



# California Public Utilities Commission

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## News Release

FOR IMMEDIATE RELEASE

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### **PUC Approves Updated Energy Action Plan To Ensure Long-Term, Environmentally-Sound Energy Supply And Infrastructure At Reasonable Cost To Consumers**

SAN FRANCISCO, August 25, 2005 - The California Public Utilities Commission (PUC) today approved Energy Action Plan (EAP) II, building on the success of the state's unprecedented first EAP adopted in 2003, and identifying further actions necessary to meet California's future energy needs while continuing the commitment to cooperation among state agencies embodied in the original EAP. The overarching goal of the plan is for California's energy to be reliable, affordable, technologically advanced, and environmentally-sound.

"The adoption of the updated Energy Action Plan provides California with a roadmap of the actions necessary to ensure that the state meets its energy needs going forward while controlling costs, maintaining our leadership on energy efficiency and renewables, and addressing global climate change," commented PUC President Michael R. Peevey.

EAP II highlights the importance of taking actions in the near term to mitigate California's contributions to climate change from the electricity and natural gas sectors. In addition, the plan expands the scope of the original EAP to describe research, development and demonstration activities (RD&D) that are critical to realizing the state's energy goals.

"I am particularly pleased that the updated Energy Action Plan outlines key actions to mitigate climate change, because it demonstrates the energy agencies' strong support for Governor Schwarzenegger's recently announced goals to reduce greenhouse gas emissions," said Commissioner Dian M. Grueneich.

EAP II, drafted in a coordinated effort with the California Energy Commission (CEC), continues the strong support for the loading order – endorsed by Governor Schwarzenegger – that describes the priority sequence for actions to address increasing energy needs. The loading order identifies energy efficiency and demand response as the State's preferred means of meeting growing

energy needs. After cost-effective efficiency and demand response, the state relies on renewable sources of power and distributed generation, including combined heat and power applications. To the extent efficiency, demand response, renewable resources, and distributed generation are unable to satisfy increasing energy and capacity needs, clean and efficient fossil-fired generation is supported.

Concurrently, the bulk electricity transmission grid and distribution facility infrastructure will be improved to support growing demand centers and the interconnection of new generation, both on the utility and customer side of the meter.

Continuing to build on the concepts in the original EAP, the plan approved today supports reducing consumption of electricity and diversifying electricity generation resources to reduce natural gas demand and lower consumers' bills. EAP II calls for promoting infrastructure enhancements, such as additional pipeline and storage capacity, diversifying supply and storage sources, including liquefied natural gas (LNG), and electric efficiency programs and standards to reduce the reliance on natural gas for various end uses.

The EAP is intended as an implementation roadmap for all of California. While some of the electricity and natural gas actions are described in the context of the investor-owned utilities, in general they should be seen as applying equally to all load serving entities, such as customer-owned utilities and energy service providers.

EAP II was developed over several months of work between the CEC and PUC with input from a broad range of state government, including the Business, Transportation, and Housing Agency; the Resources Agency; the State and Consumer Services Agency; the California Independent System Operator; and the California Environmental Protection Agency. In addition, EAP II was the subject of a public hearing in June and the plan went through two rounds of public comment and input from a broad range of participants in California's energy industry and various consumer groups.

The next step for EAP II is the preparation of a workplan that ascribes responsibility for each key action item, determines the specific roles that will be played by each agency, and develops a timeline that ensures prompt agency action.

The next joint meeting on EAP II is Monday, September 12, 2005, from 10 a.m. to 3 p.m. at the CEC offices at 1516 Ninth St., Sacramento.

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

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