Energy Productivity in the Southeast

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Making Energy Work: Building a Sustainable Energy Economy in the Southeast
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Outline

- Energy Productivity in the Southeast
- Introduction to National Action Plan for Energy Efficiency

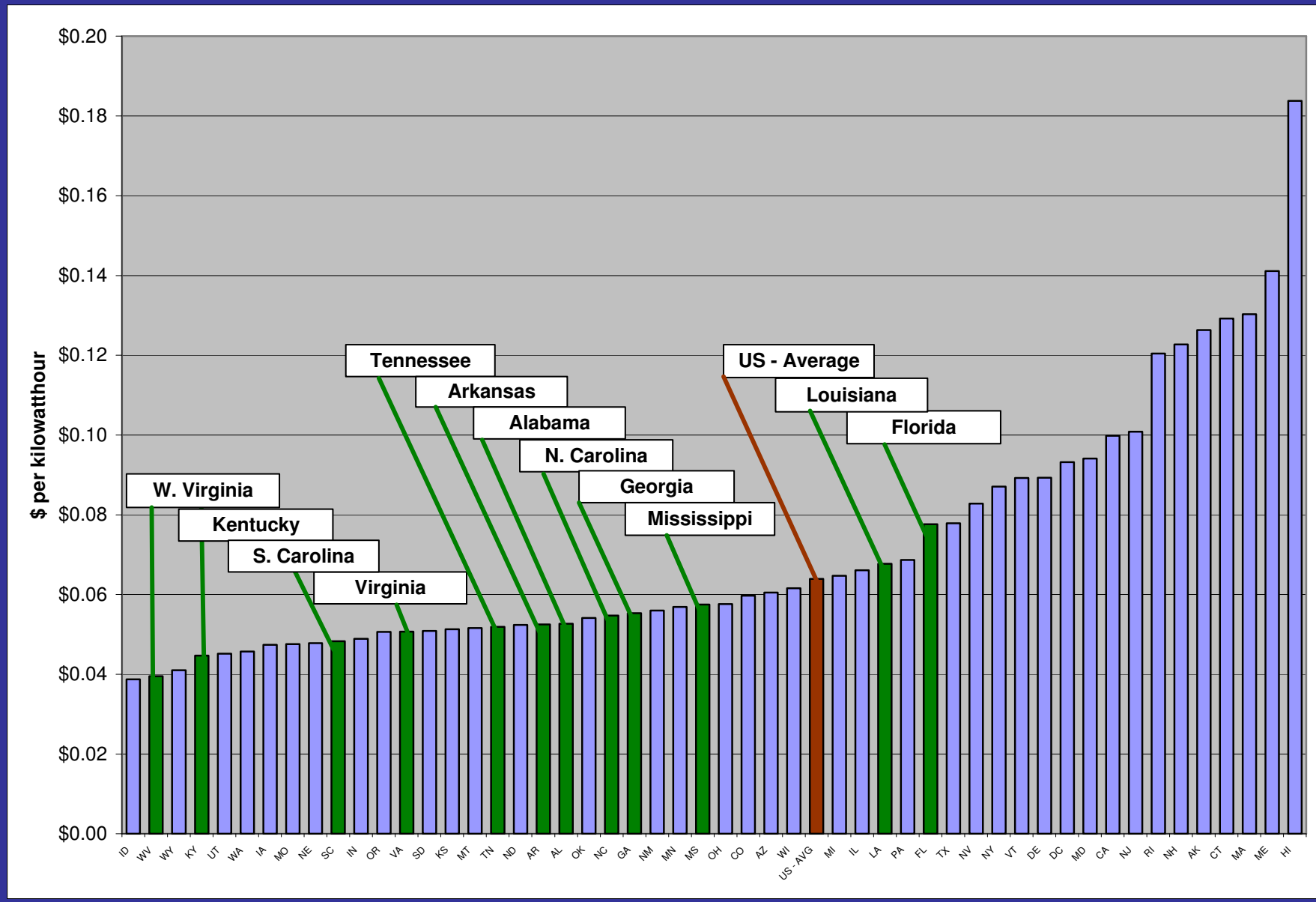
Energy Productivity

Conventional Wisdom:

The coupling of low electric rates with other regional advantages makes the Southeast one of the top business climates in the U.S.

