



Rural Economic Impact of a Statewide Energy Efficiency Initiative:

**An Analysis of Three Non-Metropolitan
Counties Participating in
Wisconsin Focus on Energy**

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Rural Economics and Energy Efficiency

- Rural counties face many challenges
 - Rural economic development is a goal of Wisconsin's statewide efficiency program
 - Energy efficiency is potentially a cost effective development strategy for rural counties
 - Consistent with other development strategies
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Research Questions

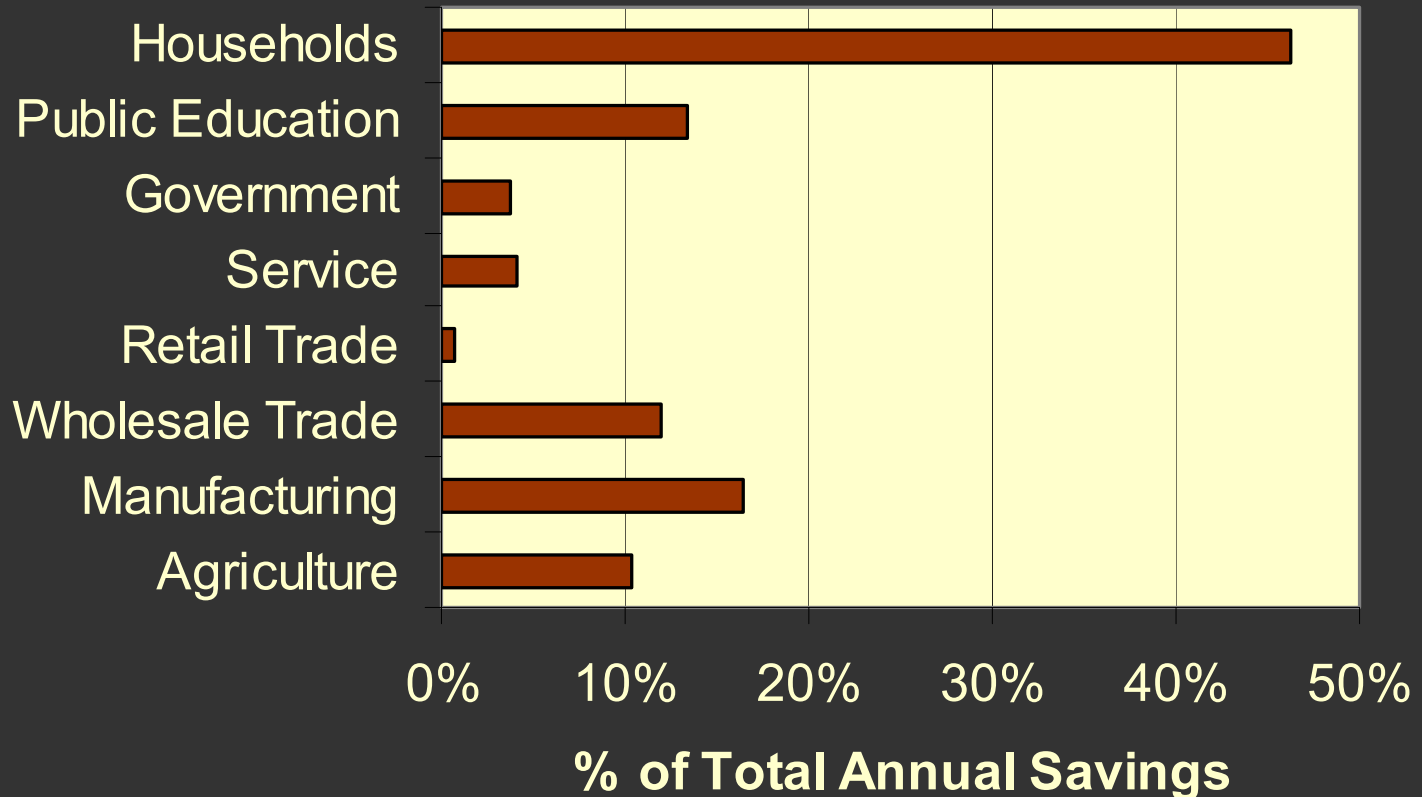
- What has been the rural economic impact of improved energy efficiency?
 - What is the potential economic impact of improved energy efficiency?
 - What are the implications for rural economic development planning?
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Method

