



Southwest Energy Efficiency Project

*A project of the American Council for an Energy-Efficient Economy
and the Land & Water Fund of the Rockies*

PRESS RELEASE

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STUDY REVEALS ENERGY EFFICIENCY POTENTIAL IN NEW MEXICO Consumer Savings, Water Conservation, and Job Creation Primary Benefits

(Albuquerque, NM) -- The Southwest Energy Efficiency Project (SWEEP) today released the results of its study outlining the potential for energy efficiency gains in the states of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming. The study reveals significant electricity savings, water conservation and other environmental benefits, and economic growth potential for New Mexico through the pursuit of energy efficiency policies and programs. "Our study shows that increasing the efficiency of electricity use will save New Mexico consumers and businesses money, support thousands of new jobs, and reduce water use for electricity production by billions of gallons per year," said Howard Geller, Founder and Director of SWEEP. "In a state facing both an economic downturn and tremendous growth pressures, this is a win-win opportunity too good to pass up."

The study, "**The New Mother Lode: The Potential for More Efficient Electricity Use in the Southwest,**" analyzes electricity use in a "business-as-usual" Base Scenario and a High Efficiency Scenario that gradually increases the efficiency of electricity use in homes and work places. "This is not a pie-in-the-sky approach, but one that is achievable with currently available technologies," added Geller.

The benefits of the High Efficiency Scenario for New Mexico include:

- Reducing total electricity consumption 19% by 2010 and 36% by 2020;
- Reducing average annual load growth from 1.6% per year in the Base Scenario to -0.8% per year in the High Efficiency Scenario, meaning New Mexico would have more electricity to sell to other states;
- Eliminating the need to construct five 500 megawatt power plants or their equivalent over the next 18 years, as well as transmission lines needed to serve these plants;
- Saving consumers and businesses \$2.8 billion during 2003-2020, at a benefit-cost ratio of about 4.3, with a net benefit of \$3,930 per household during this period;
- Increasing statewide personal income by \$130 million per year and statewide employment by 6,900 jobs by 2020;
- Saving 3.3 billion gallons of water per year by 2010 and 6.5 billion gallons per year by 2020 (the latter is equivalent to the water consumed by about 36,000 households); and
- Reducing carbon dioxide emissions, the main gas contributing to global warming, by 11% in 2010 and 20% in 2020 relative to the emissions of the Base Scenario.

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The High Efficiency Scenario is based on the accelerated adoption of such energy efficiency measures as: 1) more efficient appliances and air conditioning systems; 2) more efficient lamps and other lighting efficiency measures; 3) more efficient design and construction of new homes and commercial buildings; and 4) efficiency improvements in motor systems, other devices, and processes used by industry. These measures are all commercially available but underutilized today.

The study acknowledges that the High Efficiency future will not happen on its own. While some utility, state, and local energy efficiency programs are advancing energy efficiency in New Mexico, these programs are relatively limited in scope and budget. The study recommends new and expanded initiatives to achieve the High Efficiency future and its benefits, including:

- Adopting an Energy Efficiency Performance Standard or a Systems Benefit Charge to expand utility-based energy efficiency programs;
- Providing financial incentives to utilities if they operate effective energy efficiency programs;
- Reforming utility rates to encourage customers to increase energy efficiency;
- Targeting energy efficiency efforts in communities where the grid is overloaded in order to enhance power reliability and defer transmission and distribution system investments;
- Upgrading to state-of-the-art building codes and promoting the construction of highly efficient new buildings that exceed these codes;
- Adopting minimum efficiency standards on products not yet covered by national standards;
- Expanding participation in industrial voluntary commitment programs;
- Adopting “best practices” in public sector energy management;
- Expanding energy efficiency training and technical assistance programs; and
- Incorporating energy efficiency initiatives into air pollution control strategies.

“Implementing these policies and programs would overcome the market and behavioral barriers that are limiting energy efficiency improvements in New Mexico today,” stated Geller. “The time has come for New Mexico to “mine” its energy efficiency resource.”

Copies of the complete study, the Executive Summary, fact sheets, and press releases for all six states covered in the study as well as the region as a whole are available on the web at www.swenergy.org.

About SWEEP: The Southwest Energy Efficiency Project (SWEEP) is a public interest organization dedicated to advancing energy efficiency as a means of promoting both economic prosperity and environmental protection in the states of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming. For more information, visit the SWEEP website at www.swenergy.org.