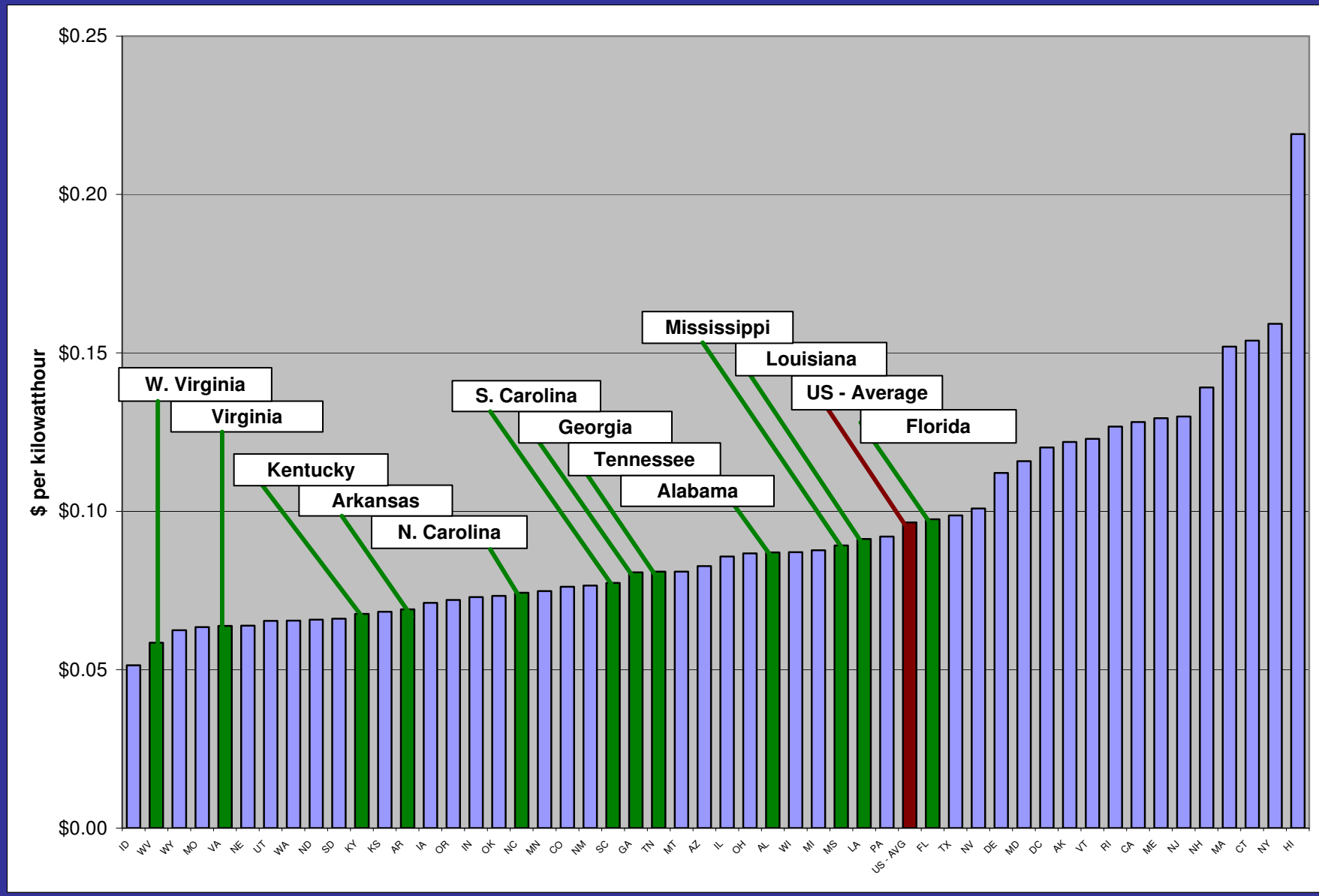
2007 Average Industrial Electric Rate

$ per kilowatthour



2007 Average Commercial Electric Rate

$ per kilowatthour



Energy Productivity

Site Selection Magazine's 2008 Top State Business Climate Rankings

1. North Carolina
2. Tennessee
3. Alabama (Tied)
6. Florida
8. Virginia
10. Georgia
12. Kentucky (Tied)
14. South Carolina

