



**Joint Press Release - Utah Clean Energy in Collaboration with Southwest Energy Efficiency Project (SWEET)**

**FOR IMMEDIATE RELEASE**

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### **Governor's energy plan strong on energy efficiency, weak on renewable energy**

*Utah's 10-Year Strategic Energy Plan should establish concrete goals to advance more clean energy*

**Salt Lake City, UT** - Last Friday, March 18, Governor Gary Herbert announced the launch of his 10-Year Strategic Energy Plan for the State of Utah. While the 'Plan' identifies pathways to increase energy efficiency and conservation, the Plan lacks concrete steps to advance clean, renewable energy and mitigate risks from reliance on finite and volatile fossil fuels. Furthermore, the Plan underestimates the value and role of renewable energy and includes inaccurate and outdated cost data for renewable energy resources. The guiding principles of the Plan suggest that the free market should be the primary driver of future energy development, while failing to acknowledge that energy is a highly regulated and highly subsidized market with guaranteed monopolies and monopsony, which severely impede the ability of new energy technologies to compete on a level playing field.

Nevertheless, Utah Clean Energy and the Southwest Energy Efficiency Project are encouraged by the prominent role that energy efficiency and conservation will play in Utah's 10-Year Strategic Energy Plan. "Energy efficiency is consistently recognized as the cleanest and cheapest energy resource available today. For example, in 2008 Rocky Mountain Power saved electricity at a cost 2.5 cents per kWh to provide electricity to its customers through energy savings, while it costs between 6 - 11 cents per kWh for new power generation," states Howard Geller, Executive Director of the Southwest Energy Efficiency Project. In addition to being the cheapest and least-polluting energy resource, energy efficiency and conservation help maintain the high quality of life that Utahns expect by increasing comfort at home and at work, by putting a downward pressure on utility rates, and keeping money in the local economy.

Table 1. Cost of Energy (\$/MWh) Comparison.

Energy Resource	Cost of Energy (\$/MWh)		
	Lazard Study*	PacifiCorp 2011 IRP Draft*	Utah's 10-Year Strategic Energy Plan
Coal (including IGCC)	\$69 - \$152	\$61-114	\$55-62
Natural Gas	\$67-254	\$61-126	\$65
Nuclear	\$107 - \$138	\$89	\$80
Wind	\$57 - \$113	\$62 - \$77	\$90
Geothermal	\$58 - \$93	\$68	Cost data not included in Plan
Solar – PV	\$131 - \$196	\$234	\$300 (graph not technology specific)
Solar - Thermal	\$129 - \$206	\$172	
Energy Efficiency	0 - \$50		Cost data not included in Plan
*Includes applicable Federal production tax credit or investment tax credit.			
- <i>Levelized Cost of Energy Analysis - Version 4.0, LAZARD, June 2010.</i>			
- <i>Table 6.3 PacifiCorp 2011 Integrated Resource Plan, Volume I—Main Document, Public Draft Version for Comment (March 7, 2011).</i>			

Energy efficiency also creates new and high-tech jobs that can't be outsourced. A 2009 study requested by the Governor's former Energy Advisor: *Building the Clean Energy Economy*, illustrates the potential of efficiency. "Increasing energy efficiency and renewables by 20% by 2020 would create 7,000 more jobs for Utahns, with the majority of these jobs coming from energy efficiency," said Kevin Emerson, Senior Policy Associate at Utah Clean Energy, an organization that served on two subcommittees convened to provide input on the Governor's Plan.

Geller notes, "As Utah moves forward with their energy plan, energy efficiency and conservation should be the priority resource, before investments in unproven energy resources and costly new power plants. A great first step would be to adopt the most recent building energy codes for homes." The 2011 Legislature did not adopt the most updated energy code for new homes.

The Plan underestimates Utah's vast renewable energy resource potential and the renewable energy costs presented in the Plan are higher than those cited by other reputable sources, including PacifiCorp's 2011 Integrated Resource Plan and Lazard (see Table 1). The Plan makes no clear recommendations about how to accelerate the development of more renewable energy projects, which offer price-stable and predictable energy resources well into the future, with today's technology.

Lastly, the Plan underestimates the potential risks (economic and/or environmental) to Utah from continued reliance on finite fossil fuels, including volatile fuel prices and carbon regulation. Those in the investment and business community are starting to take these risks very seriously and adapting their strategies going forward. In a recent report released by Mercer, in collaboration with 14 leading global investors, the Chief Investment Officer of Mercer commented: "Climate change brings fundamental implications for investment patterns, risks and rewards. Institutional investors should be factoring long-term considerations, such as

climate change, into their strategic planning." Accordingly, Utah would benefit from keeping this at the forefront of continued discussions regarding Utah's energy future.

While Utah's Energy Plan is a start to a much-needed discussion for the state, the next steps will be critical to growing Utah's emerging clean energy economy. A good first step would be to diversify the Task Force to include representatives from the renewable energy and energy efficiency industries. "We look forward to working with the Governor's Office and members of the Task Force to develop concrete plans for diversifying Utah's energy supply, expanding cost-stable renewable energy resources, and aggressively pursuing energy efficiency over the next 10 years," says Sarah Wright, Executive Director of Utah Clean Energy.

Energy efficiency recommendations in the Governor's Plan include:

- Developing and implementing a State-sponsored, Governor-led, single-messaging communication to raise public awareness and understanding about the importance, cost-effectiveness energy efficiency.
- Require a home energy rating for all homes listed for sale or rent.
- Encourage banks to include evaluating energy costs as part of the mortgage application and develop low-interest loan services for energy-efficient retrofits.
- Requiring energy-code education as part of continuing-education credits for building officials, contractors, and trades.
- Use the most current Utah state energy code for both residential and commercial construction.

**About Utah Clean Energy:** Utah Clean Energy is a non-profit public interest organization partnering to build the new clean energy economy through policy, regulatory, and educational initiatives. Utah Clean Energy advances renewable energy, energy efficiency, and clean energy technologies in Utah and the West. Utah Clean Energy served on the "Energy Development and Environment" and "Energy Efficiency, Conservation, and Demand Response" subcommittees of Utah's 10-Year Strategic Energy Plan. [www.utahcleanenergy.org](http://www.utahcleanenergy.org)

**About SWEEP:** The Southwest Energy Efficiency Project is a private not-for-profit organization promoting greater energy efficiency in Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming. For more information, see [www.swenergy.org](http://www.swenergy.org).

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