- Case study of three rural counties with participation in Wisconsin's Focus on Energy
 - Economic impact of annual energy savings modeled with IMPLAN™
 - Measures:
 - Percentage change in the economy
 - Rate of economic impact
 - Employment and Total Income
 - Evaluate significance for these rural economies
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Distribution of Achieved Energy Savings

County Average Annual Savings : \$134,547



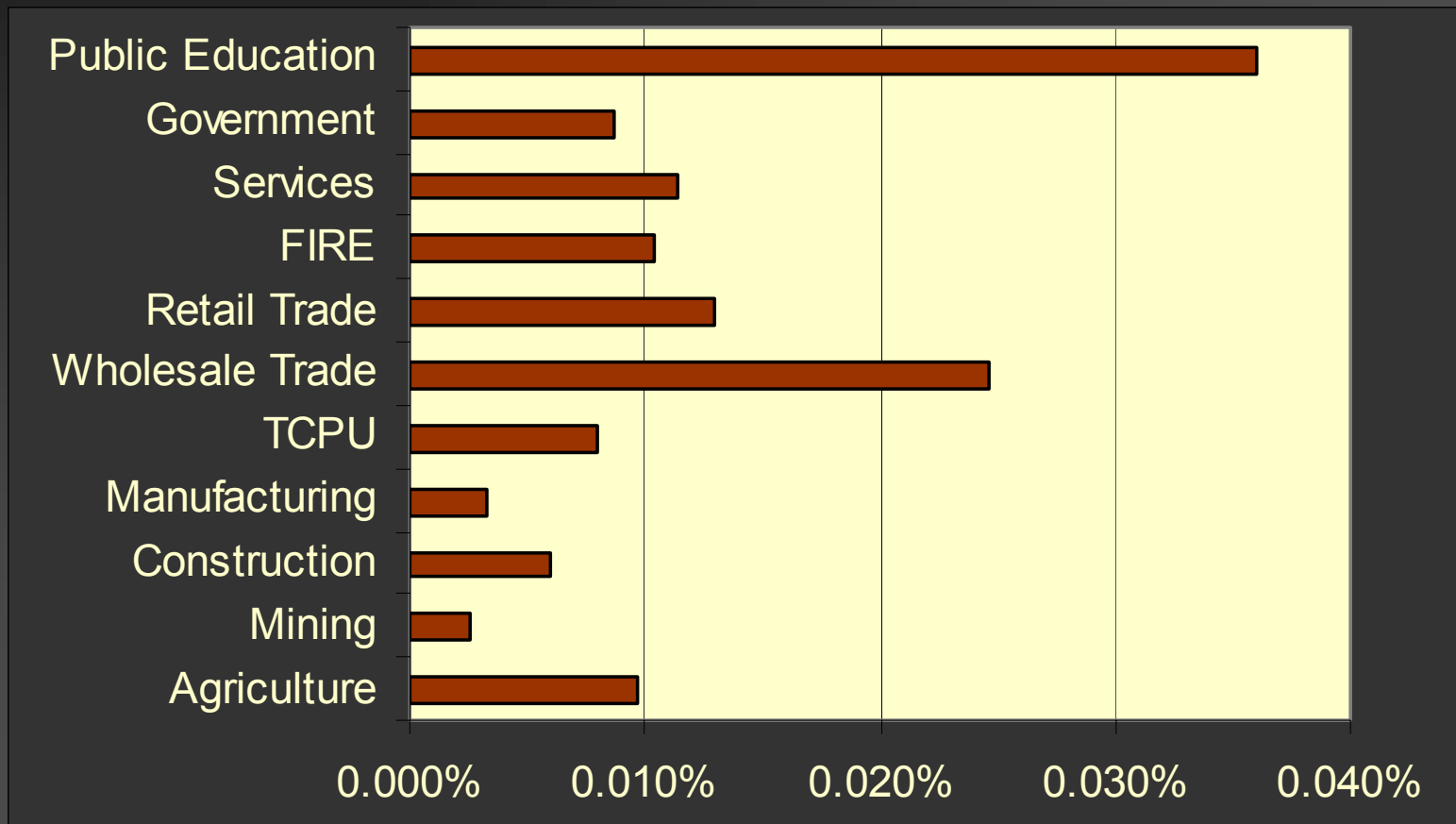
Economic Impacts from Achieved Energy Savings

	Clark	Green	Polk
Employment*	1.4	1.6	2.1
Total Income*	\$53,000	\$55,000	\$76,000
Change in Total Income	0.010%	0.013%	0.010%

