Energy Efficiency: Engine of Economic Growth
Talking Points

About the Report

ENE's report, "Energy Efficiency: Engine of Economic Growth," identifies the significant, economy-wide benefits of large-scale increases in energy efficiency investment, and thus confirms why efficiency must be a central strategy to achieve the low-cost, low carbon, sustainable economy of the future.

Assessments of energy efficiency programs show large direct savings to consumers. By taking the analysis to the next level and looking at the broader, macroeconomic impacts of those savings, ENE's study shows that the benefits are significantly larger than commonly recognized even by program administrators and proponents.

Efficiency programs like the ones modeled in ENE's report help customers make energy efficiency upgrades, such as installation of high efficiency appliances and lighting, improved building insulation, testing and sealing air ducts, and high-performance boilers and water heaters.

Efficiency programs generate savings for consumers by reducing the need to purchase electric supply and fuel. These savings drive new spending and economic activity and increase Gross Domestic Product, household income and job creation.

ENE's study modeled expansions in investments to approximate capturing all cost-effective efficiency in the six New England states (CT, MA, ME, NH, RI, VT) for 3 energy types (electricity, natural gas, unregulated fuels – oil, propane, and kerosene) with investments expanding over a 15-year period.

ENE in collaboration with EDR Group, who ran the economic model used for the report, the Regional Economic Model, Inc. (REMI), used conservative estimates of costs and investment levels based on actual program data and plans from the states and program administrators. The modeling assumptions and results of the report were vetted by an expert Advisory Board of industry professionals, regulators and others experienced in the field and in the region

Results

Total program spending over the 15 year period would equal $27.2 billion, increasing Gross State Product by $180 billion; of which $130 billion would be returned to workers through increased real household income.

The increase would create about 1,392,000 job-years (one full-time job for one year), or on average nearly 38,000 jobs per year.

Increases in Gross State Product per program dollar invested ranged for each state and fuel scenario from $4 to $10, representing significant expanded economic activity and benefits.

Peak annual GHG emissions reductions are projected to rise to 18 million short tons of CO_2 for electricity, 5 million for natural gas, and 9 million for unregulated fuels; equal to 15% of total regional emissions in 2005. Lifetime emissions benefits for all three fuels would total 536 million tons of CO_2.

Total lifetime energy savings for 15 years of programs for New England would be 489,300 GWh for electricity, 1,173 TBTU for natural gas and 1,439 TBTU for unregulated fuels.

Programs and incentives are essential to overcome market barriers so that the full potential of energy efficiency can be achieved as an alternative to more expensive and more polluting supply-side options. Results of the ENE study underscore the critical importance of efficiency initiatives at the state, regional and national levels, such as requirements to purchase all cost-effective efficiency before traditional supply options, or allocation of cap and trade revenues to efficiency programs.

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