

Public Service Commission of Wisconsin

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Study: Energy Efficiency can Reshape Wisconsin's Energy Future

Through more efficient use, both electricity and natural gas use can decline as economy grows

MADISON - A report, commissioned by the Public Service Commission of Wisconsin (PSC) and prepared by the Energy Center of Wisconsin (Energy Center), shows that by 2012 the state could generate \$900 million in net energy cost savings for each year energy efficiency program investments are made. The report addresses opportunities for electricity and natural gas savings across the residential, commercial, industrial and agricultural sectors.

The report states that annual reductions in electricity usage could reach 1.6 percent per year by 2012 while meeting needs of economic growth. Electricity usage in the state has grown roughly 1.2 percent per year since 2000. Annual reductions in natural gas usage could reach 1.0 percent by 2012. Natural gas consumption has declined since 2000 by 0.1 percent per year.

“This is an extraordinary opportunity for Wisconsin to grow the economy,” said Governor Doyle. “When energy costs are low, it frees up money for consumers to spend elsewhere and helps businesses to save money and so they can grow.”

“The study shows that it is possible to generate economic growth and change the trajectory of our energy use,” said PSC Chairperson Eric Callisto. “This study showcases the multi-faceted benefits of energy efficiency as a strategy.”

Savings from efficiency efforts for both electricity and natural gas would generate between 7,000 and 9,000 net jobs in Wisconsin. Susan Stratton, executive director of the Energy Center, agrees. Most important, she noted is the compounding effect of the economic benefits over time. “Each year that we invest in efficiency programs the dollars saved continue to accrue, economic development and job opportunities grow and greenhouse gas emissions drop further.”

By 2018, if annual reductions in electricity consumption were to continue at the 1.6 percent rate and natural gas consumption were to decline by 1.0 percent per year, cumulative savings attributable to efficiency would equate to:

Electricity

- 2,200 megawatts of avoided generating plant
- energy to power 1.4 million homes for one year

Natural Gas

- 330 million therms saved
- energy to heat 400,000 homes for one year

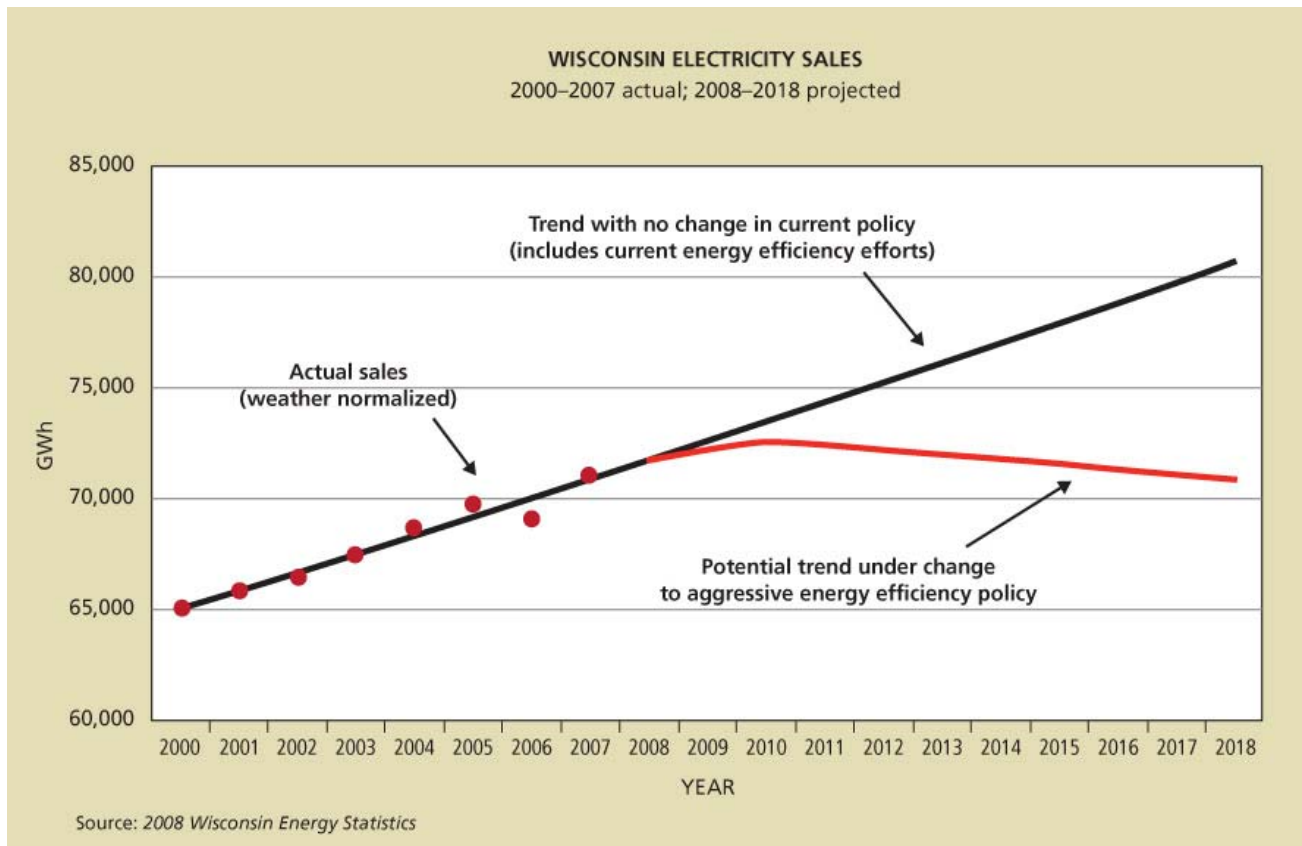
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These savings will eliminate roughly 12 million tons of greenhouse gas emissions. Annual reductions in electricity usage, while unprecedented in the history of the electric industry, actually contribute to greater economic growth by increasing disposable income. The savings estimates do not include the full effect of new behavior-based conservation programs, the effect of advanced utility rate designs or emerging technologies. These efforts could increase the energy savings potential and lead to greater reductions in peak electricity demand.

