

**California Public Utilities Commission**  
**505 Van Ness Ave., San Francisco**

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Media Contact: Terrie Prosper, 415.703.1366, [news@cpuc.ca.gov](mailto:news@cpuc.ca.gov)

**PRESS RELEASE**

Docket #: R.09-11-014

**CPUC GIVES GUIDANCE TO UTILITIES TO STRENGTHEN ENERGY  
EFFICIENCY PROGRAMS AND ACHIEVE DEEPER ENERGY SAVINGS**

SAN FRANCISCO, May 10, 2012 - The California Public Utilities Commission (CPUC) today provided multiple forms of guidance to the state's investor-owned utilities to help establish energy efficiency programs and budgets for 2013 and 2014 and begin a transition away from short-lived energy savings and towards deeper retrofits.

Today's decision identifies what is working well in the energy efficiency market and builds upon it, removing what is not working well and modifying programs that have merit but are not realizing full consumer benefit. The investor-owned utilities will construct a portfolio of energy efficiency measures using this guidance and present their plans to the CPUC on July 2, 2012. The CPUC will then review and ultimately approve a portfolio of energy efficiency programs and measures for 2013-2014.

Highlights of today's decision include:

- Transitions away from individual efficiency measures with relatively short design lives towards a more comprehensive suite of measures that are characterized by deeper, longer-lasting savings.
- Instructs investor-owned utilities to develop more aggressive yet realistic programs that will help overcome the financial hurdle of making energy efficiency investments and encourages more private capital providers to offer loans at low rates to help consumers invest in energy efficiency.
- Reduces the number and complexity of energy efficiency programs and places a greater emphasis on local governments and third-party contracts in energy efficiency.
- Requires utilities to file applications for statewide marketing, education, and outreach activities for all demand-side programs including energy efficiency, demand response, distributed generation, and low income energy efficiency programs.

- Provides guidance to make Energy Upgrade California the state's flag-ship energy efficiency program, including providing incentives as a way to signal the state's commitment to retrofits and upgrades.
- Streamlines how the CPUC evaluates program effectiveness and updates key parameters related to avoided cost and energy savings. As the utilities design their programs, they may have a suggestion that they think will be in the best interest of their customers but might run counter to some of the guidance given in the decision. Therefore, the utilities may file an additional program portfolio proposal of their choosing for the CPUC's consideration that includes a detailed summary of the differences between the two portfolio scenarios and an explicit discussion of the rationale for each area in which the two portfolios differ.
- Provides guidance on lighting, appliance recycling, HVAC, and other key program areas.

"A major goal of today's guidance decision is to transition towards comprehensive measures that offer long-lasting savings. For example, shifting from an over-emphasis on distributing compact florescent light bulbs, towards encouraging deep retrofits in existing inefficient buildings," said Commissioner Mark J. Ferron. "We recognize that we need new strategies to leverage the public dollar to accomplish continued savings, and the decision encourages the design and implementation of new financing options that will create significant long-term energy savings."

"Cost-effective energy efficiency is the state's least expensive and most environmental resource, as well as the first line of defense against power shortages, which we established in the state's Energy Action Plan" said CPUC President Michael R. Peevey. "California has proven itself a leader in energy efficiency and today's decision continues and deepens our commitment to reducing overall energy consumption and protecting the environment."

Added Commissioner Timothy Alan Simon, "Highly productive use of energy has enabled California to sustain higher economic growth while using less energy than the rest of the U.S. While cost savings from the existing energy efficiency programs were in the right direction, today's decision attempts to move towards more cost-effective energy efficiency guidance to utilities. The decision touches on many desirable areas and I am particularly pleased to see dialogues on third-party programs, local government engagement, requirements for using community and faith-based organizations, ethnic media, and workforce education and training."

Said Commissioner Catherine J.K. Sandoval, "This decision positively focuses on longer term transformational savings rather than just short-lived savings. It requires broader use of communication channels to target hard to reach populations. As a step in the right direction, it

requires utilities to address treatment of contractor training and certification that not only promotes safety but real energy efficiency savings.”

The proposal voted on is available at

[http://docs.cpuc.ca.gov/WORD\\_PDF/AGENDA\\_DECISION/165820.pdf](http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/165820.pdf).

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

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