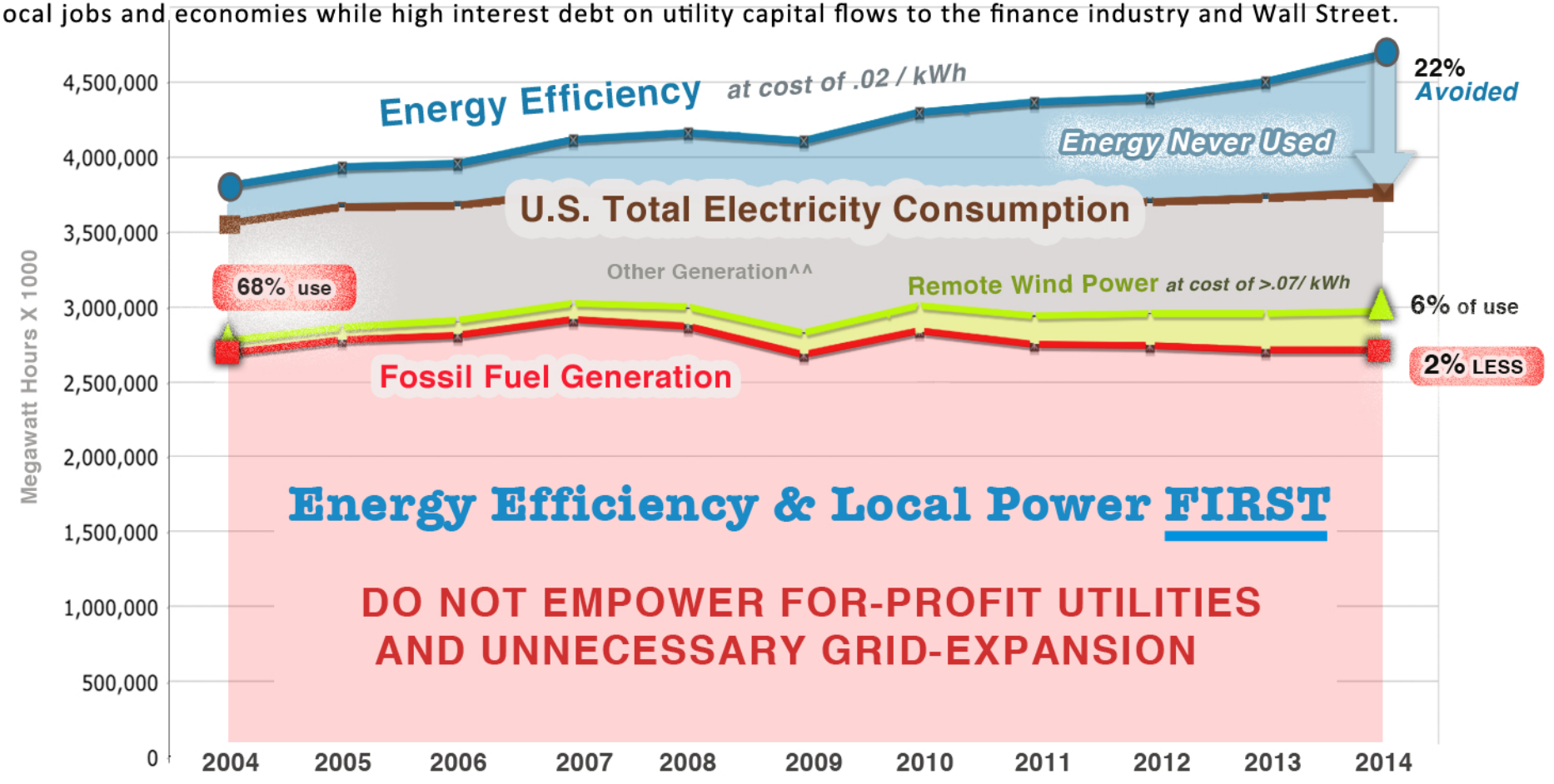
Efficiency Leads Energy Improvements Over last Decade

Energy efficiency and conservation were most cost-effective at right-sizing our energy needs and reducing CO2 emissions from 2004 to 2014. From 2007 to 2012, Energy Efficiency spending in the U.S. increased an average of 300% and accounted for 75% of total CO2 reductions in 2012. In 2014, the U.S. consumed 22% less electricity because of past spending on energy efficiency improvements. While costs soared for electric customers in the midwest due to massive investements in under-performing transmission expansion, remote wind contributions increased only 4% and failed to offset fossil fuel generation which fell only 2%. Attempts to reshape utility goals and the electricity market utilities monopolize were largely thwarted.