*Impacts per \$100,000 in annual energy bill savings

Industries Affected – Achieved Savings

Change in Total Income (Value Added)

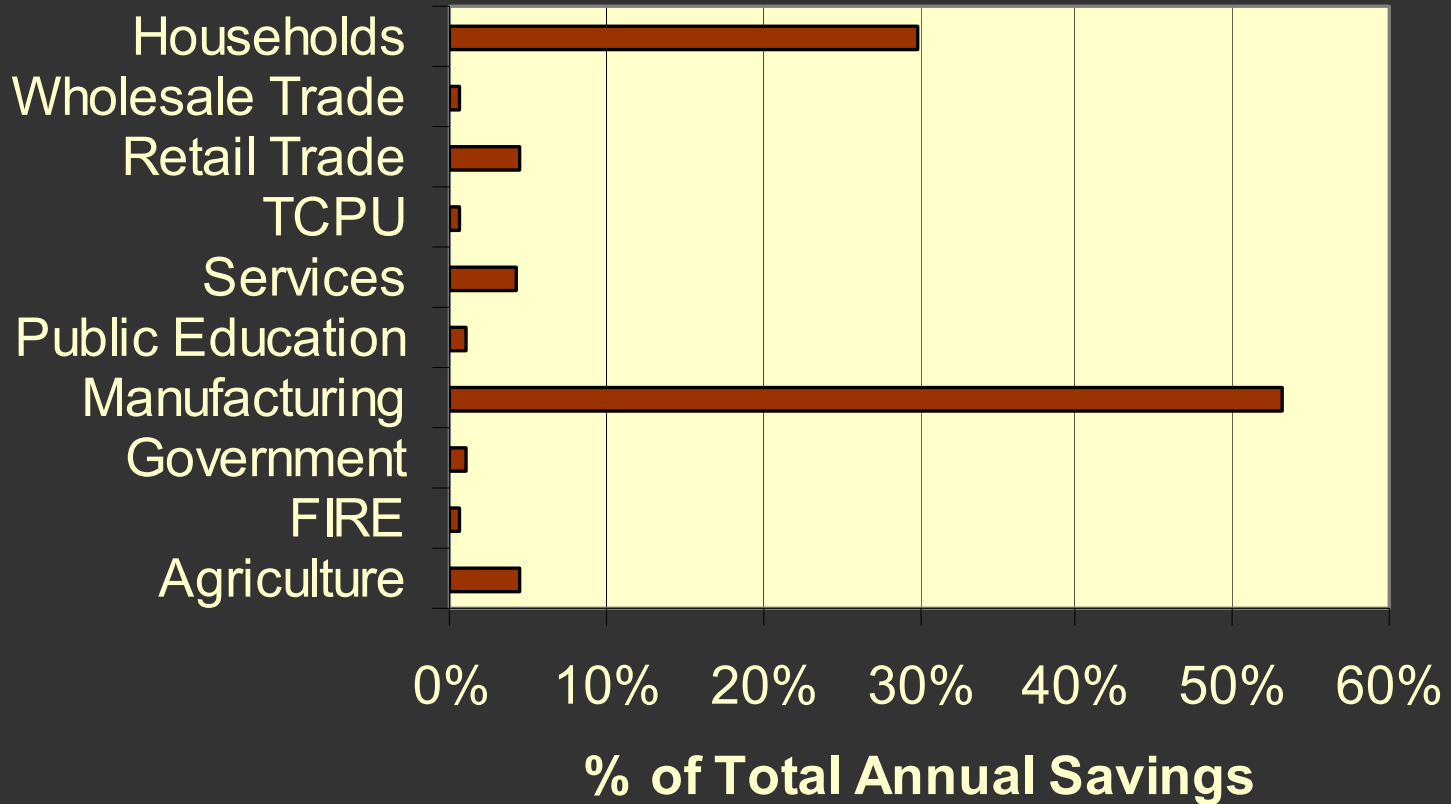


Estimating Potential Energy Savings

- Assumed savings of 5 percent of current energy consumption
 - Consistent with other program achievements
 - Based on per employee energy intensity
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Distribution of Potential Energy Savings

