



California Public Utilities Commission
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PRESS RELEASE

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CPUC Sets New Energy Efficiency Targets to Continue California's Leadership in Energy Efficiency

SAN FRANCISCO, Aug. 28, 2025 – The California Public Utilities Commission (CPUC) today adopted new long-term energy efficiency objectives for California's investor-owned utilities to further cost-effective energy-saving programs that reduce energy use, lower costs for customers, and support California's climate and clean energy commitments.

The framework adopted today is based on the CPUC's 2025 Energy Efficiency Potential and Goals Study, which estimates the amount of cost-effective energy savings and fuel substitution that can be achieved through 2037.

These benefits are measured using a metric called Total System Benefit (TSB), which puts a dollar value on the long-term savings from energy efficiency and fuel substitution efforts. TSB values savings from reduced energy use including lower greenhouse gas emissions, and the avoided costs of electricity generation and transmission and distribution.

The statewide forecasted TSB for 2026 is \$589 million and reflects strong, cost-effective opportunities for energy savings across California.

Today's decision reflects changes in efficiency opportunities and market conditions, including growth in fuel substitution, such as switching from natural gas to electric appliances, a decline in traditional efficiency measures in industrial and agricultural sectors, and a more rigorous cost-effectiveness threshold.

These updated objectives not only guide utility programs but also play a critical role in statewide energy planning, supporting the CPUC, the California Energy Commission, and the California Independent System Operator in ensuring energy efficiency is factored into long-term resource planning.

Today's decision sets performance targets but does not establish a budget. Utilities will request funding through separate applications to the CPUC, which will determine the appropriate budgets to meet the goals.

More Information

- [Proposal Approved](#)
- [Docket Card](#) (R.25-04-010)

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