

Physicists' Study Showcases Energy Efficiency as "One of America's Great Hidden Energy Reserves"

For over three decades, NRDC has been pointing out that "there are widespread opportunities throughout the economy to cut greenhouse gas emissions in ways that increase profit. But because of formidable and nearly universal failures of the marketplace, and simple human tendencies towards risk aversion and loss aversion, most of these opportunities are not exploited. Pollution reduction opportunities with rates of return on investment of 30%, 50%, and even over 100% are going around unexploited.

Government policies have a demonstrated track record of having overcome these failures..."

This week the American Physical Society (APS) agreed. Its new report, Think Efficiency, issued Tuesday, "lays out a plan for the next president to address energy challenges through efficiency, and he discusses the main hurdles the efficiency sector needs to overcome in the short and long term.¹"

The report was commissioned to "describe[e] a prioritized research agenda." But as the APS committee in charge of it studied the issue, it arrived at the same conclusion NRDC has—that "even though there are many affordable energy efficiency technologies that can save consumers money, market imperfections inhibit their adoption. To overcome these barriers, the federal government must adopt policies that will transform the investments into economic and societal benefit."

The report makes a number of explicit policy recommendations and sets some ambitious goals, including:

- 50 mpg cars by 2030
- supporting smart growth by developing new models and research guide land use and transportation decisions. This is what NRDC has been advocating as part of California's SB375 which now awaits the Governor's signature
- achieving zero-energy buildings in most regions by 2020, with the statement that this goal needs policy support for integrated design as well as more R&D
- new appliance standards for all products for which DOE has regulatory authority. This is a much longer list with much greater savings than what DOE is now planning to do. The report also talks about the dramatic success of past building and appliance standards
- labels for buildings with financial incentive for good scores
- encouraging reformed regulation of utilities so that they can support efficiency

¹ The words are those of David Goldston, former chief of staff to the House Science Committee and a cochair of the APS committee that supervised the report