Easy Strategies for Saving Money on Your Home-Energy Bills

By Tricia A. Mitchell

Do you know how much you spend annually on energy bills? According to U.S. government data, the average American household forks over more than $2,000 a year on cooling, heating, and lighting, as well as running water heaters, appliances, and electronics. But in many cases, the cost doesn't have to be this high. While the price of electricity, oil, and natural gas may be out of your control, you have considerable influence over how much of these resources you use. By taking even relatively simple steps to reduce your consumption, and through making some smart investments, you could save hundreds of dollars a year.

When Aaron Sullivan, 49, purchased his 2,050-square-foot home in Mississippi in 2018, he insulated the attic, installed blackout curtains to combat direct sun, and replaced his lightbulbs with light-emitting diode (LED) alternatives. Even though his home is relatively new—it was built in 2013—he says he's seen significant savings on his electricity bill.

"The previous owners did level billing for electricity at $125 per month," says Aaron. "I rarely come near that number. In the winter months, my [electricity] is usually $40 to $50 or less."

New Jersey resident Peter J. LaRuffa, 66, had more extensive energy conservation work done on his home, built in 2000. Contractors installed a new energy-efficient heating and central air conditioning system, which includes a heat pump. They also completely sealed Peter's attic, added 18 inches of new insulation, and installed energy-efficient exhaust fans in the home's two bathrooms.

The upgrades have delivered some big cost reductions. "We realized a 14.5% savings in our [gas] heating costs when comparing the full-year costs of 2018 versus 2019," says Peter, adding that he's seen temperature improvements even when the air conditioning is not turned on. In summer, "the house was a full 10 degrees cooler with no AC running."

If you similarly want to take steps to achieve energy cost reductions, you have a variety of options available to you. Some are as simple as switching off certain appliances. Others may involve large upfront costs that pay off over subsequent years in substantially reduced bills. Below are eight strategies you can consider.

1. Use Free Online Tools to Generate Tailored Recommendations

The Department of Energy and Environmental Protection Agency (EPA) administer a program called Energy Star that provides free information about energy efficiency. On the Energy Star website, you can create a Home Advisor profile. It will prompt you to input details such as square footage, appliance specifics, type of insulation, and your HVAC (heating, ventilation, and air conditioning) system. Then, it will generate a list of energy-saving recommendations.

If you're curious how your home's energy consumption compares to similar properties in your area, you can use Energy Star's Home Energy Yardstick tool. The Building Performance Institute (BPI), a certification and standards organization for home-energy performance, offers a similar tool, the Home Quiz. To get started, you simply input your address.

2. Consider a Home-Energy Audit

During a home-energy audit, "trained experts look at your attic, crawlspace, or basement, as well as your HVAC system. They then identify energy leaks, mechanical inefficiencies, and your home's insulation," explains William Doyle, CEO of Allied Experts, a New Jersey company that offers heating, cooling, ventilation, weatherization, and plumbing services. He adds that as part of an audit, a building assessor should conduct a comprehensive health and safety check on your home.

Larry Zarker, chief executive officer of BPI, says that a home-energy audit often prevents homeowners from making unnecessary investments. The culprit behind energy-waste "may not be your furnace or boiler. It may not be your air conditioning system. It may be that the envelope of the house is leaky."

Professional audits can cost several hundred dollars. To help offset this expense, some states and utility companies offer incentives and rebates. To find out what is available to you, contact your utility provider. You can also look at the Department of Energy's Database of State Incentives for Renewables & Efficiency website.

BPI and the Residential Energy Services Network train and certify home-energy auditors in the U.S. You can use their websites to find certified professionals in your area.

If you hire a technician to conduct an audit, don't shy away from participating. "You want to be involved in the effort so you understand it, and then you make informed decisions about where you're going to invest your money to upgrade," says Larry.

Since your home auditor will want to review your energy usage, he recommends having at least a year or two worth of utility bills on hand. Also, be prepared to answer questions about sections of your house that may be hot, cold, moldy, or drafty.

"Being honest about what you're experiencing in your home helps [auditors] identify where the problems are," says Larry.

After living in their New York home for one winter, Joan Traber, 69, and her partner, Tom, 66, decided to get an energy audit. Their condominium dates back to the 1980s. Joan says that it took the contractors two days to remove all the ineffective insulation that had

previously been installed in their 1,800-square-foot property. Afterward, the contractors sealed off any spaces and gaps above the house. They also built compartments to hold about 18 inches of new insulation.

"They sealed the space around absolutely every wire and cable that went up and ran through our home," says Joan. "They removed all cooling ducts and replaced them. They actually properly connected our dryer vent, which was going nowhere."

