



# California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

## News Release

FOR IMMEDIATE RELEASE

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Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

### **PUC SETS ELECTRICITY AND NATURAL GAS SAVINGS GOALS FOR UTILITIES AS OUTLINED IN STATE'S ENERGY ACTION PLAN**

SAN FRANCISCO, Sept. 23, 2004 – The California Public Utilities Commission (PUC) today advanced another important component of the state's Energy Action Plan by establishing numerical goals for electricity and natural gas savings for the state's four largest investor-owned utilities (IOUs): Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Edison and Southern California Gas Company (SoCalGas).

The Energy Action Plan, adopted by the PUC, the California Energy Commission and the California Consumer Power and Conservation Financing Authority, identifies reduction of energy use per capita as one of six sets of actions that are of critical importance. In today's decision, the PUC has translated this mandate into explicit, numerical goals for electricity and natural gas savings for the IOUs. Electric and natural gas savings from energy efficiency programs funded by ratepayers through the public goods charge and procurement rates will contribute to these goals, including those achieved through the Low-Income Energy Efficiency Program.

The total electricity and natural gas program savings goals for all IOUs are as follows:

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Total Annual Electricity Savings (GWh/yr)	1,838	1,838	2,032	2,275	2,505	2,538	2,465	2,513	2,547	2,631
Total Cumulative Savings (GWh/yr)	1,838	3,677	5,709	7,984	10,489	13,027	15,492	18,005	20,552	23,183
Total Peak Savings (MW)	379	757	1,199	1,677	2,205	2,740	3,259	3,789	4,328	4,885
Total Annual Natural Gas Savings (MMTh/yr)	21	21	30	37	44	52	54	57	61	67
Total Cumulative Natural Gas Savings (MMTh/yr)	21	42	72	110	154	206	260	316	377	444

The total electricity and natural gas program savings goals for the individual utilities are available on the Commission's website at:

[http://www.cpuc.ca.gov/word\\_pdf/AGENDA\\_DECISION/39963.doc](http://www.cpuc.ca.gov/word_pdf/AGENDA_DECISION/39963.doc).

For the three electric IOUs, today's adopted savings goals reflect the expectation that energy efficiency efforts in their combined service territories should be able to capture approximately 70 percent of the economic potential and 90 percent of the maximum achievable potential for electric energy savings over a 10-year period, based on the most up-to-date study of that potential. These efforts are projected to meet 55 percent to 59 percent of the IOUs' incremental electric energy needs between 2004 and 2013.

For natural gas, the PUC's adopted savings goals are designed at this time to capture approximately 40 percent of the maximum achievable potential identified in the most recent studies of that potential. This level of expectation recognizes the fact that natural gas program funding levels have dropped substantially over the last five years, and that ramping up those efforts to meet the full savings potential may take more time than on the electric side. It also recognizes some uncertainty over the level of achievable savings in the non-core sector. Nonetheless, today's adopted natural gas savings goals represent substantial "stretch goals" by anyone's standards. They reflect an increase in savings by 244 Mth over the 210 Mth in savings that would be achieved if current funding levels and program effectiveness (therms per dollar) remained constant. The adopted goals for natural gas energy efficiency represent a 116 percent increase in expected savings over the next decade, relative to the status quo.

Today's adopted goals will be updated every three years, in concert with a three-year program planning and funding cycle for energy efficiency. In preparation for the program year 2006-2008, the PUC is in the process of designing the future administrative structure for energy efficiency in a separate phase of this proceeding. The program administrator(s) that the PUC selects under this structure will be required to submit energy efficiency program plans and funding levels for program year 2006-2008 in the coming months to meet the electric and natural gas savings goals adopted today. Future updates to these goals will be considered for the program year 2009-2011, based on updated savings potential estimates, accomplishment data, and other evaluation studies, as appropriate.

The PUC's upcoming decisions in Rulemaking 04-04-003 concerning the long-term procurement plans and 2005/2006 ongoing procurement authorizations of PG&E, Edison and SDG&E will be made in full recognition of the aggressive energy savings goals adopted today. For

the procurement plans that will be filed in 2006 and during subsequent procurement plan cycles, or for any updating to the long-term procurement plans required by the PUC before then, PG&E, SDG&E and Edison must incorporate the most recently-adopted energy savings goals into those filings. In any application or other filing in which PG&E, Edison, SDG&E, or SoCalGas present projections of supply-side resource needs, pipeline or transmission needs, propose new facilities, or otherwise utilize projections of energy demand, they must demonstrate that such filings are fully consistent with and reflect today's adopted energy savings goals, or updates to these goals as adopted by the PUC.

For more information on the PUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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