



ENE Releases Comprehensive Report – “Energy Efficiency: Engine of Economic Growth”

Detailed Modeling Depicts Extensive Job and Economic Growth Potential for the Region

For Immediate Release

October 1, 2009

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ROCKPORT, ME – A new, comprehensive report from ENE (Environment Northeast) finds that large-scale increases in energy efficiency investments bring about major economy-wide benefits - in addition to already documented consumer savings and reductions in greenhouse gas emissions. “Energy Efficiency: Engine of Economic Growth” demonstrates that large-scale investments in energy efficiency, like those proposed or underway in many New England states, bring about dramatic increases in state productivity, household income and job creation.

“High energy costs and the threat of climate change have catapulted to the forefront of energy policy reform, and ENE’s analysis makes it clear that energy efficiency is a priority strategy for energy security, economic growth *and* environmental sustainability at the state and national levels,” said ENE Executive Director, Dan Sosland.

Sosland continued, “This report shows that when we shift billions of dollars away from paying for fossil fuels and instead spend those savings in the local economy, large economic benefits are gained in job creation and increased state productivity. Households and businesses that take advantage of efficiency programs see lower bills. The bill savings are put to work in the economy, providing widespread benefits beyond those commonly acknowledged or measured.”

ENE, along with report co-authors EDR Group, used a comprehensive, macroeconomic forecasting tool developed by Regional Economic Models, Inc. (REMI) to project the impacts of increases in investments for electricity, natural gas and unregulated fuels in the six New England states, and the results showed multiple, significant gains:

- Gross State Product (GSP) would increase by \$180 billion, of which \$130 billion would be realized by workers through increased real household income.
- The increase would create about 1,392,000 job-years (one full-time job for one year) over the efficiency investments’ lifetime.
- Efficiency investments modeled over a 15-year period total \$27.2 billion and generate a nearly \$7 average increase in GSP for every \$1 invested.

"It is extremely encouraging to learn that every \$1 million of energy efficiency investment in Maine adds between 50-80 jobs and \$5-7 million to the Gross State Product. As we come out of this recession, ENE's new economic analysis reinforces my belief that policy tools like the federal Stimulus and the climate legislation we passed in the U.S. House of Representatives will help Maine build a vibrant new clean energy economy," said Congresswoman Chellie Pingree of Maine.

The big gains shown in ENE’s report are achievable based on the current economic and political conditions in the states right now. The modeled investment levels are conservative estimates of what it

would take to capture all cost-effective efficiency, and ENE used extensive input from experts in the field and research of existing programs to accurately reflect the costs of the programs and other factors.

"NSTAR and the other Massachusetts utilities have a long history of delivering cost-effective efficiency programs and are in the process of dramatically increasing our investments," said Penni McLean-Conner, NSTAR's vice president of customer care. "While we have long known how cost-effective the programs are for customers, this report illustrates how these energy savings are reinvested, which delivers significant new economic growth and jobs for the whole state."

New England is an appropriate case study because all of the states are in the process of increasing their investments in energy efficiency programs, and some have adopted major legislative and regulatory changes that treat efficiency as a true energy resource and alternative to buying more fuel and building more generation supply. Massachusetts and Connecticut utilities have proposed electric efficiency budgets that approach the all cost-effective funding level modeled in the report. And the northeast states participating in the Regional Greenhouse Gas Initiative (RGGI) cap and trade program are dedicating millions in auction revenue proceeds (approximately 65%) to energy efficiency.

"Energy Efficiency: Engine of Economic Growth" provides quantitative, tangible evidence that supports continuing and significantly expanding current efficiency policies, programs and funding.

While New England is a national leader in energy efficiency programs, the region is not unique in terms of availability of efficiency resources. Major cost-effective efficiency savings can be found in energy systems in every state across the country. ENE's report illustrates that there are enormous opportunities for economic growth and environmental sustainability to be gained if states and the nation take advantage of cost-effective energy efficiency opportunities.

Federal energy and climate legislation contains provisions to dedicate some program revenue to ongoing state efficiency programs. Strong funding at the federal level would help states across the country achieve higher efficiency investment levels with significant economic benefits – while helping to contain the cost of a carbon cap and trade program.

"Energy efficiency is a huge win-win solution for the states and the nation. We need to invest today in resources that are affordable and support a strong economy, and we also need to address climate change and reduce dependence on polluting fuels. ENE's analysis is proof that efficiency is an underutilized resource that can carry us into the cleaner, economically secure future that we all desire," said Sosland.

The report and additional materials are available at ENE's Web site:

Full Report: <http://www.env-ne.org/resources/open/p/id/964>

Executive Summary <http://www.env-ne.org/resources/open/p/id/968>

Talking Points <http://www.env-ne.org/resources/open/p/id/969>

Summary results for New England states: <http://www.env-ne.org/resources/open/p/id/967>

Stakeholder reviews of the report: <http://www.env-ne.org/resources/open/p/id/974>

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Environment Northeast (ENE) is a non-profit organization that researches and advocates innovative policies that tackle our environmental challenges while promoting sustainable economies. ENE is at the forefront of state and regional efforts to combat global warming with solutions that promote clean energy, clean air and healthy forests.