

## **How to Save on High Energy Costs**

*(This article appeared in the newsletter of Barnum Financial Group)*

As winter's chill settles in, Americans are facing a severe economic crisis that already has ravaged their retirement savings and raised the threat of losing their jobs. At a time when consumers need to put aside funds to deal with this financial turmoil, higher energy costs will add even more pressure to household budgets.

Nationwide, the average cost of heating a home is expected to go up 15.3 percent this winter, according to the U.S. Department of Energy. Add in the costs of electricity and lack of proper weatherization and the extra expenses soar.

Consumers who rein in these seasonal expenses stand to gain hundreds of dollars they can set aside for emergencies or invest for the future.

In the Northeast, the energy department is forecasting the average cost of heating a home this winter (Oct. 1 through March 31) as follows:

- Natural gas – \$1,345, an 18.8 percent jump over 2007
- Heating oil – \$2,468, a 24.2 percent increase
- Propane – \$2,551, a 12.1 percent increase
- Electric heat – \$1,584, a 14.5 percent increase

In each case the Northeast total is higher than the national average, which gives area residents more incentive to cut their energy bills.

Saving money on energy and electric usage costs during the long winter months includes a short-term and a long-term aspect. For this winter, simple behavioral changes can yield significant savings right away. For all the winters to come, you can make bigger investments for the long term.

### **Changing behaviors right away**

Our daily habits can contribute significantly to the amount of money we spend – or save – on energy usage.

“The single most cost-effective investment you can make for energy efficiency is to install compact fluorescent light bulbs,” said Pat McDonnell, director of conservation and load management for The United Illuminating Co. in New Haven and Bridgeport. “The days are shorter now, and people are using the lights in their home a lot more.”

Replacing old-fashioned incandescent light bulbs with fluorescent bulbs can save 70 percent on the cost of the electricity used to illuminate your home. And fluorescent bulbs have fallen in price, costing \$1 to \$3.

While that is still more than the cost of traditional bulbs, at 40 to 70 cents apiece, fluorescent bulbs last much longer. A typical incandescent bulb lasts about 1,000 hours, while fluorescent bulbs last from 8,000 to 10,000 hours.

Some people resist the change because they tried fluorescent bulbs in the past and found something they didn't like, McDonnell said – the light was too yellow, or it took a long time to warm up.

“There are different types and different styles,” McDonnell said. “If you didn't like the first one you tried, find a different one and see if you like that better.”

Other day-to-day changes recommended by UI include:

- Install a programmable thermostat that will automatically lower the temperature while you are not at home.

- If you have a fireplace, make sure your dampers are closed when you're not using it, to prevent warm air from escaping.
- Have your furnace or boiler tuned up annually, and replace filters.
- Shut off TVs, computers and other electronics when you're not using them.
- Do not leave rechargeable items such as drills and shavers plugged in past the recharging period.
- Adjust your water heater temperature to 120°F. Insulate the hot and cold water pipes that run from your water heater tank.
- Open drapes on south-facing windows when it is sunny. At night, close drapes to retain heat. Up to 15 percent of heat can escape through windows.

### **Investing for long-term benefits**

Looking beyond this winter season you may want to consider making structural changes to your energy consumption profile, such as installing more energy-efficient appliances and taking more significant weatherization measures.

Start by conducting an energy audit of your home, either by yourself or by hiring a professional. An energy auditor will do a room-by-room examination and look at your past utility bills. A professional audit should include a blower door test to determine how airtight your home is and a thermographic scan to detect thermal defects, according to the U.S. Department of Energy.

Auditors also analyze the behavior of those living in the house, asking if anyone is home during the day, at what temperature is the thermostat usually set, is every room in use?

If you do the audit yourself, the U.S. Energy Department recommends checking for air leaks, because reducing drafts can save 5 percent to 30 percent on energy costs. Look for gaps along the edge of flooring and at junctures of the walls and ceilings. Check electrical outlets, switch plates, window frames, doors, weather stripping around doors, attic hatches, wall- or window-mounted air conditioners, pipes, wires, foundation seals and mail slots. Seal problem areas with caulk and replace worn weather stripping. Also check insulation and make sure attic vents are not blocked by insulation.

After conducting your audit, the next step is to consider making major investments designed to make your home more energy efficient. The first appliance to check is your furnace or boiler. If it's more than 15 or 20 years old you should consider replacing it with a new, more energy-efficient unit, which can reduce consumption and costs by as much as 30 percent.

Other appliances deserve a look as well. For instance, top-freezer style refrigerators use 7 percent to 13 percent less energy than side-by-side models, according to the Energy Department. High-efficiency dishwashers use 25 percent less energy than conventional models, and high-efficiency clothes dryers can save up to 30 percent in energy use over standard models. Newer clothes washers use less water than older models and spin faster, making clothes drier before they go into the clothes dryer.

Finally, look for the Energy Star label when buying a new appliance or gadget, because that means it meets energy-efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy.