

## FACT SHEET:

# ENERGY EFFICIENCY OFFERS SAVINGS FOR SOUTH DAKOTANS

While access to electricity is essential for homes and businesses across the U.S., the cost of service can pose a burden to customers. One key strategy to limit this burden is to implement efficiency measures that can cut costs by reducing energy consumption.



## Energy costs have an outsized impact on rural ratepayers

- On average, a U.S. household spends \$1,411.80 for electricity annually.<sup>1</sup>
- Energy efficiency can assist low-income consumers in reducing their energy burden, which is the total percentage of their income spent on electricity.
  - The national average energy burden for a rural household is 4.4 percent compared to 3.1 percent in urban areas.<sup>2</sup>
  - Low-income families in rural areas experience one of the most significant energy burdens at 9 percent.
  - The average burden for rural elderly residents is typically 44 percent higher than the non-elderly.<sup>3</sup>
- South Dakota ranks 46th among states in energy efficiency policy at the state or local level.<sup>4</sup>

## Investments in energy efficiency support economic opportunity

Energy efficiency allows for rural residents to decrease their energy use and burden while simultaneously supporting local economies. Energy audits and many energy efficiency improvements to homes and businesses can be made by local professionals.

- Increased demand for efficiency upgrades to buildings and improvements to technology have driven job growth in the energy efficiency sector.<sup>5</sup>
  - The sector experienced 3.4 percent job growth over 2018—adding 76,000 jobs and bringing the total to 2,324,866 jobs.
  - This rapid growth accounted for the most new jobs of any energy sector.
  - Expected growth by the end of 2019 was 7.8 percent.<sup>6</sup>
- Energy efficiency jobs are not limited to urban areas, as more than 1 million jobs related to energy efficiency are located outside of the top 50 metropolitan areas in the U.S.
  - 308,375 jobs related to energy efficiency were located in counties with populations under 100,000.
  - 317,890 rural Americans worked in careers related to energy efficiency in 2019.<sup>7</sup>
- South Dakota currently has 7,496 jobs related to energy efficiency, with 184 jobs related to energy efficiency added by 2019.<sup>8</sup>

## Sources

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## Strong policies can assist in improving energy efficiency

While many families and businesses may benefit from implementing energy efficiency improvements, the cost of investment presents its own burden. Leadership from state and local governments as well as utilities through sound policies can provide consumers with additional opportunities to become more energy efficient.

### POLICIES



- ▶ South Dakota requires high performance green building standards on all state construction and renovation. The State Energy Office offers zero interest loans to K-12 public schools for energy efficiency projects.<sup>9,10</sup>
- ▶ Many South Dakota utilities offer customers financial incentives in the form of rebates for installing energy saving appliances, systems, or other equipment.<sup>11</sup>
- ▶ Southeastern Electric Cooperative has a program in place offering customers loans up to \$10,000 to purchase energy efficient heating systems and \$3,000 for weatherization updates. These five to seven year loans have a 5 percent interest rate.<sup>12</sup>

### PROPERTY ASSESSED CLEAN ENERGY (PACE)



- ▶ Property Assessed Clean Energy (PACE) programs allow property owners to finance energy efficiency and clean energy projects through an assessment on their property taxes. This allows property owners to pay back the costs of projects over time, limiting the upfront investment while also reducing energy costs for consumers.<sup>13</sup>
- ▶ Commercial PACE (C-PACE) programs encourage businesses to invest in their area, creating jobs and using the local workforce to make energy-saving improvements to existing buildings or to build new buildings with energy-saving features.<sup>14</sup>
- ▶ South Dakota is one of only 14 states without a PACE program, eliminating flexible financing options that would enable investment in clean energy. Legislation to enact a C-PACE program in South Dakota was brought forward in 2018 but failed to pass.<sup>15</sup>

### Sources

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