



California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

News Release

Docket #: R.01-08-028

Media Contact: PUC Press Office – 415.703.1366 – news@cpuc.ca.gov

PUC SETS ENERGY EFFICIENCY PROGRAM CRITERIA AND REQUESTS PROGRAM PROPOSALS

SAN FRANCISCO, August 21, 2003 -- The California Public Utilities Commission (PUC) today adopted energy efficiency program evaluation criteria and requested energy efficiency program proposals from utilities and non-utility parties for 2004 and 2005. In addition, the Commission determined the process by which it will review and select energy efficiency program proposals for funding.

Today's decision changes existing policy and practice or articulates the continuation of existing policy and practice, as follows:

- Considers funding levels of 70 percent of Public Goods Charge (PGC) funding allocated to statewide utility programs; 10 percent to statewide marketing and outreach and evaluation, measurement and verification; and 20 percent allocated to other non-utility programs, with some flexibility depending on program proposals.
- Reasserts the Commission's policies and procedures by which any party may apply to become administrators of cost-effective energy efficiency and conservation programs that meet the qualifications described in the most recent version of the Policy Manual, funded by PGC revenues for a two-year cycle, 2004-05. Program funding must be approved by a subsequent Commission order;
- Determines that the Commission will award funding to entities and programs that are most likely to fulfill public policy goals and program evaluation criteria;
- Determines that utilities may submit proposals that would extend their current program offerings for two years. These programs will be required to satisfy public policy objectives set by the Commission for evaluating energy efficiency programs. As the utility programs will be evaluated alongside non-utility

proposals, the utilities will be required to submit the same types of documents and follow the same instructions required of other proposing entities. Extensions to existing utility programs as well as new programs must be approved by Commission order;

- Determines that non-utilities implementing existing programs may request an extension through June 2004, with justification showing program success, in order to complete their programs with existing funding, which requests the Commission's Executive Director may approve or deny;
- Stipulates that program selection criteria for 2004-05 include cost-effectiveness, long-term annual energy savings, equity, ability to overcome market barriers, ability to reduce peak demand, innovation, coordination with other programs, and demonstrated success implementing energy efficiency programs.

The Commission determined that Assembly Bill (AB) 117 provides guidance to the Commission to develop the necessary policies and procedures for administering the PGC energy efficiency programs in the context of community choice aggregation. The Commission previously ruled (D.03-07-034) that its existing policies and procedures fulfill those portions of AB 117 that require the Commission to permit non-utilities to apply for program funding in the context of community choice aggregation territories. In addition, a ruling by Commissioner Susan P. Kennedy on July 3, 2003 complied with the directive to the Commission in AB 117 by establishing a process and policies by which all parties will be allowed to propose to become administrators. The Commission did not eliminate or in any way limit its authority to determine the allocation of PGC funding.

Program proposals must be submitted to the Commission no later than Sept. 23, 2003.

###