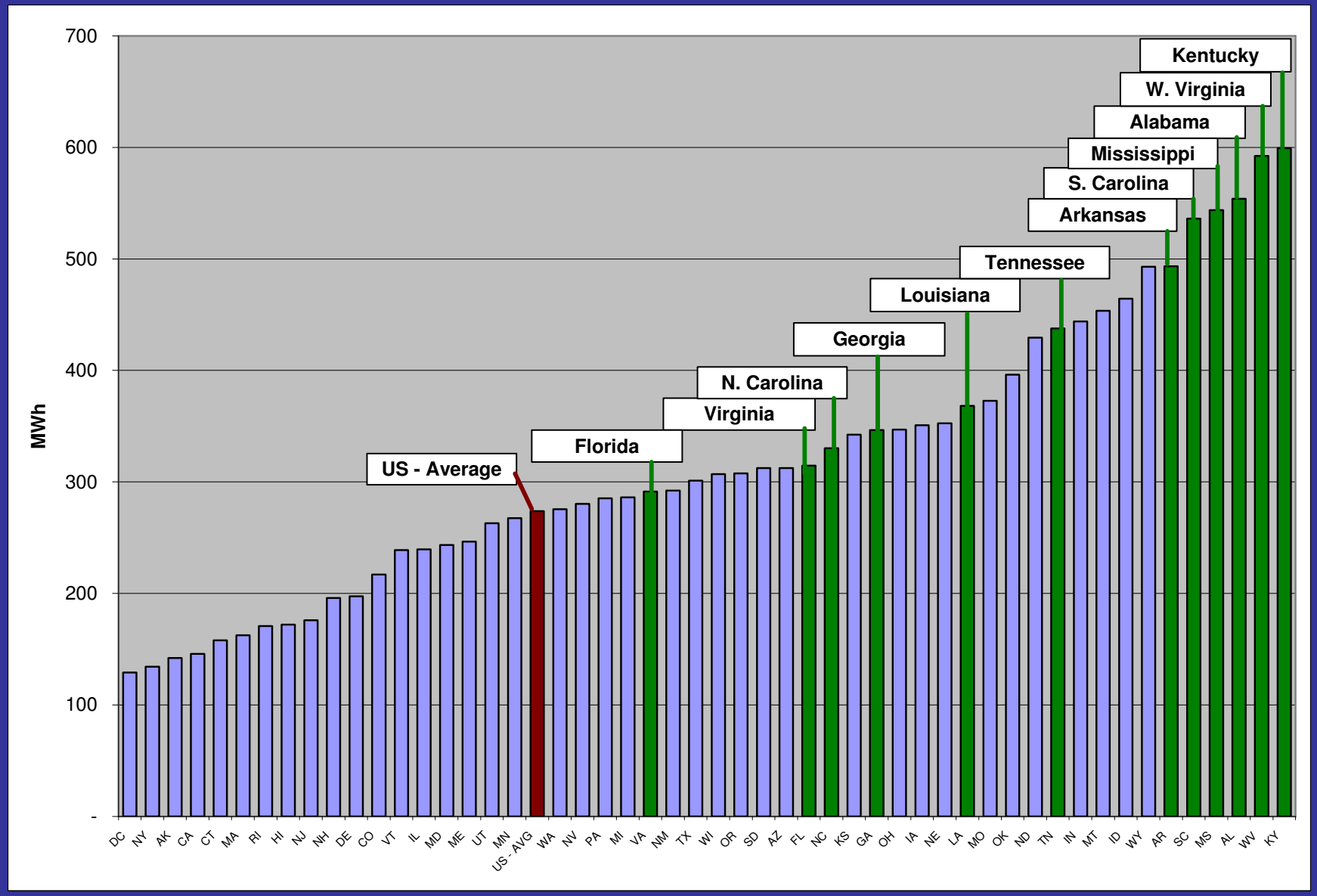
Energy Productivity

Reality – rates are only part of the story

It also important to consider energy intensity, or how much energy is required to produce Million $ of Gross State Product.

2007 Electric Energy Intensity in Gross State Product (GSP)

MWh Consumed per Million $ of GSP



Energy Productivity

Energy Productivity:

