



Energy Efficiency

Small businesses deserve targeted financial and technical assistance for energy efficiency

Improving America's energy efficiency must be a central component of any effort to address climate change or national energy policy—and small business should be a fundamental focus of the endeavor. Improving the energy efficiency of millions of small firms would result in cost savings, job creation and retention, and increased environmental protection—and it would not be difficult to achieve. Most small businesses can expect to realize energy savings of 25 to 30 percent or more simply by adopting existing energy-efficiency strategies.

The overall result of such a reduction would be massive. An NSBA report, "On-Bill Financing: Helping Small Business Reduce Emissions and Energy Use While Improving Profitability," found that if U.S. small businesses improved their energy efficiency by just 25 percent, they collectively could reduce greenhouse gas emissions by 259 million tons each year—the equivalent of 51 coal-fired power plants. The small businesses would benefit individually as well. The same report found that energy-efficiency improvements could help the average small business save \$4,932—and oftentimes more—every year on its energy bills.

Savings this substantial multiplied across the small-business community quickly adds up. The Center for Small Business and the Environment estimates that a 30 percent reduction in energy use by restaurants, grocers, and convenience stores could save nearly \$6 billion annually—enough to pay the annual wages of nearly 250,000 Americans employed in those industries. Additionally, most of the firms providing energy audits, supplying energy-efficiency improvements and products, and developing the next generation of efficient and renewable energy technology are themselves small businesses.

As Congress considers adopting new energy and/or climate-change legislation, NSBA urges the inclusion of provisions providing financial and technical assistance for small-business energy efficiency improvements and the expansion of the On-Bill Financing funding mechanism. NSBA also continues to insist that the U.S. Small Business Administration (SBA) fulfill its statutory requirements under the 2005 Energy Policy Act and the 2007 Energy Independence and Security Act. Furthermore, *NSBA supports the creation of an Office of Associate Administrator for Energy and Climate within the SBA to ensure that these and other small-business energy obligations continue to be met.*

Financial and Technical Assistance: With nearly 70 percent of the respondents to a NSBA energy survey reporting that they had not invested in energy efficiency programs for their businesses, it is clear that most small-businesses owners are either unaware of the energy-efficiency opportunities available to them or unable to afford the capital expenditure required.

NSBA supports requiring states to establish a small business technical assistance program, providing education and technical assistance on: (a) the adoption and installation of energy efficiency measures and on-site renewable and distributed energy generation capacity, and (b) compliance and possible permitting or emissions tracking requirements under any potential climate-change bill.

On-Bill Financing (OBF): OBF is a highly-effective, utility-based method of financing energy-efficiency improvements with no up-front cost to the small-business owner.

NSBA supports legislative mandates for state-level authorization (typically through the public utilities commission) and funding for utility-based on-bill financing to implement small business energy efficiency projects. States failing to authorize and fund OBF should be ineligible for federal energy-efficiency or climate funding.