



## ENERGYFIT NEVADA ECONOMIC ANALYSIS FACT SHEET

### **Background:**

HomeFree Nevada (HFN) is the state of Nevada's Home Performance with ENERGY STAR sponsor and facilitator of EnergyFit Nevada, a program that encourages homeowners to make energy efficiency improvements to save money and make their homes more comfortable. In August, 2013, HFN commissioned a study by the Restrepo Consulting Group, a highly respected economic advisory firm, to prepare an analysis of the economic benefits of residential energy efficiency programs, particularly when financial incentives are provided by state and local governments for homeowners who make energy efficiency upgrades.

The report verified the following:

- Financial incentives are an important tool to encourage investment in energy efficient technologies and services
- Financial incentives make energy efficiency investments more attractive by lowering up-front costs
- Financial incentives complement other efficiency policies such as appliance standards and energy codes
- Financial incentives can take many forms, such as rebates, grants, loans, and tax deductions and exemptions.

### **Economic Benefits:**

Energy efficiency has traditionally been evaluated primarily on the "direct" economic benefits. These include

- Construction jobs
- Manufacturing and sale of materials
- Other?

There are multiple "indirect" economic benefits as well, including:

- Reduced operating costs
- Lower maintenance costs
- Extended equipment lives
- Increased productivity
- Higher resale and leasing values
- Decreased building waste streams

- Enhanced environmental quality and decreased pollution

Furthermore, savings in energy costs can increase disposable income which translates into increased spending in other economic sectors.

**Employment  
Economic  
Benefits:**

The study estimated the economic benefits per \$1 million of investment and then included multiple sample scenarios for various investment levels to illustrate the magnitude of potential economic benefits as energy efficiency investment capital increases.

The study found that for every \$1 million spent in energy efficiency programs, 15.5 jobs are created. Multiply that to \$20 million per year, and 310 gross direct, indirect and induced jobs are created.

The study further revealed that savings in energy costs, which can recur on an annual basis for 20 years, also created long-term employment benefits. For every \$1 million in savings that are assumed to be spent in other areas, 9 jobs would be created. \$20 million in savings would create 180 gross direct, indirect and induced jobs, sustained for 20 years. This number increases annually as more energy efficient projects are completed.

**Summary:**

Research concludes that energy efficiency creates net gains in employment which extend beyond the jobs that shift among industry. If properly designed and implemented, financing programs for energy efficiency initiatives can be an essential part of Nevada's economic growth, commitment to the environment, and quality of life.

**WEBSITE:**

[www.energyfitnevada.org](http://www.energyfitnevada.org)

**CONTACT  
INFORMATION:**