

Energy Efficiency Talking Points

Wise Energy for Virginia Coalition

Energy efficiency is the cheapest, quickest and cleanest way for Virginia to meet its growing energy demands.

WHAT IS ENERGY EFFICIENCY?

Energy efficiency is technology-based (unlike conservation, which is rooted in behavior). The more energy efficiency in an electricity provider's service area, the less electricity that needs to be generated, transmitted, distributed, and stored. In this sense, energy efficiency may be viewed as an energy "resource" — a demand-side resource, as it comes from the customer's (demand) side of the meter. Examples of energy efficiency technologies include compact fluorescent light bulbs (CFLs) and high efficiency air conditioners, boilers, chillers and refrigerators.ⁱ

WHY ENERGY EFFICIENCY?

Energy efficiency is the cheapest, quickest and cleanest way for Virginia to meet its growing energy demands.

CHEAPEST

Times are tough right now and we need to do what is best for Virginia's families. Energy efficiency avoids costly new generation while cutting electricity bills for hardworking Virginia families and creating jobs.

- **Using energy more efficiently will save hard-working Virginia families money.** The average Virginia family could save \$20 per month on its electricity bills by 2025 if Virginia invests in cost-effective energy efficiency measures like compact fluorescent light bulbs and weatherizing buildings.ⁱⁱ
- **Through efficiency, Virginians can enjoy the same quality of life they have come to expect.** Instead of meeting Virginia's increasing demand for electricity by increasing the supply of electricity, energy efficiency reduces demand even as Virginia's economy and population continues to grow.
- **Investing in energy efficiency will create jobs right here in the Commonwealth.** Weatherizing schools, performing energy audits on homes, and implementing other efficiency measures will create thousands of new jobs for Virginians. If we reduce 19% of our projected electricity use by 2025 we will create 10,000 new high-quality jobs in the efficiency sector right here in Virginia.ⁱⁱⁱ
- **Investing in energy efficiency allows us to avoid costly new generation.** Building new power plants cost billions of dollars, all of which ratepayers pay for. Energy efficiency is the cheapest way to meet our energy needs. Efficiency programs typically cost a quarter of what it takes to generate electricity from coal plants^{iv} and the savings are even greater when compared to nuclear energy.

- **With the economy in recession and energy prices rising, reducing the amount of energy we waste is the smart thing to do.** As fossil fuels become more scarce and harder to reach, their costs are going up. Dominion raised its rates 18% in 2008 and another rate hike is planned for 2009. The fewer fossil fuels we use, the less we will be held hostage to future rate hikes like these.^v

QUICKEST

Energy efficiency is the quickest way to meet Virginia's growing energy demands. Investing in energy efficiency now means we start to reduce costs for Virginia families and create new jobs right away.

- **It typically takes 3-5 years to build a new power plant.** We can get started using energy more efficiently right away.
- **We can start out saving energy almost immediately.** At first, we can save as much energy each year as we would create by building a new power plant and the savings only get better over time.
 - **We will start out saving about 1% of our electricity use per year.** That might not sound like a lot but it's like building a new 300 MW power plant every year.
 - **The savings nearly double over time.** Eventually, we will be able to save about 1.75% a year.^{vi}

CLEANEST

Investing in energy efficiency will reduce Virginia's need to build new polluting power plants. Relying on efficiency to meet our energy demands will result in cleaner air, address climate change and reduce the need for the devastating practice of mountaintop removal mining.

- **Relying on efficiency to meet our energy demands will clean up our air and water.** Dirty energy spews pollutants that cause lung disease, asthma and even premature deaths. Coal plants also release mercury, a neurotoxin that accumulates in the fish we eat. Through efficiency, we can reduce our reliance on dirty energy sources that pollute our air and water.
- **By reducing the need for new power plants, Virginia is doing its part to address the very real problem of climate change.** With over 3,000 miles of tidal shoreline, Virginia's coasts from Alexandria to Norfolk are extremely vulnerable to increased storm surges and rising seas; the Hampton Roads area is second only to New Orleans in its vulnerability to sea level rise.^{vii} A progressively warmer planet has potentially dire consequences for the state's agriculture sector, forest and water resources, wildlife and public health.
- **Reducing the need to build new power plants will decrease the demand for coal mined in Virginia using the devastating practice of mountaintop removal mining.** Mountaintop removal mining blasts the top off mountains to get at the otherwise unreachable seams of coal and dumps toxic mining waste into the valley below. This mechanized process eliminates jobs, pollutes the air and water and devastates entire communities. Mountaintop removal is widely

practiced in Southwest Virginia and is already responsible for the loss of 29 Virginia mountains.

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HOW DO WE GET THERE?

Any good piece of energy efficiency legislation will contain at least one of these three elements:

MANDATORY

Virginia must commit to a mandatory energy efficiency standard of at least 19% below projected energy use by 2025.

REDUCE TOTAL AMOUNT OF ENERGY USED

We support an efficiency standard that is achieved through measures that reduce the total amount of energy used in Virginia.

Virginia power companies, led by Dominion Virginia Power, are advocating for legislation that would only change the time when energy is used. The power companies' efforts would affect peak demand but will not reduce total energy use.

THE UTILITY'S RATE OF RETURN REMAINS THE SAME

The legislation must ensure that a utility's rate of return on its investment remains the same – no matter if the utility is investing in energy efficiency or new generation. By ensuring the same rate of return for utilities, we make sure that energy efficiency is competitive to new generation.

ⁱ U.S. Department of Energy, State Energy Alternatives. Available at http://apps1.eere.energy.gov/states/alternatives/virtual_power_plant.cfm.

ⁱⁱ American Council on an Energy Efficient Economy, "Energizing Virginia: Efficiency First." Available at <http://www.aceee.org/pubs/e085.htm>.

ⁱⁱⁱ Ibid.

^{iv} Ibid.

^v The Washington Post, Sandhya Somashekhar: "Panel Sees No Way Around Surge in Va. Power Rates." 6/25/08. Available at: <http://www.washingtonpost.com/wp-dyn/content/article/2008/06/24/AR2008062401177.html>

^{vi} ACEEE report.

^{vii} Virginia Commission on Climate Change, "Final Report: A Climate Change Action Plan." Available at http://www.deq.virginia.gov/export/sites/default/info/documents/climate/CCC_Final_Report-Final_12152008.pdf, page 19.

^{viii} Appalachian Voices. Contracted study by Ross Geradeine, 2006.