

# Questions for our time:

## Why is energy efficiency so important?

If you asked the average American to list the 10 most important issues affecting the nation today, energy would probably not be on that list. Although it affects every aspect of our lives and powers our economy, energy is often taken for granted — until it is suddenly cut off.

The oil crises of the 1970s and the 1991 Gulf War brought energy issues to the forefront. America's dependence on foreign oil was dramatically demonstrated and the nation responded by reducing its energy use — until the crises passed. No lasting behavioral change came out of the energy crises.

Instead, Americans formed an image of energy conservation: Driving less. Turning down the thermostat. Turning off the lights.

To many Americans, saving energy meant freezing in the dark. It's no surprise they didn't want to think about energy.

Those methods, while useful, are no longer the focus of the effort to reduce energy use. Today's technology allows us to reduce energy use while enjoying the same level of comfort and convenience. Today's goal is the efficient use of energy.

**Lt. Gov.  
Frank  
O'Bannon**



Why is energy efficiency so important? Because of the dramatic effect it can have on our quality of life. The efficient use of energy can:

- \* Reduce Hoosier homeowners' energy bills and allow homebuyers to qualify for a larger mortgage.

- \* Reduce the operating costs of Indiana industries, making them more competitive and more profitable.

- \* Reduce the operating costs of Indiana schools and hospitals, allowing them to use their funds to improve education and health care.

- \* Reduce the nation's dependence on foreign oil. Currently foreign oil imports account for 30 percent of the nation's trade deficit.

- \* Improve the quality of the

environment by reducing power-plant and vehicle emissions, and reducing the amount of natural resources needed to sustain the economy.

The Energy Policy Division of the Indiana Dept. of Commerce shapes and implements the state's energy policies. One of our primary goals is an increase in the efficient use of energy in Indiana. To achieve that goal, the division offers a number of programs to improve the state's energy efficiency. They include:

- The Industrial Energy Efficiency Fund (IEEF), a zero-interest loan program to help existing businesses increase the energy efficiency of their manufacturing process. Since 1994, IEEF has awarded more than \$400,000 for projects that will save manufacturers more than \$500,000 in energy costs annually.

- Energy Rates Homes of Indiana (ERHI), a voluntary market-driven program that rates homes for energy efficiency and makes recommendations to improve efficiency. An energy-efficient home reduces energy bills and can qualify for an Energy Efficient Mortgage. To date, ERHI has rated more than 500 homes in Indianapolis, Evansville and Northern Indiana.

- The Institutional Conservation Program (ICP), a federal grant program to help public and non-profit schools and hospitals fund energy efficiency projects. Since 1979, ICP has awarded more than \$28 million to Indiana schools and hospitals. The projects funded have saved the equivalent of more than 500,000 barrels of oil annually.

- The Fuel Saver Van (FSV), a voluntary program to test vehicle fuel efficiency and recommend methods to improve efficiency. Since 1986, the FSV has tested more than 50,000 vehicles statewide.

- The National Industrial Competitiveness through Energy, Environment and Economics (NICE<sup>3</sup>), a federal grant program to improve energy efficiency, promote a cleaner production process, and improve the competitiveness of industry.

Despite the tendency of the average American to take it for granted, energy plays a vital role in all of our lives. By using energy more efficiently, we can improve Indiana's economy, environment and lives of its citizens. It is as simple as that.