

## Risking Ohio's Energy Future?

Ohio has an energy efficiency standard that requires electric utilities to help Ohioans stop wasting energy by setting annual energy savings goals. These goals gradually increase and will save 22% of energy consumption by 2025.<sup>1</sup> Next year the savings from Ohio's efficiency standard will be enough to offset generation from over 13 small to mid-sized power plants. Recently, some outside interests have started to attack Ohio's standard. As the people of Ohio weigh their energy options and plan for the future, it is useful to understand the impacts the energy efficiency standard will have on the state's economy and its people.

### Ohio's Energy Efficiency Standard Saves Money by Cutting Waste

Large amounts of useful energy are wasted in Ohio. Meanwhile Ohio utilities get paid for all the electricity they generate, even what's wasted. They are paid by their customers, the people of Ohio, who watch this money go up in smoke. Ohio's efficiency standard reduces this waste, cutting energy costs for Ohioans through programs that upgrade their homes, replace old furnaces, and insulate their walls to keep cold air out. This means more money in people's pockets that would otherwise have gone to pay for wasted energy. It also means fewer taxpayer dollars are spent heating and cooling leaking government buildings. Lowering energy bills also reduces the cost of doing business in Ohio, helping existing businesses thrive and attracting more jobs to the state. Just how much does Ohio's efficiency standard save the people of Ohio?

It costs Ohio utilities about 6 cents per kilowatt-hour to generate electricity. This is more than 6 times what it costs them for a kilowatt-hour of savings from energy efficiency. This means Ohio's efficiency standard saves a lot of money each year. In fact, over \$500 million will be saved each year by avoiding the need to generate electricity. Over a few years, the efficiency standard will save Ohio billions of dollars in avoided energy costs.

### Ohio's Energy Efficiency Standard Saves Money by Reducing Utility Costs

Ohio's efficiency standard helps avoid a lot of pollution that would have otherwise been emitted by power plants. How much? Over 9,000 tons of nitrogen oxide and over 40,000 tons of sulfur dioxide are avoided annually. Installation of pollution controls on a power plant can be very expensive. If Ohio's efficiency standard is eliminated Ohio electricity customers will have to cover the cost of installing additional pollution controls on power plants. In fact, to get the same reductions as the efficiency standard Ohioans would have to invest nearly \$2 billion in pollution control equipment, more than \$145 million every single year!

Here's the breakdown, for air pollution reductions attributable to Ohio's efficiency standard:<sup>2</sup>

- *Nitrogen Oxides (NO<sub>x</sub>)* - Over 9,000 tons of this smog forming pollutant are reduced annually with an energy savings target. Without these savings over \$400 million in investments is required to get the same NO<sub>x</sub> reductions from pollution control equipment.
- *Sulfur Dioxide (SO<sub>2</sub>)* - Annual energy savings reduce over 40,000 tons of this lung irritant annually. Without the efficiency standard Ohio must invest over \$1 billion in pollution controls to make sure that SO<sub>2</sub> emissions don't increase.
- *Mercury* – Ohio's savings target will annually prevent over 1,000 pounds of mercury emissions, a pollutant that causes birth defects in children. Utilities would have to invest over \$430 million in plant upgrades to get these same emissions reductions.

<sup>1</sup> Formally known as the Energy Efficiency Resource Standard or EERS, it was first established in 2008 through the enactment of Ohio Senate Bill 221 (SB 221), and then updated in 2012 in Ohio Senate Bill 315 (SB 315).

<sup>2</sup> This data comes from ACEEE's Energy Efficiency Pollution Control Calculator available here: <http://www.aceee.org/research-report/e134>