Joan says that once the work was complete, she and Tom felt an immediate difference. "Guests have commented on how comfortable it is here in the dead of winter. These are folks who live nearby in similar units and complain about drafts, which we do not have any longer."

The work on Joan and Tom's house cost about $18,500. However, a $925 rebate helped bring that figure down. They are projected to save approximately $1,600 a year on their energy costs, with Joan noting that a recent bill was $135 lower than it was before the upgrades.

3. Install Improved Insulation

If you don't have the time or inclination for a home-energy audit, you can take on the task yourself of installing improved insulation and plugging air leaks around your home.

"The Department of Energy reports that having a properly insulated attic can shave up to 50% off your current heating and cooling cost," says William, Allied Experts' CEO.

"Most homes have significant air leaks, according to Energy Star," he says. "All the leaks and cracks in an average home is equal to leaving a window open for an entire year. Just think of how much money you could save by sealing the cracks and holes."

4. Use LED Lightbulbs

According to the EPA, LED lightbulbs consume up to 90% less energy than conventional incandescent bulbs. At a minimum, Energy Star-certified LED bulbs are estimated to last 15 times longer than their traditional counterparts—saving you about $55 in electricity costs over a bulb's lifetime.

5. Replace Old Showerheads

Standard showerheads consume 2.5 gallons of water per minute (gpm), according to the EPA. In contrast, water-saving heads use no more than 2 gpm.

The EPA says that making the switch to an efficient showerhead with the WaterSense label can result in savings of 2,700 gallons of water annually for the average household. And since your water heater will be processing less water, you'll also save on energy costs to heat it.

6. Identify "Energy Vampires"

When your appliances or devices are turned off or on standby, you might think that they're not using energy. However, if they're still plugged in, it's likely that they're sucking electricity.

Computers, flat-screen TVs, cable boxes, digital video recorders, printers, and phone chargers are common offenders. It's estimated that 10% to 25% of your electricity bill is devoted to this so-called idle-load consumption.

The solution? Unplug electronics when you're not using them. Also, consider using timers for things like towel heaters and coffeemakers.

William recommends using energy-efficient power strips. These allow you to turn multiple devices on and off, without physically unplugging them.

7. Install a Programmable Thermostat or Smart Thermostat

Programmable and smart thermostats allow you to program your home's temperature based on your schedule. Smart thermostats can even connect to WiFi—a feature that allows you to make changes from afar.

Energy Star recommends that you program your thermostat to turn down your heating or air conditioning when you're sleeping or when you're away from home. This action might save you $180 annually if you use your thermostat consistently and correctly.

Before you buy a new thermostat, be sure that the model is compatible with your HVAC system. Programmable thermostat prices average $50 to $100, whereas smart thermostats can cost upwards of $200.

8. Air-Dry Your Laundry

According to Consumer Reports, about 4% of consumer electricity is dedicated to drying clothes. Air-drying at least some of your clothes could offer substantial savings over time. It could also prolong the life of your fabric and save you money on dryer sheets.

3 Eco-Friendly Ways to Save on Consumable Products

Waste is not just an issue with energy consumption around the home but with numerous consumables we buy on a regular basis. Here are three ideas to reduce your expenses on everyday products.

Use rechargeable batteries—Rechargeable batteries have become cheaper and more durable in recent years. When used correctly, you can typically recoup your investment in rechargeable batteries and a charger after roughly six charges. In general, you see the most value when you place rechargeable batteries inside electronics that you use frequently and that consume large amounts of energy (such as digital cameras and video game controllers).

Try a water filter—"According to a 2018 [article] in *Food & Wine*, bottled water is now the most popular bottled drink in the country; the average American consumes over 39 gallons of it per year, and 15% of Americans drink bottled water exclusively," says Amy Livingston, who blogs at Ecofrugal Living. She adds the average retired couple is spending approximately $248 per year on bottled water—and throwing away 595 plastic bottles.

For parts of the country where the water is safe to drink, Amy recommends a Brita filter and reusable bottles. "By investing $35 in a basic water pitcher with a high-volume filter, you can filter out that chlorine taste from the equivalent of 900 bottles' worth of water. It will pay for itself in a little over a month," she says.

Reduce food waste—The Food and Drug Administration estimates that Americans throw away $165 billion in food each year. Poor storage, overbuying, and confusion about expiration dates are some of the reasons for this epidemic of waste. An organization called Save the Food estimates that the average couple could save about $750 a year by not throwing out food. Their website has tips for storing food and tools for planning meals.