



THE ROOSEVELT INSTITUTION

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The Roosevelt Institution is a national network of student think tanks, dedicated to connecting college students' ideas to policy makers, and in the process, changing how our generation views policy and government.

During the 2006-2007 school year we focused on developing policies to solve the energy crisis, increase socio-economic diversity in higher education, and make the economy work for working families.

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Capping Energy Use on College Campuses

Kristen Tullos and Balaji Narain, University of Georgia

The first step in reducing America's dependence on unsustainable energy sources is to reduce energy consumption. State legislators can start by reducing electricity consumption on college campuses by creating a cap and trade system, similar to pollution permits, for energy usage.

In the United States, college campuses are places where energy is often wasted. At the University of Georgia, there is rising concern over the university's energy usage, which has run over budget for the past five years; last year the university exceeded its budget by six million dollars.

The University System of Georgia and other state Boards of Regents should impose formal caps on each institution in their respective budgets and distribute permits, which allow them to consume an allotted amount of energy. The number of permits should equal the Megawatt Hours (MWH) equivalent to the budgeted amount at fair market value. Institutions that have more permits than required can sell them, while those needing permits can buy them on open markets. Institutions that exceed their allotted amount without purchasing extra permits will face sanctions, such as suspension of construction projects. Any institution with unused and unsold credits at the end

KEY FACTS

- U.S. buildings account for approximately 79 percent of all electric expenditures.
- As of 2005, the University System of Georgia owned 3,169 buildings; of those, 1500 were affiliated with the University of Georgia.

of each fiscal year may roll over those credits to the following fiscal year, providing an incentive for campuses to be energy efficient.

Each institution within a university system should form its own strategy to curb energy usage. The cap and trade system creates a favorable climate for innovative solutions.

TALKING POINTS

- Besides transportation, physical structures are the largest consumers of energy.
- Cap and trade systems are more economically efficient than forced, across-the-board energy reductions.

At the University of Georgia, over 5000 students live in campus dormitories; since they pay a fixed cost for room and board at the start of each semester, there is no financial incentive for them to control energy usage. Similarly, at the state level, each institution within the University System of Georgia is assigned an energy budget at the start of each year, but face very light penalties for overspending the budget.

HISTORY



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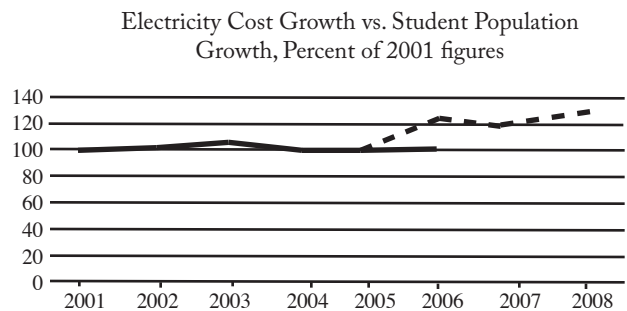
AUDIENCE

Our proposal offers a valuable option to state governments looking to curb dependence on foreign or unsustainable energy sources while ensuring that higher education institutions spend money within their budgets.

ANALYSIS

In the university system of Georgia, which includes over 30 institutions of post-secondary education, energy usage is skyrocketing; electricity costs have risen by 36 percent between 2005 and 2007.

The graph below illustrates how the University of Georgia's spending on electricity has changed between 2005 and its estimate for 2008, and compares this change in spending with the change in the student population at the main campus. For electricity expenditures (dashed), the year 2005 is selected as the base year and the amount spent is given the value 100. The amounts for the other years are computed



by dividing the value by the year 2005 value and multiplying by 100. A similar method is used for student populations, which begin in 2001. Although estimates for the student population data are not available for the years 2007 and 2008, the enrollment for the past six years is highly stable compared to the actual and estimated changes in electricity usage. Even though the student

population is not growing very rapidly, electricity usage is; this suggests that energy usage is likely to be growing at similarly alarming rates at other state institutions.

NEXT STEPS

Establishing a cap and trade program for energy usage within state public university systems is just one of many possible steps to reduce energy use. Other levels of government, such as municipalities, should also consider implementing a similar program to restrain energy usage within departments.

SOURCES

- Crowe, Ken. (2007), University of Georgia Physical Plant Data on Utilities Charges. "Dorms compete at conservation," *Red and Black*, February 9, 2007.
- University System of Georgia Board of Regents, (2006), Minutes from August 2006 Meeting.
- University System of Georgia Board of Regents, (2006), Information Digest.