

## Keep Indiana's Energy Policy and Economy Moving Forward: Reinstate Indiana's Statewide Energy Efficiency Programs!

Electric bills in Indiana are becoming increasingly more expensive, making the cost of living more difficult to meet for Hoosier households, driving up costs of doing business in Indiana (which means fewer jobs), and most importantly, forcing the most vulnerable among us to make difficult, unjust choices, like whether to heat or eat.

### The Choice is Clear: The Least Cost Option is The Best Option

Making homes and businesses more energy efficient is *much less* expensive than the construction of unnecessary and expensive new power plants. **Energy efficiency is THE least cost resource**, and Indiana law mandates that utilities provide their customers with the lowest cost resource that is reasonably possible.

Indiana claims to be an "all of the above" energy state. So why would we limit our options by rejecting the least cost resource of energy efficiency?

*The sooner we embrace energy efficiency as the preferred resource option, the sooner Indiana will realize even more gains that will come from continuing these investments.*

### Senate Enrolled Act 340 Killed Energy Efficiency in Indiana

CAC has fought long and hard to help bring energy efficiency programs to Indiana. These programs, collectively called Energizing Indiana, have been running for a couple of years now, and they're working – reducing the need to build and pay for more outrageously expensive power plants and other expensive infrastructure.

**In other words, energy efficiency keeps our electric bills from skyrocketing.** The 2014 Indiana General Assembly passed Senate Enrolled Act 340, which stops the Energizing Indiana programs at the end of 2014. Once these programs end, all of the forward momentum we've achieved with energy efficiency will be lost.

### Energizing Indiana is Working!

In June 2013 an independent final evaluation report was issued for the first year (2012) of Energizing Indiana. It showed:

- For every dollar spent on the programs, two dollars of utility system costs were avoided.
- The programs achieved electricity savings at a cost of approximately **1.6¢ per kilowatt hour**. This compares to the typical costs of constructing, fueling and operating a new power plant of about 7-14¢/kWh. Or, as a current example, 22¢/kWh for the Duke Edwardsport IGCC coal-fired power plant.
- Energizing Indiana achieved total gross savings of just over 339 million kWh, enough to power over 28,000 homes. Preliminary results from the second year of the programs show savings of 501 million kWh, enough to power nearly 42,000 Hoosier households.

### Take Action Now!

Contact Gov. Pence, and tell him that you want Indiana to enact strong statewide energy efficiency policy that establishes:

1. Statewide savings goal similar to those established in the IURC December 2009 order in Cause No. 42693.
2. A public purpose fund which ALL ratepayers contribute to.
3. An independent, non-profit Statewide third party administrator to oversee those funds.

### Governor Pence

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**In addition to the fact that energy efficiency programs are by far the lowest-cost utility resource and reduce utility system costs for all ratepayers, there are a number of additional reasons why policymakers should support strong energy efficiency policies for Indiana.**

### **1. Energy Efficiency Programs Create Jobs**

Energy efficiency is a very labor-intensive industry, requiring both skilled and semi-skilled workers. There are jobs for engineers, electricians, equipment installation contractors, salespeople, energy auditors, construction and other skilled trades and managerial and support workers. Economic analyses show the number of jobs per million dollars for industries involved in energy efficiency delivery to be four to eight times greater than for the utility industry in general.

### **2. Energy Efficiency is an Effective Economic Development and Economic Retention Tool**

Leading states are using their energy efficiency services available to attract business investment, by helping firms construct truly state-of-the-art facilities. For existing firms, energy efficiency helps make Indiana businesses more economically competitive, by lowering their costs of operation. Encouraging companies to invest in energy efficiency is a desirable objective for the state, because corporations that invest in upgrading a particular facility are much less likely to close that facility than other facilities they have not upgraded. Energy efficiency investments in facilities located in Indiana is a sign of commitment to the Indiana economy.

### **3. Energy Efficiency Can Reduce Environmental Compliance Costs**

Because energy efficiency is a zero-emission resource, it can help utilities and states meet federal air emission standards at a much lower cost than applying expensive retrofit treatment technologies to fossil-fuel power plants or replacing plants entirely. Leading states are showing how dramatic savings in overall air emission compliance costs can be achieved by factoring in the effects of their utility energy efficiency programs.

### **4. Indiana Has a BIG Energy Problem: The Energy “Dollar Drain”**

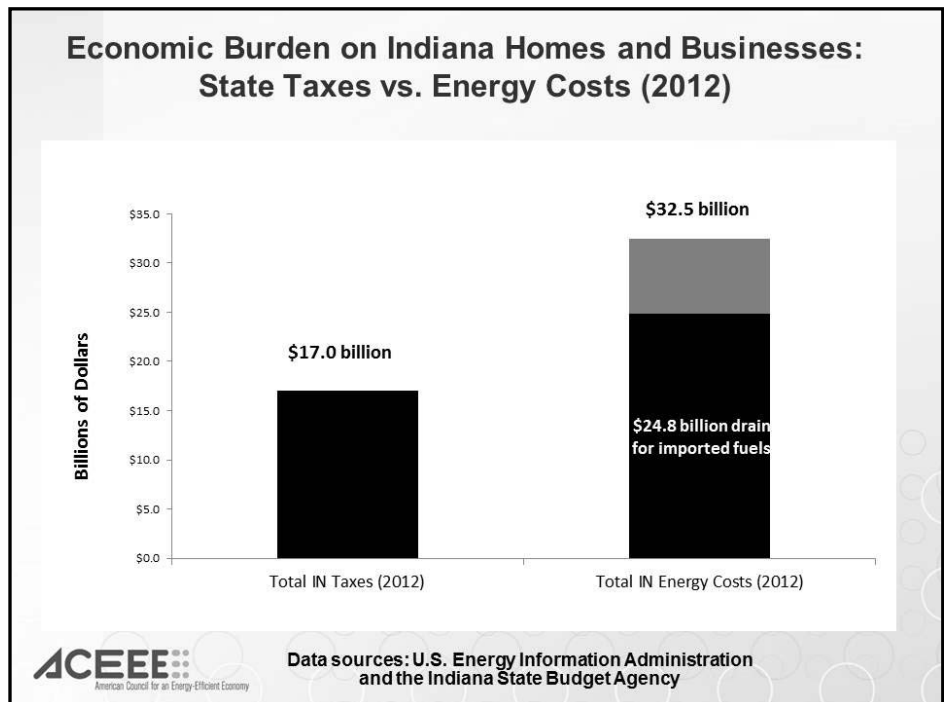
Indiana uses a LOT of energy:

- \$32 Billion a year in total costs
- 14<sup>th</sup> highest cost burden in the nation

Indiana is very dependent on fuels imported from other states and countries:

- 100% oil & petroleum products used in Indiana
- 99% of the natural gas
- 41% of the coal

**That amounts to nearly \$25 billion leaving Indiana every year to pay for imported fuels! The dollar cost for importing energy fuels is larger than all state taxes paid in Indiana!**



***Every dollar of energy imports avoided by energy efficiency  
is a dollar that stays in the Indiana economy!***

**Tell Governor Pence to support a strong  
energy efficiency policy for Indiana!**