New Jersey League of Conservation Voters
EMP Hearing Talking Points

Reducing Energy Consumption Stakeholder Meeting
Friday, September 14th, 2018 10am – TCNJ Gitenstein Library
2000 Pennington Rd, Ewing Township, NJ 08618

- **Efficiency provides the single largest, and most cost-effective, opportunity to cut global warming pollution** while cleaning the air, creating jobs and saving businesses and consumers money. However, regulatory barriers discourage utilities from investing in energy efficiency even though it costs at least 50 percent less and carries less risk than building power plants, transmission wires or pipelines.
    - In 2017, U.S. electric power sector generated about 34% of the total U.S. energy-related CO2 emissions.
    - Buildings accounts for about 76% of electricity use and 40% of all U. S. primary energy use and associated greenhouse gas emissions. This is a prime opportunity for improved efficiency. By 2030, building energy use could be cut more than 20% using technologies known to be cost effective today and by more than 35% if research goals are met.
    - There are vast good local employment opportunities in energy efficiency: https://www.e2.org/wp-content/uploads/2018/09/2018-EE-Jobs-Report.pdf
    - In NJ, energy efficiency comprises 13% of construction jobs and 25% of all energy related jobs.
    - Making more aggressive energy efficiency standards will increase good local job opportunities for all.
- However, in pursuing aggressive energy efficiency targets, a major market barrier exists: Utilities are not incentivized to improve EE because it can go against their bottom line.
    - Traditional, regulated utilities collect their revenue from the amount of energy it sells to its customers and to reduce the amount sold would mean a direct reduction in revenue.
    - **Decoupling** turns this traditional rate market on its head by breaking the link between energy sales and revenue. It presents a win-win opportunity for both parties. Decoupling keeps revenue steady, reduces financial risk and capital costs for the utility and keeps customer's energy costs in check, with considerable benefits for low-income households because money they aren't spending on energy is money directly back in their pockets without the need for public financial assistance to help pay for electricity.
- **Ensure programs address the needs of all customers**
    - A utility's energy efficiency program portfolio should ensure all customers have an opportunity to participate and lower their bills, overcome barriers in each market segment, and include a comprehensive set of efficiency measures. This includes pursuing emerging technologies, providing technical support to upgrade building and appliance efficiency standards, delivering education and workforce training, exploring pilot programs, working with key partners like local

governments, and offering competitive solicitations for innovative technologies and programs.
    - Programs should target lower-income households because energy efficiency is a powerful way to make utility bills more affordable, improve the comfort of their homes, and reduce the amount other customers spend to fund bill assistance programs.
    - Low-income households are demonstrated to have less efficient appliances and systems within their homes, and decoupling offers exciting opportunities to promote utility-run energy efficiency programs like insulating homes and offering rebates for purchase of energy-efficient appliances or more efficient light bulbs.
- **Appliance standards should be updated in New Jersey and can increase energy efficiency gains by an additional 1.5% annually.**