



## Statement from SPEER on release of final Clean Power Plan rule

Today, the Environmental Protection Agency (EPA) released the final rule for the Clean Power Plan. While energy efficiency was removed as one of the four building blocks for the purpose of calculating emissions limits, states can still use it as a cost effective compliance strategy. The final rule gives full credit for energy savings. EPA and the White House made this crystal clear in a fact sheet released today; one of the bullet points reads: *“Maintains Energy Efficiency as Key Compliance Tool.”*<sup>1</sup>

Whether states create their own plans or opt to have EPA create a federal plan, the South-central Partnership for Energy Efficiency as a Resource ([SPEER](#)) believes efficiency should be included as a cornerstone of the compliance strategy. A plan that includes energy efficiency will cost less than other options being considered and has the potential to generate a net gain for consumers by lowering energy bills. In addition, efficiency creates jobs and is consistently cited by industry experts as one of the lowest cost energy resources.

- Each year, consulting firm Lazard produces a comparison of levelized cost of electricity from various energy resources. Efficiency is consistently among the lowest cost resources.<sup>2</sup>
- In Texas, electricity costs less than 2 cents to acquire.<sup>3</sup> This is even cheaper than the national average of 2.6 cents.<sup>4</sup>
- A comprehensive study of costs of the Clean Power Plan showed that including energy efficiency as a key component of compliance would actually lower electricity bills for consumers by more than 2%.<sup>5</sup> In other words, non-compliance with the Clean Power Plan would cost consumers more than compliance!

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<sup>1</sup> <https://www.whitehouse.gov/the-press-office/2015/08/03/fact-sheet-president-obama-announce-historic-carbon-pollution-standards>

<sup>2</sup>Lazard (September 2014). *Lazard’s Levelized Cost of Energy Analysis—Version 8.0.* [http://www.lazard.com/media/1777/levelized\\_cost\\_of\\_energy\\_-\\_version\\_8.0.pdf](http://www.lazard.com/media/1777/levelized_cost_of_energy_-_version_8.0.pdf)

<sup>3</sup> Public Utility Commission of Texas: *Annual Statewide Portfolio Report for Program Year 2013*(October 2014). [http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch\\_Results.asp?TXT\\_CNTR\\_NO=40891&TXT\\_ITEM\\_NO=14](http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=40891&TXT_ITEM_NO=14)

<sup>4</sup> American Council for an Energy Efficient Economy (March 2014). *Best Value for America’s Energy Dollar: A National Review of the Cost of Utility Energy Efficiency Programs.* <http://aceee.org/node/3078?id=5189>

<sup>5</sup> Center for Strategic and International Studies (November 2014). *Remaking American Power.* [http://csis.org/files/publication/141107\\_Ladislaw\\_RemakingAmerPower\\_Web.pdf](http://csis.org/files/publication/141107_Ladislaw_RemakingAmerPower_Web.pdf)

- The Electric Power Research Institute (EPRI) determined that Texas had an achievable potential of 13%. Without further action, Texas would achieve less than half of that, meaning Texans would be paying more for electricity than necessary.

States have the opportunity to empower consumers to save energy and money, strengthen their economy, and comply with the Clean Power Plan if they chose to increase reliance on the cheapest energy resource: energy efficiency.

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