Saving Energy and Money For Wisconsin
Focus on Energy, Wisconsin utilities' statewide program for energy efficiency and renewable energy, helps eligible residents and businesses save energy and money while protecting the environment. Focus on Energy information, resources and financial incentives help to implement energy efficiency and renewable energy projects that otherwise would not be completed.

In 2014, 55% of the state's largest energy users completed a project with Focus on Energy. Projects include: heat recovery, lighting upgrades, compressed air, heating & cooling systems, and ventilation.

In 2012, Focus on Energy programs helped create more than 1,400 Wisconsin jobs.

Since 2012, more than 7,600 home energy assessments have been performed.

Focus on Energy empowers the people and businesses of Wisconsin to make smart energy decisions with enduring economic benefits.

In 2014, for every dollar invested in energy efficiency, Focus on Energy provided $3.33 in benefits.

Nearly $1 BILLION worth of net economic benefits from 2012 programs.

Administration Costs

<table>
<thead>
<tr>
<th>Incentive Funding</th>
<th>Awarded to Customers</th>
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</thead>
<tbody>
<tr>
<td>Engineering &amp; Energy Expertise</td>
<td>9%</td>
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<tr>
<td>62%</td>
<td></td>
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<td>29%</td>
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TOTAL ENERGY SAVED

Since 2011, Focus on Energy has saved 28 billion kWh and 1.2 billion therms. That's the equivalent to powering 1.8 million Wisconsin homes in one year and avoided costs of 5 power plants.

2014 Cost Breakdown

- RESIDENTIAL
- BUSINESS

KEEPING JOBS IN WISCONSIN

LARGE ENERGY USERS
This document summarizes the net statewide economic development impacts of Focus on Energy’s 2011–2014 energy efficiency and renewable energy programs. Cadmus analyzed these economic impacts using Regional Economic Models, Inc.’s Policy Insight+ model (REMI PI+), an economic forecasting tool that models the annual and long-term effects of different spending choices on multiple components of the state economy.

Cadmus used Focus on Energy spending and energy-savings data to model the programs’ net economic impacts in REMI PI+. To determine Focus on Energy’s unique effects on the Wisconsin economy, Cadmus calculated net economic impacts as the difference between Focus on Energy spending and savings impacts and the impacts that would have occurred if ratepayers instead spent the same amount of funds on other goods and services, including electricity and natural gas expenditures that would have been necessary if they had not saved energy through program participation. Focus on Energy achieves positive net economic impacts by affecting the flow of money through the Wisconsin economy and regional economies in three ways: direct, indirect, and induced effects.

Focus on Energy has positive net economic impacts largely because it increases in-state spending.

Wisconsin utilities import fuel and power from other states, so a significant share of Wisconsin ratepayer funds are spent outside of the state economy. Focus on Energy reduces those electricity and natural gas purchases, instead promoting spending on Wisconsin’s own energy efficiency and renewable energy industries and providing long-term savings that continue to support increased in-state spending on other local goods and services.

**DIRECT**
*Direct economic effects* represent increases in employment, income, and economic activity among industries directly involved with Focus on Energy, such as firms that manufacture, sell, and install energy technologies or firms that provide project services.

**INDIRECT**
*Indirect economic effects* account for increases in employment, income, and economic activity among industries in the energy efficiency and renewable energy supply chains, such as firms that supply raw manufacturing inputs to directly affected industries.

**INDUCED**
*Induced economic effects* lead to additional increases in employment, income, and economic activity among other industries as Focus on Energy participants and employees of directly and indirectly affected industries spend new disposable income from bill savings and increased business in the Wisconsin economy.
SUMMARY OF STUDY FINDINGS

Figure ES-1 illustrates Focus on Energy’s positive net employment impacts. The program portfolio created full-time equivalent (FTE) jobs at an annually increasing rate during the quadrennial period. From 2011 to 2014, annual net employment growth ranged from approximately 1,000 to 2,000 FTE jobs. Primarily because residential and business customers continue to spend disposable income from bill savings, annual net job growth is projected to continue at lower levels—approximately 544 FTE jobs per year—thereafter. The quadrennial portfolio will create a cumulative net total of 19,291 FTE jobs through 2038. These findings of positive employment impacts are consistent with the results from a 2015 survey of energy efficiency and renewable energy contractors participating in Focus on Energy. Nearly 25% of survey respondents reported that they had hired more staff as a direct result of increased business activity from the programs.

The largest program year employment increases occurred in the manufacturing sector.

Because of increased purchases of energy efficiency and renewable energy technologies, more than half of the FTE jobs created by Focus on Energy between 2011 and 2014 were in the manufacturing sector. Other private sector industries that experienced significant job growth include:

- Professional, scientific, and technical services;
- Management of companies and enterprises;
- Administrative and waste management services; and
- Wholesale trade.

Figure ES-1. Program Year and Future Year Annual Employment Growth, Quadrennial
Focus on Energy will generate more than $2.8 billion in net economic benefits through 2038.

Figure ES-2 illustrates Focus on Energy’s positive net economic benefits, which describe net effects on Wisconsin’s gross state product. The quadrennial program portfolio generated more than $600 million in net economic benefits through 2014 and will generate more than $2.2 billion – approximately $92 million per year – from 2015 to 2038. These findings are consistent with reports from contractors involved with Focus on Energy. Approximately 59% of contractors responding to the 2015 program survey reported that their business activity had increased since their involvement with Focus on Energy.

Cadmus also analyzed the influence of economic benefits on Focus on Energy’s cost-effectiveness. Table ES-1 summarizes the benefit-cost ratios previously reported for Focus on Energy, which did not include economic benefits, and identifies the revised benefit-cost ratios achieved when economic impacts are included among program benefits.
When economic benefits are counted, cost-effectiveness findings suggest that Focus on Energy provided **$6.66 in benefits for every $1.00** invested during the 2014 program calendar year.