

Montana's Energy Future Symposium

Conservation and Demand-Side Resources: A Tool Called Market Transformation

October 18, 2005

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The Alliance Is:

- A **regional organization** serving the four Northwest states.
- Devoted exclusively to increasing **energy efficiency**.
- An organization that uses a strategic tool called **market transformation** to leverage long term, sustainable change toward efficient products and services.



Energy Savings from Market Transformation

Through 2004, Alliance programs and related efforts have saved enough electricity to power nearly

120,000 homes

for a year at a cost of about
a penny per kWh



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Why is regional market transformation low cost?

Market Power

- Influential in markets, especially high in the supply chain
- Must cover large market area, across utility service territories

Leverage

- Industry matched investment \$4 to \$1 from Alliance in 2004

Economies of scale

- Pooling resources
- Sharing risk



Other Benefits

Longer lasting impacts

- Some businesses that make a change stick with the energy-efficient product or service offering

Economic development

- Consumers have increased disposable income
- Businesses increase profits
- Jobs are created in the local economy

Environmental

- Offsets emissions from power production



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Market Transformation in Montana

Residential

- 300 retailers participating in ENERGY STAR Consumer Products program
- Market share of qualifying clothes washers at 36%
- 21 builders participating in ENERGY STAR Homes Northwest; 17 verifiers; and 9 performance contractors

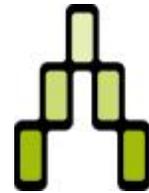


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Market Transformation in Montana

Commercial

- Working with state hospital trade association
- Integrated Design Lab opening on MSU campus
- 53 building operators certified through training program developed with Alliance support
- Trained 400 building officials, builders and design professionals on new energy codes



BETTERBRICKS



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Market Transformation in Montana

Industrial

- Working with NW Food Processors Association
 - Support for energy management practices
 - Training on systems optimization
 - Partnership with service providers to encourage efficiency practices

**Industrial
Efficiency
Alliance**

Leadership
for better
energy use.



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Future of Market Transformation

- By 2010, an additional 200 aMW saved at 1 cent/kWh
- Market share of ENERGY STAR new single-family homes will grow to 20%
- CFL sales will increase to about 10 million per year
- 25% of grocery and hospital floor space will have adopted energy management planning
- Food processing companies will adopt energy-efficient business practices



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