

# Energy Efficiency



The average Louisiana household uses over 38% more energy than the national average<sup>(1)</sup>. This can partially be attributed to our climate but neighboring states don't see the same trend. Although Louisiana has some of the cheapest electricity rates in the country, we have some of the highest energy bills. The past few months have spotlighted this issue as ratepayers are struggling to pay utility bills that are two and three times higher than usual due to the unusual cold-snap. It's common for Louisiana families, whose income falls below 50% of the national poverty level, to spend over 20% of their monthly income on energy bills. Bottom line is, we need to be more energy efficient and reduce our energy waste in order to save rate-payers millions of dollars.

On average, every dollar invested in these programs typically produces more than \$2 in benefits for all customers making this a win-win solution for all, not just those that participate.

## Energy Efficiency Creates Jobs

The American Council for an Energy Efficient Economy (ACEEE) analysis shows that 20 jobs are created for every \$1 million invested in Energy Efficiency. These jobs also produced high numbers of 'Labor Income' reflecting the 'good paying jobs' this sector creates.

As of 2016, the Energy Efficiency sector employed 2.2 million people, compared to 1.9 million that work to produce electricity, coal, natural gas, and gasoline combined.

Based on the money reportedly spent by our Investor Owned Utilities between Nov. 15 - Oct. 16 (\$11,700,985), Energy Efficient programs should have created 234 jobs.

## Energy Efficiency is Cheap

Energy Efficiency is the cheapest energy resource for Americans.

Energy efficiency programs aimed at reducing energy waste cost utilities only about three cents per kilowatt hour, while generating the same amount of electricity from sources such as fossil fuels can cost two to three times more.

### Where does Louisiana stand?

Unfortunately, Louisiana is significantly behind other states in terms of implementing an Energy Efficiency program, ranking 44 out of 51 on ACEEE's 2017 State Energy Efficiency Scorecard, just behind Alabama. The good news is that we did rise in the rankings from 2016 and are poised to follow Arkansas' lead.

In 2006, the chair of the Arkansas Public Service Commission organized a collaborative in 2006 bringing utilities and stakeholders together, rather than formal docket proceedings, to explore mutually beneficial opportunities through informal discussions. The biggest hurdles cited were securing support from regulators for cost-effective rules and savings targets.

Arkansas was also one of the first Southeast states to decouple utility revenues for power sales and their success to date proves that such regulations can benefit ratepayers and utilities while creating new energy efficient jobs.

Louisiana is in a unique position to replicate Arkansas' success and put mechanisms in place to benefit low-income ratepayers, utilities and large industries, to create a much stronger energy economy.

(1) <https://www.eia.gov/tools/faqs/faq.php?id=97&t=3>