



# California Public Utilities Commission

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## News Release

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### **CPUC BROADENS ITS ENERGY EFFICIENCY PROGRAM WITH APPROVAL OF LOW INCOME ENERGY EFFICIENCY PROGRAM EXPANSION AND WATER CONSERVATION PILOT PROGRAM**

SAN FRANCISCO, December 20, 2007 - The California Public Utilities Commission (CPUC) today adopted two decisions that continue its focus on the use of energy efficiency to meet California's energy needs. The CPUC adopted a programmatic initiative to provide all eligible customers the opportunity to participate in Low Income Energy Efficiency (LIEE) programs and to offer those who wish to participate all cost-effective energy efficiency measures in their residences by 2020. The CPUC also approved one-year pilot programs for energy utilities through which they will develop partnerships with water agencies to undertake water conservation programs.

"LIEE programs offer eligible customers free energy efficiency measures, such as water heater blankets, replacement of older refrigerators, repairs and replacement of air conditioning and furnaces, energy education, and more," said CPUC President Michael R. Peevey. "For too long these programs have been viewed as wholly separate from our mainstream programs. Today's decision sets a new course, preserving LIEE's core mission of meeting the needs of low income customers while effectively integrating these programs into the broader objectives sought through widespread deployment of energy efficiency measures."

"The state's Energy Action Plan establishes energy efficiency as our primary tool to meeting the state's energy demand," said CPUC Commissioner Dian M. Grueneich. "More than 5.5 million households qualify for utility low income programs. Our decision today will expand LIEE programs by making them available to more customers, improving their cost-effectiveness, and designing them in ways to make them a reliable energy resource."

In October 2007, the CPUC directed Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric Company to develop a single statewide comprehensive

strategic plan through 2020 for energy efficiency. Today's decision ensures the plan will address California's low income population and provide direction to the utilities on their 2009-2011 LIEE applications.

The CPUC also adopted the following policies and program guidance regarding LIEE:

- The complementary objectives of LIEE programs will be to provide an energy resource for California while concurrently providing low income customers with ways to reduce their bills and improve their quality of life.
- LIEE programs should be designed to take advantage of all cost-effective energy efficiency opportunities.
- LIEE programs should emphasize effective ways to inform customers of the benefits to themselves and their communities of conservation and energy efficiency measures, as well as the way energy efficiency promotes environmental values and reduces greenhouse gases.
- LIEE programs should be integrated with other energy efficiency programs to allow the utilities and customers to take advantage of the resources and experience of energy efficiency programs, promote economies of scale and scope, and improve program effectiveness.
- LIEE programs should take advantage of other resources, such as federally funded programs, local efforts, and the work of businesses and publicly owned utilities.

Separately, the CPUC approved one-year pilot programs for the same utilities through which they will develop partnerships with water agencies, undertake specific water conservation programs, and measure the results. Concurrently, the energy utilities will fund studies necessary to understand more accurately the relationship between water savings and the reduction of energy use, and the extent to which those reductions would vary for different water agencies.

Work to develop and implement the studies will begin January 1, 2008. The programs will run for 18 months once initiated later on in the year. The programs will consist of three phases. First, the utilities will design their programs while the CPUC retains consultants to undertake program design and evaluations. Second, the consultants will begin baseline studies and work with the utilities to ensure that the pilot programs are likely to produce useful information. Third, the utilities will implement the approved pilot programs for one year, beginning July 1, 2008. Cumulatively, the utilities will spend approximately \$6 million on this effort. The CPUC anticipates that the results of the studies and these limited pilots will inform later decisions about the incorporation of water conservation efforts in the energy efficiency programs for 2009-2011 and beyond.

“A California Energy Commission report found that water-related energy use consumes 19 percent of the state's electricity, 30 percent of its natural gas, and 88 billion gallons of diesel fuel,

per year,” said Commissioner Grueneich. “We must determine whether energy utilities can create cost-effective energy savings by encouraging water conservation.”

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