The study also examined the production potential of renewable energy systems that are owned and sited by consumers. It found that renewable energy program investments would generate net energy savings of \$20 million, support between 300 and 350 jobs, and avoid 39,000 tons of greenhouse gas emissions.

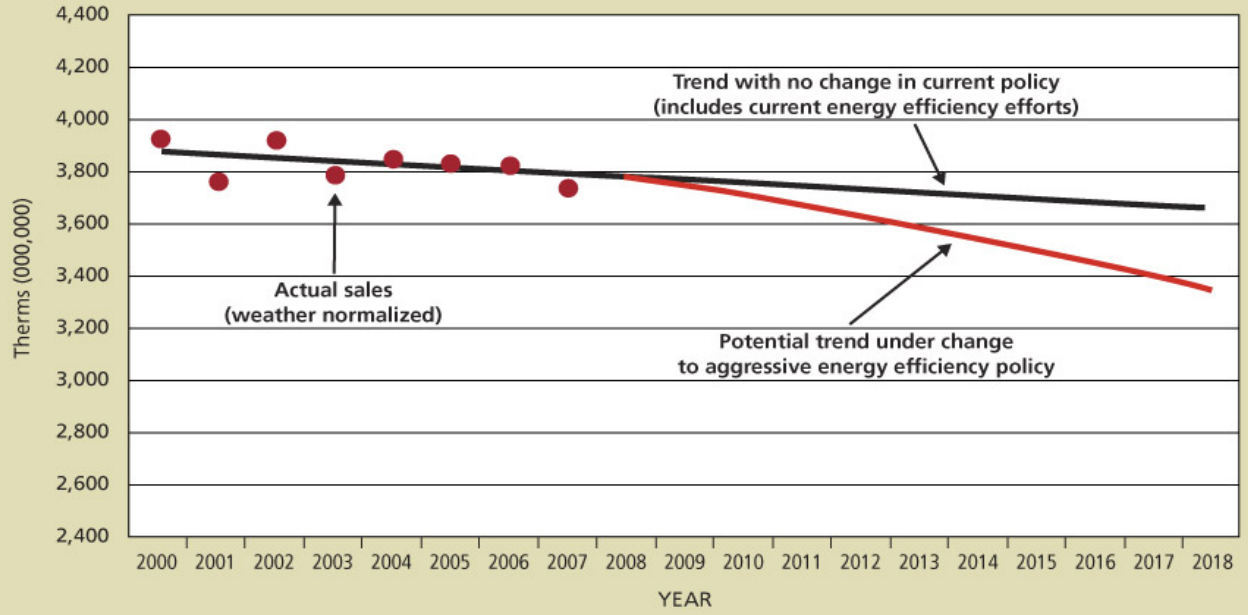
The Energy Center analyzed the energy efficiency potential at the direction of the PSC as part of the agency's investigation on the potential for increased conservation and energy efficiency goals. The investigation was opened following recommendations of the interim report from the Governor's Task Force on Global Warming.

Graphs indicating the changing trajectories for electricity and natural gas are attached. The study can be found at the PSC website at <http://psc.wi.gov/aboutus/pscreports/reports-index.htm> or www.ecw.org.



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WISCONSIN NATURAL GAS SALES TO END USERS
2000–2007 actual; 2008–2018 projected



Source: 2008 Wisconsin Energy Statistics

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