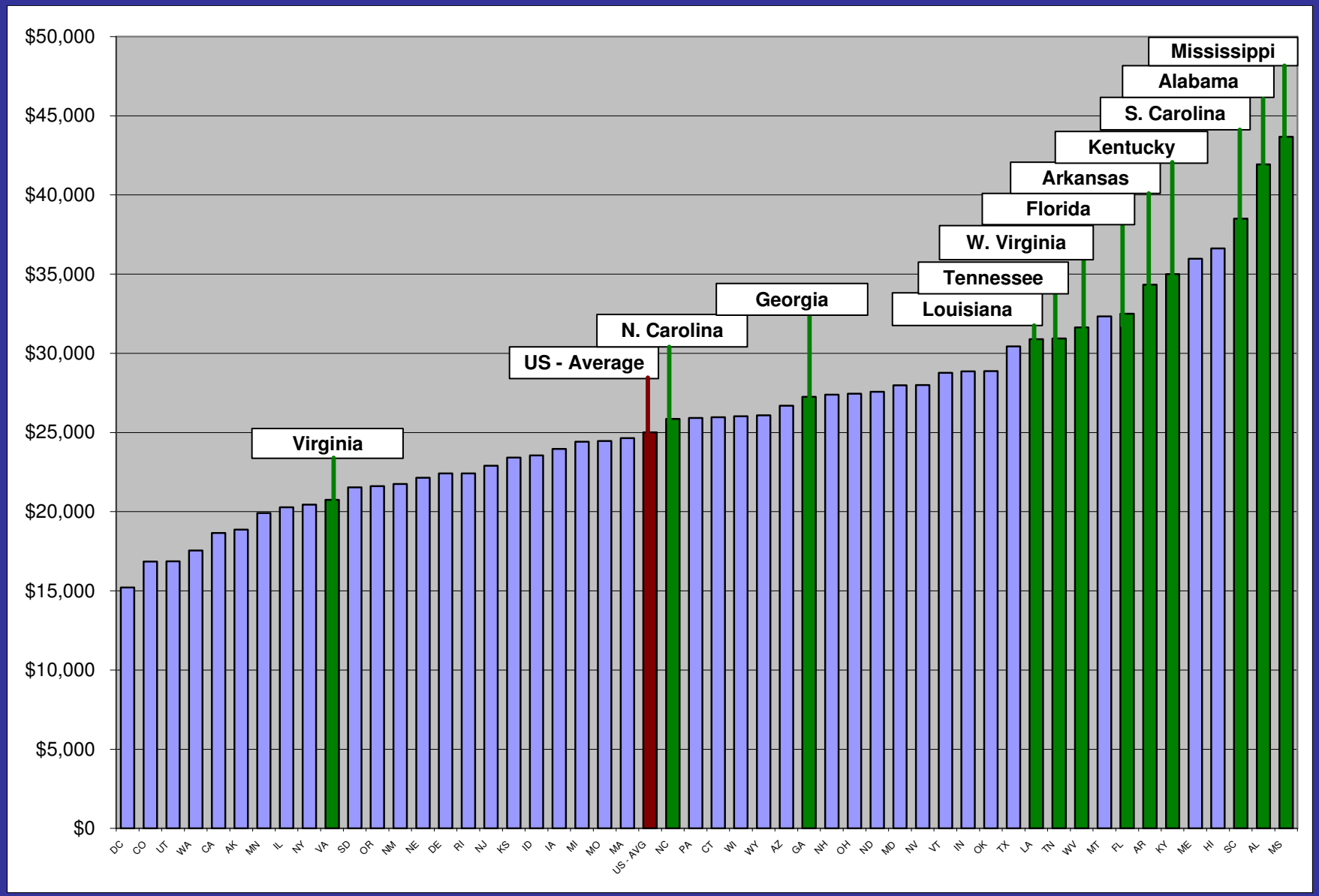
Energy Intensity * Avg. Retail Rate

The Result:

Benefit of low prices are void after accounting for the high energy intensity of the Southeast.

