

## NEVADA VIEWS

# The other side of the energy efficiency story

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Are you aware that Nevadans spend about \$11 billion on energy every year? Are you aware that much of that money is wasted because our buildings, industries and transportation system aren't as energy efficient as they could be?

Unfortunately, wasted energy drains about \$2 billion from our state's economy every year. And since Nevada imports 99 percent of its energy supply from out of state and foreign nations, we're removing that \$2 billion from our state economy.

We've read and heard a lot in the local press lately about NV Energy raising its rates to cover the cost of energy efficiency programs. News stories included lots of details about how much each of these programs cost and how rates will be impacted.

That's one side of the story.

What you aren't reading or hearing about is what NV Energy ratepayers, and all Nevadans, stand to gain from the investment in efficiency by NV Energy that is soon going to show up in our bills.

It makes sense that a prime way to waste less energy and money is to make sure that electricity for our homes and offices is used and delivered in the most efficient way possible.

NV Energy is doing an admirable job trying to reduce inefficiencies. It received an award last year for having the most successful energy efficiency program among five of its neighboring states. But still, most of us are currently paying about 20 percent higher electricity bills than we need to because our homes and places of work aren't as energy-efficient as they could be.

Even customers with efficient homes and offices are paying more for energy than necessary because of the inefficiencies of others. In other words, the more inefficiently we use energy, the more all of us have to pay our utilities to generate excess power that ends up going to waste.

The media focus in the recent rate case was on rates in 2011 and 2012. The real issue is "bills," not "rates" and how much we pay both now and in the future. Energy efficiency increases rates a

little because the utility company costs have to be spread over lower kWh sales. The point that isn't mentioned is that bills go down because of these lower kWh sales. Over time, usage goes down from energy efficiency faster than rates go up, resulting in lower bills.

Plus, these investments help spur the market for building energy retrofits and increase demand for energy-saving products, which then generates employment opportunities in local construction trades, retail market and building energy services and manufacturing industries.

In this recent rate case, the Nevada Public Utilities Commission was faced with a difficult balancing act between keeping current customers bills as low as possible and maintaining a healthy utility company. It's always a delicate balance.

In this case, the PUC got the balance right.

Instead of draining \$2 billion from our economy each year, we should be doing everything we can to stop wasting energy and put that money back where it belongs -- back in the hands of Nevada families and businesses and helping get our economy back on track.

We can do this.

We already have the products, services and technologies available today to make homes and other buildings more efficient -- and much of this expertise exists right here in Nevada's businesses and work force.

The payoff here is substantial savings for consumers in the long run. Utility investments in energy efficiency deliver these products, services and technologies at a broader scale to more people. While such programs initially cost money to implement, they save money over time.

Said more plainly, this is an investment in our personal futures and in the economy of the state.

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