

Shining the light on "Save-a-Watt":

The program that costs too much, does too little, and keeps too many secrets.



The Bright side of Energy Efficiency

At least 19% of North Carolina's future electricity needs can be met more cheaply by energy efficiency than by building new coal and nuclear plants. In many states, energy efficiency programs are managed by independent non-profits, whose sole business is to maximize energy efficiency. They help customers save energy, which saves customers money, prevents the construction of new, expensive coal and nuclear plants, and reduces toxic emissions and byproducts.

The Dark side of "Save-a-Watt"

In North Carolina, there is no independent energy efficiency non-profit, so these programs are administered by the utility companies, whose main business is to sell energy. Duke Energy has proposed a package of programs called "Save-a-Watt" that includes load-shifting and energy efficiency programs. In exchange for implementing "Save-a-Watt," Duke is requesting to charge customers for the electricity they save or shift, as if they had used that electricity, and as if that electricity had required the construction of 90% of a power plant.



Expensive. Energy efficiency should save customers money – they use less, so they should pay less. But they do not under Save-a-Watt. In Duke's program, customers could be charged \$18.23 for the same energy efficient light bulb that sells for \$1.65.

Even worse, Save-a-Watt makes residents with low and moderate incomes, who often are saddled with inefficient homes and appliances, subsidize wealthier residents. That is because almost all of its programs are structured to be inaccessible to lower income residents. So they end up paying, through the Save-a-Watt surcharge, for the energy efficiency programs that only wealthier residents can take advantage of.



Misleading. "Save-a-Watt" saves very few watts compared to other energy efficiency programs - 85% less during the first two years of implementation. Typical programs save 1% of energy per year. Save-a-Watt aims for 0.15%. Most of Save-a-Watt is not geared toward energy efficiency at all. As the 2006 study for the Utilities Commission found, there is much more energy efficiency to be captured, and at much cheaper rates.



Secretive. Save-a-Watt blurs low energy efficiency savings and high charges with rate structures that are unnecessarily and extremely complex. Duke's proposal lacks adequate measurement and verification measures, and assesses charges based on the black box of "avoided costs."

The Better Way

Saving energy should save energy and money. North Carolina utilities have demonstrated that they cannot save either. Their proposals achieve too little energy efficiency and cost too much money. A proven alternative is through an independent energy efficiency non-profit that, unlike utilities, specializes in energy efficiency rather than selling electricity. Other states do it; we can and must do it, too.