County Average Annual Savings : \$3.2 Million



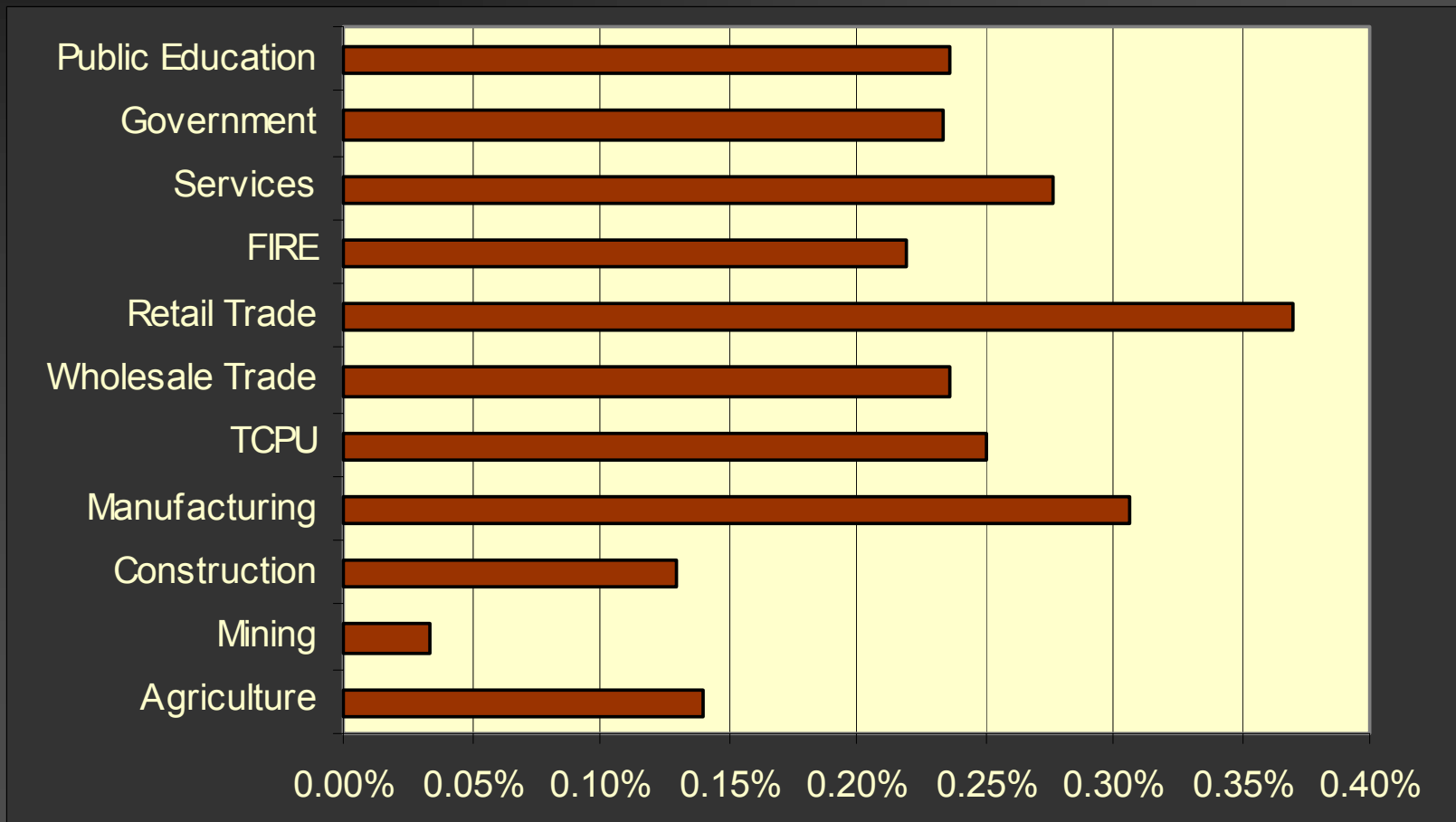
Economic Impacts from Potential Energy Savings

	Clark	Green	Polk
Employment*	1.4	2	1.5
Total Income*	\$47,000	\$69,000	\$56,000
Change in Total Income	0.220%	0.290%	0.270%

*Impacts per \$100,000 in annual energy bill savings

Industries Affected – Potential Savings

Change in Total Income (Value Added)



Conclusions

Improved energy efficiency:

- Supports a variety of local firms and households
 - Generates positive economic impacts
 - Offers a relatively inexpensive economic development strategy for local governments and organizations
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Suggestions for Future Research

- Account for all costs and benefits to rural counties
 - Explore the policy trade-offs of investing in rural energy efficiency over urban areas
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