \$54,500; after 2 year payback period Casino will save roughly \$26,800 per year in electricity costs

## Energy Efficiency: Creates Jobs

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- The American Recovery and Reinvestment Act includes \$25 billion stimulus funding for energy efficiency programs that will create ~120,000 jobs
  - \$5 billion to install efficiency measures in low-income households would create ~22,000 jobs.
- Federal EERS will extend benefits of recovery bill: 10% electric savings will create 122,000 permanent jobs.

# Energy Efficiency: Green Economic Growth

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- Energy efficiency drives innovation through development and sales of energy efficiency products and technologies
- Makes U.S. more competitive in global marketplace
- Consumer savings -- \$78 billion by 2020 -- reinvested in other areas of the economy



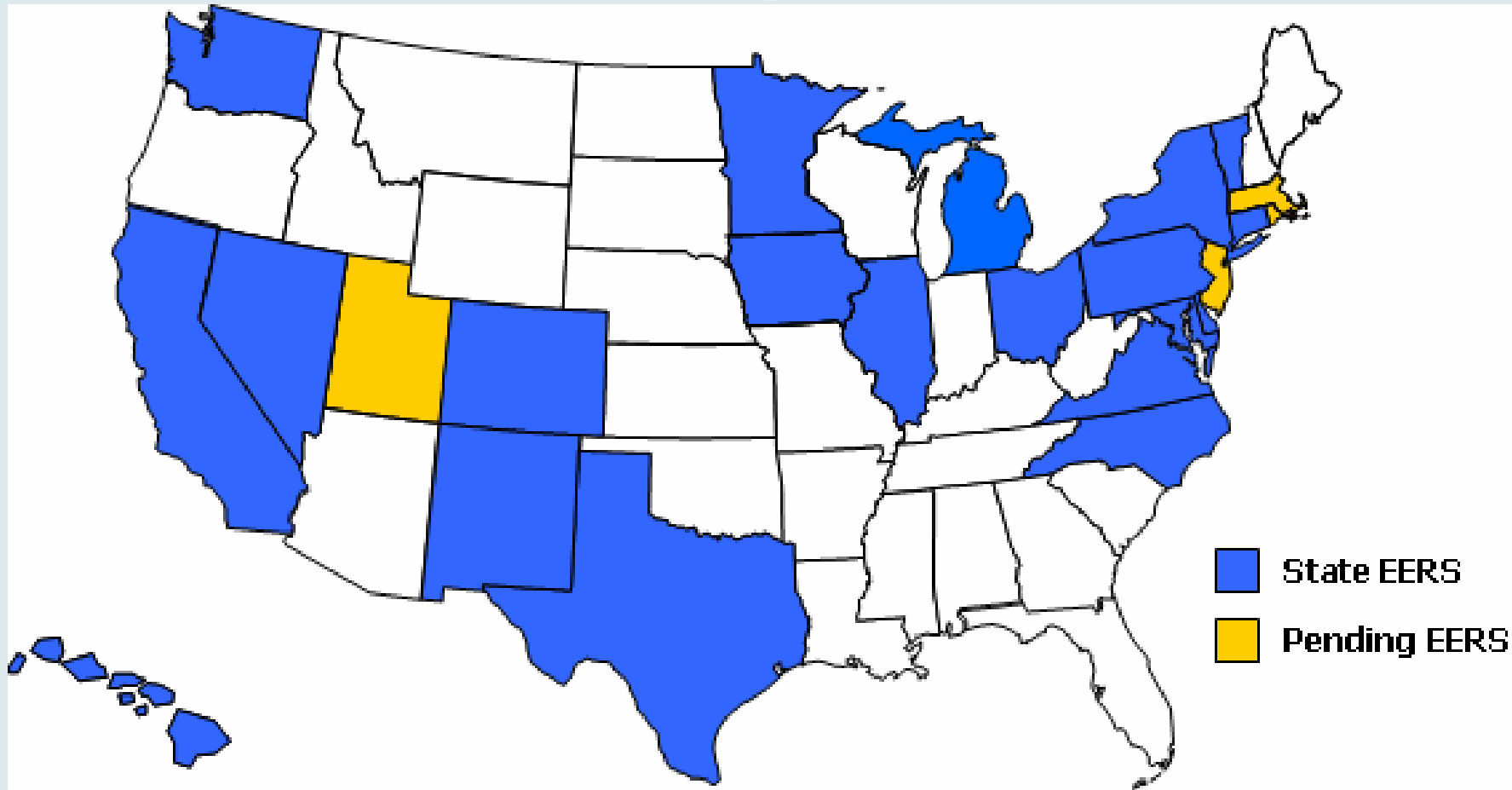
- Little or no greenhouse gas emissions
- EERS with 10% electric savings by 2020 would
  - eliminate need for 189 new power plants
  - cut CO2 emissions equal to taking 22 million cars off the road for one year

## 19 States Have Efficiency Standards



- Federal standards set a floor; states are free to set higher targets to gain additional savings
- Some states, such as Connecticut and Vermont already exceed the proposed standards and those programs will not be affected

# State EERS Activity



# EERS Makes Global Warming Solution Faster, Cheaper, Better

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- Energy efficiency reduces the need for expensive new power plants, which in turn reduces the cost of generating power and cuts greenhouse gas emissions, while also creating jobs and lowering consumer's utility bills
- American business owners, academic experts, and states agree: Energy efficiency is the most effective way to fast-track efforts to reduce our overall energy usage, affordably expand the use of renewable energy sources and address climate change.