

ENERGY EFFICIENCY

Energy efficiency is utilizing improved technology or infrastructure that uses less energy to perform the same function. Reducing energy consumption is important to mitigating climate change because of the significant levels of greenhouse gas (GHG) emissions produced in order to power homes and buildings. According to Albuquerque's GHG Inventory Report, 55% of city emissions stem from the use of electricity and gas to power homes and buildings. Although PNM has committed to transitioning energy sources used for power generation to be emissions-free by 2040, ensuring homes and buildings use as little energy as necessary helps to create cost savings for residents, support job creation, reduce environmental impacts and allow for greater electrical grid expansion.

In New Mexico, multiple programs and efforts support both commercial and residential energy efficiency. The New Mexico Mortgage Finance Authority (MFA) utilizes federal and local utility funding to support home energy upgrades for low income homes through its NM Energy\$mart Program. Following the passage of the 2005 Efficient Use of Energy Act, utilities have created a variety of energy-use reduction programs including audits and upgrades for low income and multifamily homes. In 2020, the City of Albuquerque adopted the 2018 International Energy Conservation Code, which sets new, more energy efficient standards for new construction. Finally, State of New Mexico offers the Sustainable Building Tax Credit to encourage private sector design and construction of energy efficient buildings for commercial and residential use.

ABQ Energy Burdens

In Albuquerque, the average energy burden is 2% of household income. However, in many neighborhoods often low-income residents experience energy burdens as high as 8%.

Although existing programs such as NM Energy\$mart can support low income residents in saving as much as \$350 to \$500 in utility costs yearly, low income households continue to be disproportionately impacted by higher utility bills. The measure of how much of a household income is spent on energy costs is referred to as an "energy burden". Barriers preventing some energy improvements for low-income residents commonly include access for renters, as well as qualifying for program support. Increasing energy efficiency initiatives, improving reach of existing programs and making the public more aware of available energy efficiency programs are potential solutions.

Energy efficiency has also been identified as a sector that has both untapped potential job growth and local economic investment potential. In recent years, energy efficiency jobs have grown in New Mexico which include installation of energy-efficient equipment or materials such as heating, air conditioning and other appliances, as well as the distribution and sales of products or services.

Sources and Recommended Reading:

- [Job and Climate Impacts from Energy Efficiency Investments](#), ACEEE, August 2020
- [Low-Income Household Energy Burden Varies Among States](#), U.S. DOE, December 2018
- [Low-Income Community Energy Solutions](#), U.S. DOE
- [New Mexico Energy Fact Sheet](#), Southwest Energy Efficiency Project (SWEET), October 2018