

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

PUC Launches Groundbreaking Energy Efficiency Effort

SAN FRANCISCO, Sept. 22, 2005 - The California Public Utilities Commission (PUC) today launched the most ambitious energy efficiency and conservation campaign in the history of the utility industry in the U.S. by authorizing energy efficiency plans and \$2 billion in funding for 2006-2008 for the state's utilities, reaffirming that cost-effective energy efficiency is the state's first line of defense against power shortages.

"This is the most important thing we can do for long-term [energy] reliability in the state," said Susan P. Kennedy, the Commissioner leading the efficiency proceeding. "What this plan does is help us meet our growing needs, first and foremost, with the cleanest most cost-effective energy of all – greater efficiency." PUC President Michael R. Peevey emphasized that, "\$2 billion is a significant expenditure, but the benefits clearly outweigh these costs and consumers gain in a multitude of ways. These programs will cut energy costs for homes and businesses by more than \$5 billion, eliminate the need to build three large power plants over the next three years, and reduce global warming pollution by an estimated 3.4 million tons of carbon dioxide by 2008, which is equivalent to taking about 650,000 cars off the road."

The increased funding for the plans approved today is meant to enable both residential and business customers to take more advantage of the diverse mix of energy efficiency and conservation programs throughout the state. Examples include rebates, which range from \$10 to \$600, for Energy Star™ appliances such as refrigerators, air conditioners, water heaters, and clothes washers. Central to this approach is a single application for rebate opportunities that allows customers to simply purchase and install appliances and then go online to receive an "E-rebate" or in many cases, a "point of purchase" rebate given at the store when the item is purchased. Also in the list are financing strategies, sustainable communities programs, integrated offerings to targeted markets, such as agricultural and food processing, which incorporate best practices, a variety of energy efficiency measures, design assistance and equipment rebates and online energy audits for homes and voluntary energy audits for businesses, schools, hospitals, and other buildings. The plans also include continued and new partnerships with local governments and universities and schools to help control energy costs for these groups.

Californians are also already facing a winter of the highest natural gas prices in the state's history. Natural gas prices also have a large impact on the cost of producing electricity – which is passed on to consumers. In response to this situation, the Commission

authorized the utilities to spend 2006 funding for natural gas energy efficiency programs immediately.

The approval of energy efficiency funding today is part of a larger effort by Governor Schwarzenegger, the PUC, and the California Energy Commission to secure California's energy future and reduce consumption of fossil fuels that are linked to global climate change. California is also investing in the most aggressive renewable energy program in the U.S. and developing aggressive demand response systems such as dynamic pricing. "Governor Schwarzenegger put the U.S. at the world table on climate change by signing an executive order launching the Green Building Initiative," Commissioner Kennedy said, "and today's decision provides the cornerstone of those efforts." The Governor's order directs efforts to make commercial and government buildings more energy efficient by 20 percent. With today's decision funding for the Governor's Green Building Initiative will increase to \$230 million per year – a 36 percent increase in annual funding for climate change efforts. "The combined results of all these programs is that California will be the most aggressive nation-state in the world in reducing energy usage and reducing the harmful emissions linked to global climate change," Commissioner Kennedy said.

"This decision puts into action the resource acquisition goals of the state's Energy Action Plan – namely, that energy efficiency be required first before all other resources," Commissioner Kennedy continued. "In plain English, that simply means that before our electric utilities spend a dollar to buy power in the market or build a new generation plant, they will first invest in ways to help us use energy efficiency more efficiently. As a result, California can look forward to a cleaner and more affordable energy future."

To learn more about the many ways you can participate in and benefit from the energy efficiency programs offered by Southern California Edison, Pacific Gas and Electric Company, San Diego Gas and Electric Company, and Southern California Gas Company for homes and businesses, log on to www.sce.com, www.pge.com, www.sdge.com, and www.socalgas.com, respectively.

For more information on the PUC, please visit www.cpuc.ca.gov.

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[Statement of Commissioner Susan P. Kennedy on Item 30: 2006-2008 Energy Efficiency Program Funding September 22, 2005](#)