



Toward a more energy efficient Wisconsin

The Energy Center of Wisconsin is an independent nonprofit whose research is guiding energy policy in the Midwest. The Energy Center completed its 2009 study, “Energy Efficiency & Customer-Sited Renewable Resource Potential in Wisconsin” for the Public Service Commission of Wisconsin.

For more information contact

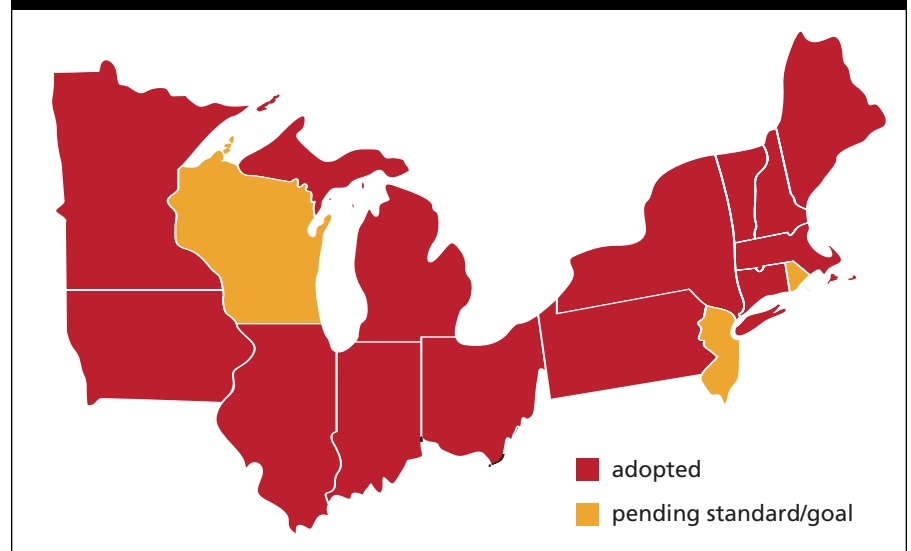
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Wisconsin is considering moving from a spending-based energy efficiency policy to a results-based requirement. This policy change would reduce electricity consumption statewide by 2% per year starting in 2015. Wisconsin’s current spending requirement yields a reduction of approximately 0.6% per year. Last year, a study by the Energy Center found that investing in energy efficiency to reduce electricity consumption by up to 2% each year is highly cost effective and will move Wisconsin toward an energy independent economy.

Fact: A 2% annual energy efficiency standard will drive Wisconsin’s market position in the Midwest

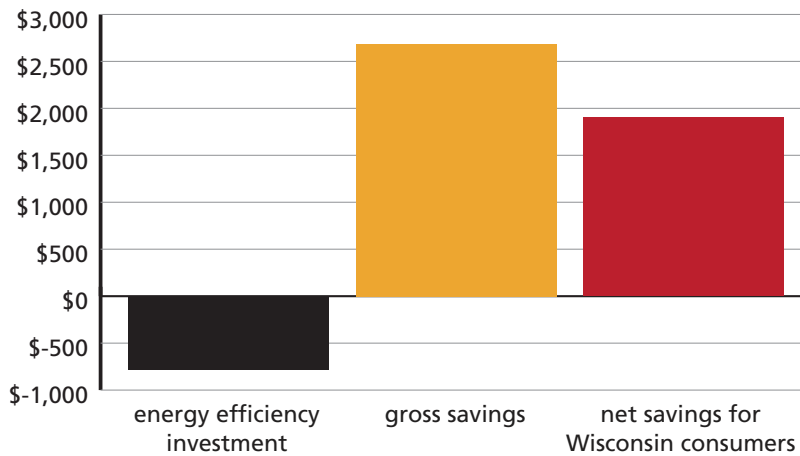
Imagine a state with a highly energy efficient fleet of office buildings, manufacturing plants and housing stock: that state will be more competitive—more attractive to business—because operating costs are lower. Wisconsin’s neighbors in the Midwest have raised the bar for requiring investments that reduce energy costs. Indiana, Illinois and Ohio have adopted energy efficiency standards that ramp up to a 2% reduction in electricity consumption each year, and Minnesota and Iowa require 1.5% annual reductions.

STATE ENERGY EFFICIENCY RESOURCE STANDARD (EERS) ACTIVITY



Source: American Council for an Energy-Efficient Economy (ACEEE), February 2010

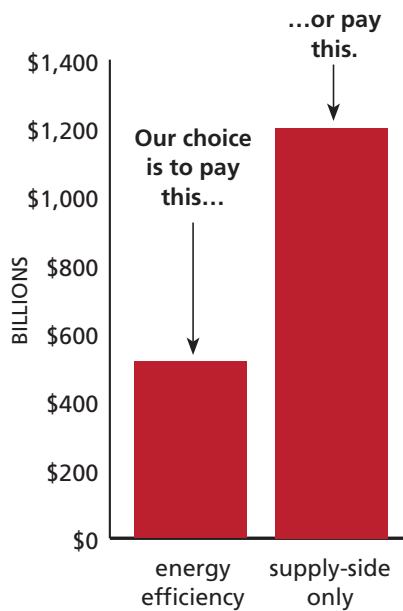
NET SAVINGS TO WISCONSIN CONSUMERS (YEAR 2015)
from aggressive investment in energy efficiency



Fact: Energy efficiency programs help businesses save money

The Energy Center study, commissioned by the Public Service Commission of Wisconsin, found that market forces alone are not sufficient to maximize energy efficiency improvements, in part because businesses do not have unlimited capital. For example, the study found that more than three times as many industrial customers installed variable-speed drive motors with a program in place than without (60% versus 20%). Energy efficiency programs do not hurt businesses—they help by filling in the capital gap, enabling businesses to improve operating efficiency and reduce costs.

ECONOMIC BENEFITS OF ENERGY EFFICIENCY (YEAR 2020)



Source: McKinsey Global Energy and Materials, *Unlocking Energy Efficiency in the U.S. Economy*, July 2009

Fact: Energy efficiency investments save far more than they cost

Citing the cost of energy efficiency without acknowledging the resulting savings misrepresents the net effect of investing in energy efficiency. The Energy Center's study results are unequivocal: energy efficiency investments more than pay for themselves by returning savings directly to consumers through lower energy bills. The study found that to achieve the 2% annual energy savings by 2015 as outlined in the Clean Energy Jobs Act would: require an energy efficiency investment of about \$700 million, return more than \$1.9 billion in net savings to Wisconsin consumers and generate 11,000 to 13,000 net new jobs.

A highly respected report by McKinsey & Company reached a similar conclusion. The McKinsey findings also delivered a stark picture of the kind of energy costs our country will face by 2020 if we don't invest in energy efficiency today. In short, the nation will pay a substantially higher price tag for investment in traditional energy resources tomorrow if we don't take a systematic approach to using less energy. Making the economically conservative policy choice to invest in energy efficiency supports Wisconsin's business community by ensuring lower energy bills over the long term.

Fact: Recent Independent poll shows voter support for energy efficiency

More than 75% of Wisconsin voters polled in February 2010 support requiring electric utilities to work with businesses and residents to increase their energy savings by 2% per year.

Source: From February 17–23, 2010, the bipartisan research team of Fairbank, Maslin, Maullin, Metz & Associates (FM3) and Public Opinion Strategies (POS) completed 2,400 telephone interviews with likely voters in the Midwest: 400 each in the states of Illinois, Iowa, Michigan, Minnesota, Ohio and Wisconsin. The margin of sampling error for the results in each state is +/- 4.9%. For more survey results, go to: <http://2010cleanenergy.org/states/wisconsin/resources>