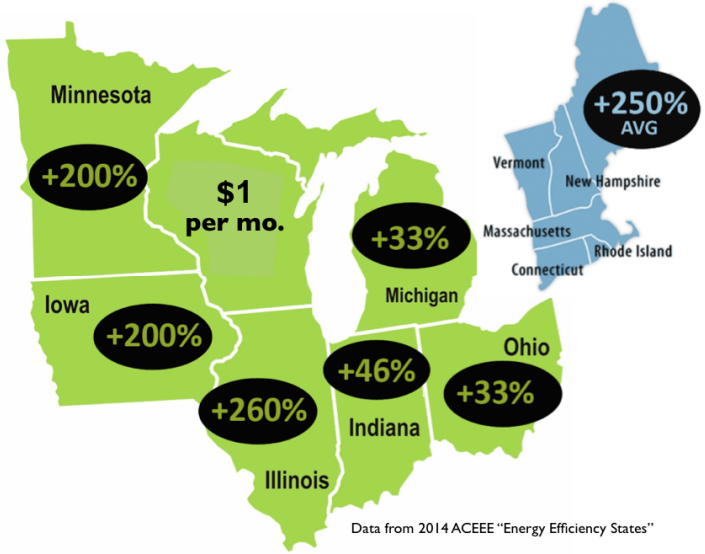
Perhaps the largest lesson from the past decade is that Improvements to our homes and businesses and developing local solar not only cut bills and emissions but avoid very costly high-interest, long-term, utility debt. The cost of reducing CO2 through energy efficiency is a fraction of the cost of developing renewable power remotely when delivery costs are factored in. Even better news, energy dollars flowing into rebate pools for energy efficiency, conservation and local solar stimulate local jobs and economies while high interest debt on utility capital flows to the finance industry and Wall Street.



Charted data EIA 2014 Electricity Annual & prior years. *Berkeley Nat. Lab http://bit.ly/EEcost-2cents; ^Delivered wholesale cost.^^Nuclear 20%, Hyrdo 6%; Solar, Biomass, and Others 2%

Why Did WI Utilities Bother to Cut WI's Energy Efficiency Program a Mere 7%?

Assembly Bill 804 recently signed into law allows utilities to deduct $580 million in operating revenue when calculating collections from electric customers that go into the Focus on Energy rebate pool. The law cuts $7 million or about 7% mostly on rebates that help home and business owners buy more efficient lighting, appliances and buildings when remodeling and building new. At $100 million per year, our Focus on Energy program in Wisconsin is the least funded in the Midwest. Since 2006, WI Lawmakers cut Focus on Energy funding over 50% while investment in other states increased an average of 300%.



WI state legislators need to improve their understandings. Here is how our Focus on Energy program works: $1 per month per household goes into a rebate pool which electric customers can apply to use when making appliance and building investments. The rebates are not a tax or a subsidy; they are rebates like those used by manufacturers when they want to make their products more competitive in select markets. Appliance rebates range from $50 to $400; they do not cover the full cost of any purchase but allow an individual to elect to choose a more efficient appliance knowing that part of the extra money will be refunded. The home or business owner pays for less electricity over the years and all electric customers are rewarded because less, debt-inducing generation and transmission has to be built. The later delivers even greater savings.

Building-related rebates can reach as high as few thousand dollars and require planning to insure that energy savings targets are hit. Commercial businesses with heavy use can use rebates to buy highly-efficient lighting, air conditioning and other equipment that operates many hours a day. Rebates as a whole are far lower in WI and those available for agricultural businesses are particularly lacking. Under-funded, Focus provides no educational outreach such as unbiased experts who visit homes and businesses providing comprehensive information about all energy investment options. Focus even lacks public education about conservation techniques that can save households from 10-30% without a single dollar invested.

Some legislators unfairly criticize the program they crippled. Biannual audits of Focus on Energy consistently show that every dollar put into the rebate pool saves three dollars and, significantly, slashes CO2 emissions in the most cost-effective manner known. With $1000-$1500 to spend, most homes can use efficiency rebates and conservation techniques to eliminate same amount of energy that a $5000-6000 solar system would produce. If Wisconsin had a modern energy efficiency program where $2-4 dollars a month was pooled, our dollars would be returned 4-7 times.

With $7 million less paid in rebates, electric customers will make less efficient purchases and utilities will sell about $20 million more in power—a mere .3% of the $7.3 billion per year they collect. A more likely goal is to keep the program at bay. From 2011-2013 when 18 million dollars was added to the program, energy savings jumped an astonishing 40%. Studies estimate WI's energy efficiency potential at 1.5% to 2.5% energy reduction per year. Cutting use 2.5% per year would reduce CO2 emissions in Wisconsin to meet Clean Power Plan goals in about 20 years-- the equivalent of 2 years of electricity never used.

But most of all, utilities know that sufficient energy efficiency funds would undercut their largest source of profit: high interest financing return on new power plants and transmission lines. This month, Excel Energy asked for a $4.20 per month increase largely to pay for transmission expansion. The request follows a greater increase granted less than a year ago. Had $4 gone into energy efficiency 5 years ago, Excel would not have been able to propose the costly project.

If you care about your energy bill, global warming or the financial ability of your house or community to develop local solar resources, take time to phone or visit both of your state legislators and explain to them why Wisconsin cannot afford to not have a modern, fully funded energy efficiency program.