

Resolution Supporting a Tax Credit for Energy Efficiency Investments
in Residential and Commercial Buildings

WHEREAS, Both utility-sponsored and market-based energy efficiency programs have a demonstrated record of lowering demand for electricity. According to a 1997 study by the U.S. Energy Information Administration, cost-effective utility DSM programs provided over 25,000 megawatts of peak load reduction and saved more than 56 million megawatt-hours annually;

WHEREAS, Many parts of the country have recently experienced electric distribution and supply reliability problems; and

WHEREAS, Many parts of the country have also recently experienced major price volatility – in some cases peak wholesale prices have been nearly 100 times typical average prices;

WHEREAS, The average consumer spends \$250 a year on energy used in residential and commercial buildings;

WHEREAS, Electric generation used to supply residential and commercial energy needs produces 35% of air emissions nationwide, the equivalent of the emissions produced by 20 million cars; and

WHEREAS, It is estimated that approximately \$100 billion of energy costs in commercial buildings will be deducted from the tax returns of commercial building owners in the year 2000; and

WHEREAS, Congress is in the process of developing

legislation to implement a tax credit for cost-effective energy efficiency investments in residential and commercial buildings; and

WHEREAS, Reduced energy use will save consumers money, assist in addressing electric reliability concerns, and lessen environmental impacts, including greenhouse gas emissions, due to electric generation; and

WHEREAS, According to the U.S. Department of the Treasury, tax credits for reducing energy use will actually increase federal tax revenues because reduced energy bills lead to increased corporate profitability and corporate tax revenues; *now, therefore be it*

RESOLVED, By the Board of Directors of the National Association of Regulatory Utility Commissioners ("NARUC") convened at its 2000 Summer Meeting in Los Angeles, California, that NARUC supports federal tax credits for cost-effective energy efficiency investments in residential and commercial buildings.

Sponsored by the Committee on Energy Resources and the Environment

Adopted by the NARUC Board of Directors, July 26, 2000.