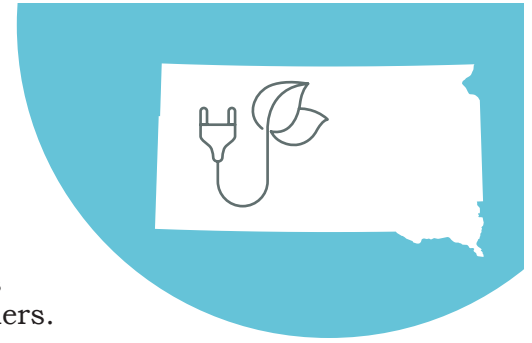


FACT SHEET: ENERGY EFFICIENCY OFFERS SAVINGS FOR SOUTH DAKOTANS



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 \$1,409.52 for electricity annually. In 2020, South Dakotans spent \$1,461.12.¹
- Rural households tend to have a higher energy burden—the percentage of household income spent on energy.²
 - Rural households spend 40% more than their metropolitan counterparts on their energy bills relative to income.³ The average burden for rural elderly residents is typically 44% higher than the non-elderly.⁴
 - Low-income households spend three times more of their income on energy costs compared to the median spending of non-low-income households.⁵
 - Non-white and older adult households, as well as families living in low-income multi-family housing, manufactured housing, and older buildings also have disproportionately high energy burdens.⁶

INVESTMENTS IN ENERGY EFFICIENCY SUPPORT ECONOMIC OPPORTUNITY

Energy efficiency allows rural residents to decrease their energy use and burden while simultaneously supporting local economies. Local professionals can do energy audits and make many energy-efficiency improvements to homes and businesses.

- The sector employs 2.1 million workers in the design, installation, and manufacture of energy-efficiency products and services.⁷ Of these, 281,589 are in rural communities.⁸
- The median hourly wage of \$24.44 for energy efficiency careers is 28% above the national median.⁹
- In South Dakota, energy efficiency is the largest energy sector.¹⁰
- Energy-efficiency jobs are not limited to urban areas. In South Dakota, energy-efficiency workers are located in every county, and the state has 7,104 jobs related to energy efficiency, with 3,063 of those in rural areas.¹¹

Sources

1 “2020 Average Monthly Bill - Residential.” U.S. Energy Information Administration, eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf. Accessed April 2022.
2 Ross, Lauren, et al. “The High Cost of Energy in Rural America: Household Energy Burdens and Opportunities for Energy Efficiency.” Energy Efficiency for All, American Council for an Energy-Efficient Economy, July 2018, aceee.org/sites/default/files/publications/researchreports/u1806.pdf. Accessed April 2022.
3 Shoemaker, Mary, and Jack Singletary. “Supporting Rural Communities with State Energy Efficiency Policy.” American Council for an Energy-Efficient Economy, January 2021, aceee.org/sites/default/files/pdfs/u2012.pdf. Accessed June 2022.
4 Ross, Lauren, et al. “The High Cost of Energy in Rural America: Household Energy Burdens and Opportunities for Energy Efficiency.” Energy Efficiency for All, American Council for an Energy-Efficient Economy, July 2018, aceee.org/sites/default/files/publications/researchreports/u1806.pdf. Accessed April 2022.

5 Drehobl, Ariel, et al. “How High Are Household Energy Burdens?” American Council for an Energy-Efficient Economy, September 2020, aceee.org/sites/default/files/pdfs/u2006.pdf. Accessed April 2022.
6 Ibid.
7 “United States Energy & Employment Report 2021.” U.S. Department of Energy, 2021, energy.gov/sites/default/files/2021-07/USEER%202021%20Executive%20Summary.pdf. Accessed April 2022.
8 “Energy Efficiency Jobs in America.” E2, E4TheFuture, October 2021, e2.org/wp-content/uploads/2021/10/Energy-Efficiency-Jobs-in-America-2021-Full-Report.pdf. Accessed April 2022.
9 Ibid.
10 Ibid.
11 Ibid.



STRONG POLICIES CAN ASSIST IN IMPROVING ENERGY EFFICIENCY

Investments in energy efficiency can create significant cost savings. For example, weatherization efforts can reduce low-income household energy burden by as much as 25%.¹²

While many families and businesses may benefit from implementing energy-efficiency improvements, the cost of investment presents its own burden. States can improve rural energy-efficiency efforts through policies that encourage statewide collaboration on rural energy-efficiency programs, incentivize program administrators for reaching rural customers, measure rural economic impacts of energy efficiency policies, and help municipal electric utilities and rural electric co-ops succeed.¹³

- South Dakota ranks 45th among states in energy-efficiency policy at the state or local level.¹⁴
- South Dakota requires that new state buildings be constructed with the intention of meeting or exceeding the high-performance green building standard.¹⁵
- The state's Energy Management Office offers zero-interest loans to K-12 public schools for energy-efficiency projects.¹⁶
- The South Dakota Department of Social Services offers a no-cost weatherization assistance program for qualifying low-income households.¹⁷

- Many South Dakota utilities offer customers financial incentives in the form of rebates for installing energy-saving appliances, systems, or other equipment. For example, 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% interest rate.¹⁸



Property Assessed Clean Energy

- South Dakota is one of only 12 states without Property Assessed Clean Energy (PACE) enabling legislation.¹⁹
- 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.²⁰
- C-PACE programs allow businesses to make energy-efficiency improvements to existing buildings or to build new buildings with energy-saving features.²¹



Sources

12 Drehobl, Ariel, et al. "How High Are Household Energy Burdens?" American Council for an Energy-Efficient Economy, September 2020, [aceee.org/sites/default/files/pdfs/u2006.pdf](https://www.aceee.org/sites/default/files/pdfs/u2006.pdf). Accessed April 2022.

13 Shoemaker, Mary, and Jack Singletary. "Supporting Rural Communities with State Energy Efficiency Policy." American Council for an Energy-Efficient Economy, January 2021, [aceee.org/sites/default/files/pdfs/u2012.pdf](https://www.aceee.org/sites/default/files/pdfs/u2012.pdf). Accessed April 2022.

14 "State and Local Policy Database, South Dakota." American Council for an Energy-Efficient Economy, December 2020, database.aceee.org/state/south-dakota. Accessed April 2022.

15 "Codified Law 5-14-33. State buildings—High-performance green building standard." South Dakota Legislature, Legislative Research Council, sdlegislature.gov/Statutes/Codified_Laws/2034463. Accessed June 2022.

16 Gukeisen, Chris. "Statewide Energy Management." State of South Dakota Bureau of Administration, 2017, boa.sd.gov/state-engineer/energy-management.aspx. Accessed April 2022.

17 "Weatherization Assistance." South Dakota Department of Social Services, 2020, dss.sd.gov/economicassistance/energyassistance/weatherization.aspx. Accessed April 2022.

18 "Programs, South Dakota." DSIRE, NC Clean Energy Technology Center, programs.dsireusa.org/system/program?state=SD. Accessed April 2022.

19 "PACE Programs." PACENation, 2019, pacenation.org/pace-programs. Accessed April 2022.

20 "PACE: Property Assessed Clean Energy." PACENation, pacenation.org/wp-content/uploads/2016/10/PACEBasics_2016_10_7.pdf. Accessed April 2022.

21 Ibid.

