

Energy Efficiency Trends in the Electric Power Industry: Top 10 Things You Should Know

- 1 Electric company customer-funded energy efficiency (EE) programs saved 232 terawatt-hours (TWh) of electricity in 2020.¹
- 2 EE is a carbon resource. In 2020, EE programs avoided the generation of 164 million metric tons of carbon dioxide (CO_2) emissions.
- In 2020, EE programs saved enough electricity to power 30 million U.S. homes for one year.
- EE programs are very cost-effective, delivering energy savings at a cost of roughly 2.5 cents per kilowatt-hour (kWh) over the lifetime of the investment.

- 5 States with regulatory frameworks that support electric company investments in EE programs tend to lead in energy savings.
- EE savings grew 27 percent over the past 5 years, from 183 TWh saved in 2016 to 232 TWh saved in 2020.
- 7 Over the past 5 years, EE expenditures have averaged \$7.2 billion annually.
- 8 The Institute for Electric Innovation projects EE expenditures to exceed \$9 billion in 2025, up from \$6.6 billion in 2020.



Energy Efficiency Programs Save Energy and Reduce Carbon Dioxide Emissions

Source: Institute for Electric Innovation. Energy Efficiency Trends in the Electric Power Industry (2008-2020). Forthcoming.

1. For the purposes of this factsheet, the electric power industry includes investor-owned electric companies, public power utilities, electric cooperatives, and federal utilities. We use the term 'electric companies' in this report to encompass all of these industry segments.

In 2020, EE programs saved 75 percent more electricity than the amount generated by solar energy, and about two-thirds of what wind energy produced. Across the country, 39 states have approved or pending fixed-cost recovery mechanisms–22 states have revenue decoupling, and 17 have lost revenue adjustment mechanisms. And, 38 states allow for performance incentives for EE programs.

Comparison: EE Program Savings and Renewable Energy Generated (2020)



About the Institute for Electric Innovation

The Institute for Electric Innovation focuses on advancing the adoption and application of new technologies that will strengthen and transform the energy grid. IEI's members are the investorowned electric companies that represent about 70 percent of the U.S. electric power industry. The membership is committed to an affordable, reliable, secure, and clean energy future.

IEI promotes the sharing of information, ideas, and experiences among regulators, policymakers, technology companies, thought leaders, and the electric power industry. IEI also identifies policies that support the business case for the adoption of cost-effective technologies.

IEI is governed by a Management Committee of electric industry Chief Executive Officers. In addition, IEI has a select group of technology companies on its Technology Partner Roundtable.



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