2007 Electric Productivity in Gross State Product (GSP)

Electric Costs per Million $ of GSP



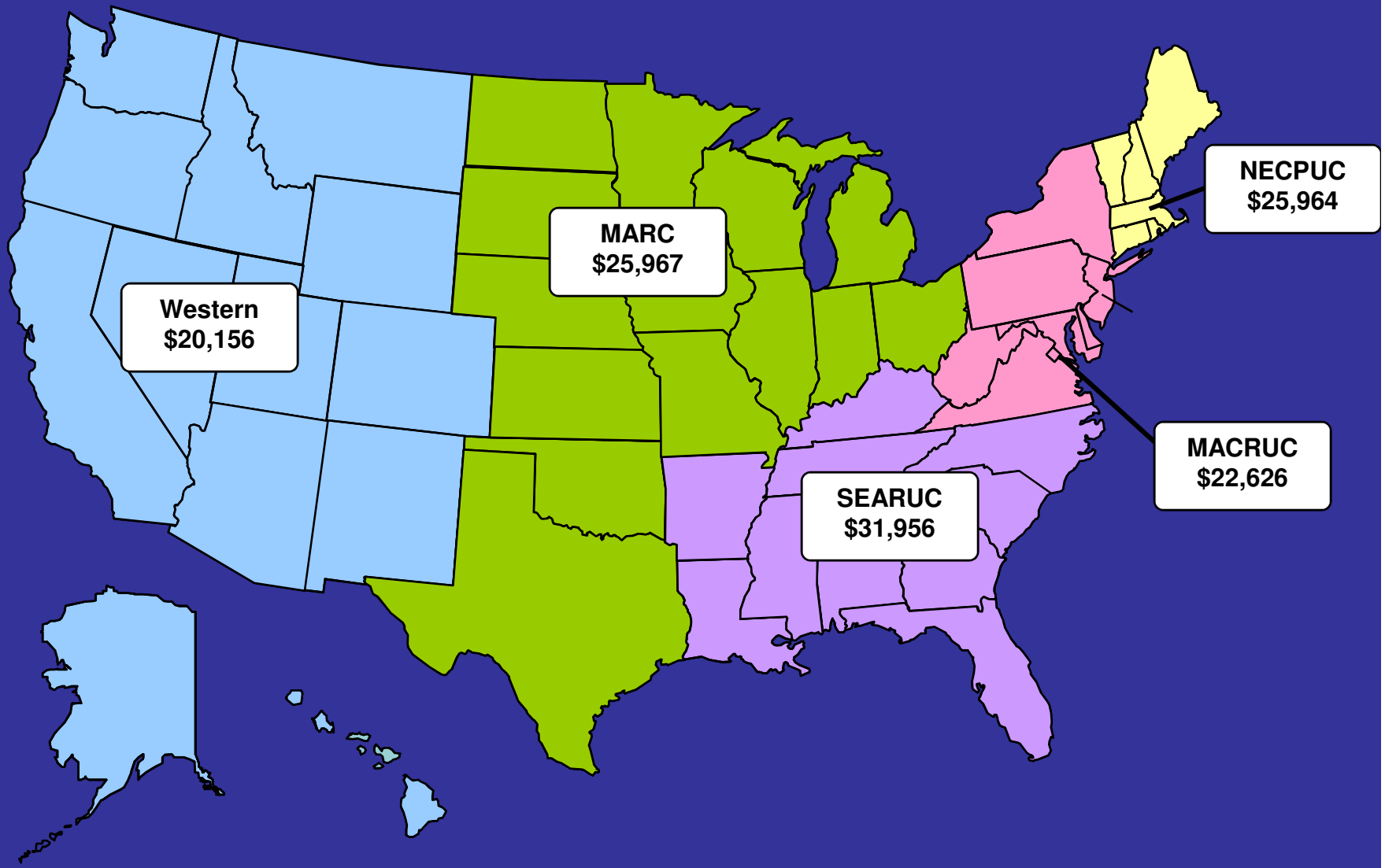
Energy Productivity

Poor electric productivity in Southeast is distinct when states are grouped by regional regulatory commissions:

- Mid-America Regulatory Conference (MARC)
- Mid-Atlantic Conference of Regulatory Utility Commissioners (MACRUC)
- New England Conference of Public Utilities Commissioners (NECPUC)
- Southeastern Association of Regulatory Utility Commissioners (SEARUC)
- Western Conference of Public Service Commissioners (Western)

2007 Electric Productivity in Gross State Product (GSP)

Electric Costs per Million $ of GSP



Energy Productivity

Why does low energy productivity in the Southeast matter?

Improving productivity would:

- Allow companies to compete more effectively
- Lower bills for ratepayers by offsetting costs new generation - conventional or renewable
- Provide immediate job creation

National Action Plan for Energy Efficiency

Goal Statement:

To create a sustainable, aggressive national commitment to energy efficiency through gas and electric utilities, utility regulators, and partner organizations.

Facilitators – US Department of Energy and US Environmental Protection Agency

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National Action Plan for Energy Efficiency

Recommendations:

1. Recognize energy efficiency as a high-priority energy resource.
2. Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.
3. Broadly communicate the benefits of and opportunities for energy efficiency.
4. Provide sufficient, timely and stable program funding to deliver energy efficiency where cost-effective.
5. Modify policies to align utility incentives with the delivery of cost-effective energy efficiency and modify ratemaking practices to promote energy efficiency investments.

National Action Plan for Energy Efficiency

Available Resources:

- Clean Energy Resource Database
- Energy Efficiency Benefits Calculator
- Report - Understanding Cost-Effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods, and Emerging Issues for Policy-Makers
- Building Codes and Energy Efficiency Fact Sheet

www.epa.gov/eeactionplan

Contact

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