



## Fast Facts

According to several national studies, the estimated cost of implementing efficiency measures is one-half to one-third the cost per kilowatt hour of the energy produced by coal and nuclear power plants.

Governor Perdue committed all state agencies to reduce energy consumption in state facilities 15% below FY 2007 levels by 2020.

The Southeast has among the highest per capita electricity consumption in the nation, according to the Federal Energy Regulatory Commission.

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# Require Energy Efficiency and Promote Conservation

## What's at Stake?

Georgia's average residential consumer uses 25% more electricity and pays 9% more each month than the national average (EIA, *Electric Sales*, 2005). According to the 2008 State Energy Efficiency Scorecard published by the independent American Council for an Energy Efficient Economy, Georgia ranked 36th in promoting energy efficiency, behind Florida, North Carolina, South Carolina, and Virginia. Using less electricity would benefit the pocketbooks of Georgians as well as their health, economy, and environment, since electricity production from coal and nuclear plants uses enormous amounts of water and pollutes the air.

In 2006, Governor Perdue's Energy Council recommended, "as its highest priority that Georgia should aggressively pursue all cost-effective energy efficiency opportunities." This State Energy Strategy also concluded that the Governor should consider energy efficiency goals and programs to significantly reduce the forecasted load growth. As Georgia plans for an increase in population growth, the State must plan for a cost effective approach to meeting energy needs—an approach that balances new supply options with cutting energy costs by enhancing energy efficiency and promoting conservation.

## Challenges

Georgia lacks a comprehensive implementation plan for the 2006 State Energy Strategy with clear action steps, responsible leaders and agencies, and measurable outcomes that would ensure that the State is accountable for cutting energy waste. Georgia can also strengthen its economy through energy efficiency that encompasses buildings, transportation, and other initiatives throughout the industrial, commercial, and residential sectors. The State must engage all utilities, including Georgia Power and the 42 electric membership cooperatives (EMCs) in promoting conservation and efficiency.

The Georgia Public Service Commission's (PSC) current electricity ratemaking protocol ties utility revenues directly to energy sales, creating a disincentive for Georgia Power to implement demand-side management programs because they result in lost revenue. An alternative utility regulation strategy would reduce or eliminate penalties and thereby encourage utilities to pursue all resources that might satisfy energy demand, including energy efficiency. Over 15 states have adopted and implemented Energy Efficiency Resource Standards (EERS), which are targets for electric or gas utility companies to achieve end-use energy savings, expressed in terms of energy units, percentage of load growth forecast, or percentage of total energy sales.

## Next Steps

- Draft and enable legislation to adopt an Energy Efficiency Resource Standard for the State with a minimum of 1% of annual energy sales to come from energy efficiency over the next 10 years. Specifically enable the PSC to set electric and gas energy savings targets for utilities.
- Draft and enable legislation for the PSC to review current earnings mechanisms and determine whether additional measures need to be taken to appropriately allow utilities to earn on energy efficiency investments.
- Develop an aggressive implementation plan for the eight energy efficiency strategies recommended by the State Energy Strategy.