



## Consumer Federation of America

1620 I Street, N.W., Suite 200 \* Washington, DC 20006

### UTILITY BILLS AND ENERGY EFFICIENCY SAVING CONSUMERS MONEY THROUGH AGGRESSIVE EFFICIENCY POLICIES

A new report from the Consumer Federation of America by Dr. Mark Cooper, “*Building on the Success of Energy Efficiency Programs to Ensure an Affordable Energy Future*,” shows that federal energy efficiency policies can leverage **real and largely untapped potential to save consumer’s money and create a cleaner, healthier environment with lower carbon emissions**. This report also concludes that incorporating energy efficiency programs in federal climate and energy legislation would **substantially reduce the cost for consumers**.

#### Key Findings: Energy efficiency works and saves consumers money.

- Technical studies and analysis of the results of state programs show that energy efficiency could lead to a 20 to 30 percent reduction in reduction in energy use from utilities.
- A 30 percent reduction in residential electricity and natural gas consumption below the levels projected by the Energy Information Administration for 2030 would **lower consumer electricity bills by an average of \$345**.
- A 30 percent reduction in natural gas use would **lower household gas bills by an average of \$106 per year**.
- Even if all of the costs of investing in efficiency fell directly on households, the **average net savings for electricity and natural gas combined would be substantial, approximately \$260 per year**.

The state-by-state analysis found that, on average, households in every state would be better off if aggressive programs captured the full measure of the benefit of energy efficiency.

- Direct reductions in household bills would vary by state from a low of **\$250 saved per year to a high of over \$530 saved per year**. The savings would be largest where the current bills are highest.
- Even if all the costs of investing in energy efficiency fell directly on households, on average, the households would save money in all states, **with a low of about \$106 saved per year to a high of \$460 saved per year**.

#### Key Federal Policy Recommendation: Increase Energy Efficiency Incentives in Climate Bill

The American Clean Energy and Security Act of 2009 (HR2454 or ACES) requires utilities to obtain 20 percent of their energy through a combination of energy efficiency and renewable energy by 2020, with energy efficiency allowed to meet up to **8 percent** of the 20 percent. Because ACES only achieves, at most, an 8 percent reduction through efficiency, compared to a potential 30% reduction, it fails to take full advantage of the savings available to consumers. This means that **by 2030 over \$500 billion of potential consumer savings would go unrealized. To tap more of these savings and reduce the cost of climate legislation, an energy efficiency resource standard (EERS) higher than 8 percent should be adopted**.

## Savings from Aggressive Energy Efficiency Policy

### Direct Savings Per Household: 30% EERS (2008\$)

Electricity: **\$345**  
 Natural Gas: **\$106**  
 Total: **\$451**

### Total National Savings: 30% EERS (Billion 2008\$)

Electricity: **\$52.7**  
 Natural Gas: **\$13.1**  
 Total: **\$65.8**

### Net Savings Per Household: 30% EERS (2008\$)

Electricity: **\$237**  
 Natural Gas: **\$62**  
 Total: **\$299**

### Net National Savings: 30% EERS (Billion 2008\$)

Electricity: **\$29.3**  
 Natural Gas: **\$7.7**  
 Total: **\$37.0**

## 2030 Savings per Household by State

Direct reductions in household bills would vary by state from a low of \$250 saved per year to a high of over \$530 saved per year. The savings would be largest where the current bills are highest. Total Net Savings is the total savings on household bills minus the cost of implementing efficiency measures if **all of the costs** are passed on to the consumers. **(Figures are for a 30% EERS)**

	Electricity Savings \$	Natural Gas Savings \$	Total Direct Savings \$	Total Net Savings \$
AL	429.06	55.29	484.35	295.20
AK	348.63	156.92	505.54	268.39
AZ	385.31	36.98	422.29	260.64
AR	336.41	66.88	403.29	222.49
CA	282.71	94.19	376.91	229.93
CO	214.03	122.67	336.70	133.62
CT	522.21	85.90	608.11	462.19
DE	447.12	60.48	507.60	346.81
DC	293.54	172.20	465.75	262.64
FL	462.75	5.53	468.28	330.34
GA	370.60	79.48	450.08	256.48
HI	568.57	0.00	568.57	493.09
ID	224.94	81.80	306.74	107.06
IL	268.92	200.40	469.32	215.22
IN	297.46	126.34	423.81	204.37
IA	282.90	94.44	377.34	191.70
KS	251.21	123.59	374.81	172.43
KY	304.80	62.77	367.57	174.64
LA	421.07	39.86	460.93	275.80
ME	297.81	6.40	304.21	239.86
MD	457.68	104.68	562.36	366.61
MA	357.58	121.39	478.97	324.40
MI	230.55	207.07	437.62	203.60
MN	255.06	132.02	387.08	182.37
MS	414.85	52.82	467.67	285.58

	Electricity Savings \$	Natural Gas Savings \$	Total Direct Savings \$	Total Net Savings \$
MO	292.78	87.91	380.69	175.97
MT	239.23	99.69	338.92	154.75
NE	261.36	112.22	373.57	159.75
NV	409.05	108.14	517.19	324.52
NH	322.89	33.94	356.83	259.88
NJ	358.31	206.40	564.71	355.88
NM	185.95	79.65	265.61	113.90
NY	358.19	159.43	517.62	338.78
NC	374.06	44.43	418.48	257.06
ND	264.01	64.35	328.35	148.84
OH	301.92	180.44	482.36	256.05
OK	324.39	90.18	414.57	213.73
OR	278.87	70.29	349.16	177.90
PA	329.00	128.09	457.09	271.31
RI	289.47	132.04	421.51	265.66
SD	268.81	174.07	442.87	179.66
SC	388.73	17.40	406.13	255.01
TN	366.53	67.48	434.00	229.75
TX	500.01	51.37	551.37	381.94
UT	212.76	159.62	372.39	135.43
VT	283.37	30.37	313.74	225.86
VA	367.03	75.54	442.57	254.35
WA	260.89	68.96	329.86	147.54
WV	255.94	106.55	362.49	160.11
WI	264.08	123.82	387.90	206.27
WY	220.98	103.63	324.61	122.39