



Strong Energy Efficiency Policies under Consideration by Congress: Saving Indiana Citizens Money, Creating Jobs and Reducing Emissions

According to a new report by the American Council for an Energy-Efficient Economy (ACEEE), energy efficiency provisions in the American Clean Energy and Security Act (ACES - H.R. 2454) with improvements could create more than 569,000 new jobs nationwide in the next 10 years and provide hundreds of dollars in annual savings for every household in America. By dramatically reducing the amount of unnecessary energy produced and used, these efficiency provisions would also result in significant carbon dioxide emissions reductions. The report shows that improvements to the energy efficiency provisions already included in the legislation adopted by the U.S. House of Representatives can help Indiana tap into its vast energy-savings potential and put our country on the path to a cleaner, more prosperous economy.

Proposed improvements to the House-passed bill could generate the following benefits in Indiana alone:

Indiana Energy Efficiency Benefits

Benefits from Energy Efficiency in ACES	2020		2030	
	ACES with Enhanced Efficiency	ACES	ACES with Enhanced Efficiency	ACES
Net Jobs Created	13,000	8,900	19,500	11,900
Net Annual Consumer Savings to State Economy (in million 2007 \$)	857	783	2,418	1,464
Net Annual Consumer Savings per Household (in 2007 \$)	314	287	888	537
Equivalent autos taken off the road as a result of avoided CO2 emissions (for given year)	2,806,127	1,958,517	4,542,166	2,568,657
Equivalent number of 300 MW power plants avoided	18	10.5	33	14

Note: Individual state savings may not add to national averages due to rounding errors.

The House-passed legislation is intended to reduce American energy use, reduce energy costs, and curb harmful carbon dioxide emissions while simultaneously creating green jobs. Energy efficiency is the cleanest, fastest, and cheapest way to achieve the objectives of the bill. Although ACES includes a number of provisions that will advance our nation's energy efficiency, ACEEE recommends that the U.S. Senate adopt the following enhancements to the House legislation:

- Strengthening the Energy Efficiency Resource Standard (EERS) by setting a 10% energy savings requirement for electric utility companies. (ACES includes potential for a 5% EERS with an optional 3% increase.)
- Requiring that one-third of the proceeds from the sale of electric utility emissions allowances be used for energy efficiency improvements, identical to what is required for use of proceeds from the sale of natural gas utility emissions allowances in ACES.
- Extending the allocation of 9.5% of carbon emissions allowance revenue to the *State Energy and Environmental Development* (SEED) fund to 2030. ACES ramps down SEED fund support beginning in 2016.

The report, *Energy Efficiency in the American Clean Energy Security Act of 2009: Impacts of Current Provisions and Opportunities to Enhance the Legislation* with technical appendix can be downloaded for free at <http://www.aceee.org/pubs/e096.htm>