



California Public Utilities Commission

Power Saver Rewards (PSR) – Fact sheet



Background

The California Public Utilities Commission (CPUC) is a government agency that regulates private investor-owned utilities (IOUs) in California. In 2021, the CPUC created a 4-year pilot program, called Power Saver Rewards (PSR) to be launched in May 2022 and designed to make the electric grid more resilient during hot summer days when demand for electricity is extremely high. Residential customers of IOUs and Community Choice Aggregators (CCAs) are eligible to participate in PSR. PSR builds on the success of other demand response programs by allowing participants to easily earn bill credits during periods of high electric demand.

What is demand response?

Demand response (DR) is an approach to grid management where electricity customers are enticed to either reduce their energy use when the grid is stressed, or to shift their use to a different time of the day. Customers who participate in demand response typically do so because they can earn financial rewards while helping to support California's ambitious clean energy goals.

What is Power Saver Rewards (PSR)?

PSR is a new statewide pilot program that provides financial incentives to residential customers who reduce their electricity use when asked by their electric utility – customers can earn bill credits at the rate of \$2 for every kWh of energy saved. The program will be managed cooperatively by the state's three principal IOUs: San Diego Gas & Electric, Southern California Edison, and Pacific Gas & Electric.

PSR is meant to be used as an emergency measure when the electricity supply may fall short of unexpectedly high demand for electricity. This is most likely to happen during exceptional heat waves in the late afternoons and evenings, when millions of Californians come home and turn on their home air conditioners.

Who is eligible to participate in PSR?

Most California households served by IOUs and most CCAs, and not already enrolled in another DR program, can earn bill credits by participating in PSR events called to help mitigate stress on the power grid.

Many eligible residential customers will be automatically enrolled in PSR by their IOU. If you fall into any of these groups and you are otherwise eligible, you will automatically be eligible to receive PSR bill credits:

- Pacific Gas & Electric customers who receive Home Energy Reports
- Southern California Edison customers who regularly have high electricity usage and have previously consented to receive emails.
- San Diego Gas & Electric customers who receive Home Energy Reports
- Income-qualified customers of all utilities who receive reduced-price electric service through either California Alternative Rates for Energy (CARE) or Family Electric Rate Assistance (FERA)

If you would like to opt in to receiving PSR bill credits, or if you have questions about your eligibility, check out saveourpower.org or contact your utility's customer service department



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I may have been automatically enrolled in PSR. Will this increase my electric bill?

No. Your electricity rates will not change because you are enrolled in PSR. If you choose to participate in PSR events by reducing your electricity usage during the requested times, a payment will be applied to your bill that reflects the size of your reduction.

There will be no penalty and your electric bill will not increase if you choose to not participate in a PSR event after you are enrolled in the program.

How much can I save on my bill by participating in PSR?

Each enrolled customer will receive a payment of \$2 for each kilowatt-hour of reduction in energy usage relative to their normal usage. Your normal usage is calculated using a formula that considers how much electricity you used during the days prior to a PSR event. For a more detailed description, refer to your utility's PSR website which is linked at the end of this document.

What does all of this mean to a residential electric customer? Here is an example:

- On most days Mary comes home at 4PM and turns on the air conditioning, does the laundry, and charges her electric vehicle.
- On Wednesday, Mary receives a text message from her utility telling her that Thursday afternoon from 4-9PM will be a PSR event.
- On the day of the event, Mary comes home at 4PM and turns on her ceiling fans but leaves her air conditioning off. She decides to wait until the evening to do the laundry. She didn't drive very much that day, so decides to skip charging her car until Friday night.
- Mary is paid \$2 per hour from 4-9PM for each kilowatt of electricity that she would have normally used to cool her home, wash and dry her laundry, and charge her car.

How much energy is a kilowatt-hour?

A kilowatt-hour is the amount of electricity used by a 1,000 watt appliance that is running consistently for one hour. To put that into perspective, here are some household appliances and how much power they might use:

- Electric clothes dryer: 2,000-5,000 watts
- 3 ton air conditioner: 3,000-5,000 watts
- 2 horsepower pool pump: about 1,500 watts
- Electric range: 2,000-5,000 watts
- High-power home electric vehicle charger: up to 20,000 watts

How will I be notified of a PSR event?

Customers will be notified the day before a PSR event. Notifications may come in many different forms. News reports and public service announcements will help to get the message out statewide. If you have given your utility permission to send you email or text notifications, they may also notify you directly about upcoming PSR events. More information about registering for notifications can be found on the utility PSR websites linked at the end of this fact sheet.



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When the grid is stressed, who is responsible for authorizing a PSR event?

PSR events are called by each of the IOUs, but they are only authorized after a Flex Alert is issued by the California Independent System Operator (CAISO). CAISO manages the electricity grid for most of California and works closely with the three large IOUs to ensure that Californians have reliable access to electricity.

When a PSR event is called in response to a statewide FlexAlert issued by CAISO, PSR participants will be alerted of the event through Flex Alert media announcements and alert messages from your utility, assuming you authorize the utility to send you PSR related messages.

Will PSR events be frequent?

PSR events are called as a last resort, in order to relieve stress on the grid. This will typically happen during hot summer afternoons, but it could also happen during grid emergencies such as unexpected outages of power plants and high-voltage transmission lines. These are all uncommon situations, but with summer temperatures continuing to increase in recent years PSR events may be more common in the short-term future.

Between 2010 and 2020, CAISO declared a cumulative total of eight grid emergencies that would have triggered PSR events. In 2021, before PSR had been launched, there were four such events. Summers in coming years may be even hotter than 2021. Californians are working hard to get more renewable energy sources online, while demand for electricity also continues to increase across the state.

I am on an income-qualified CARE or FERA rate plan now. Will my bill change if I participate in PSR?

Your normal electricity rates will not change. However, you will be automatically enrolled in PSR so that you can earn payments for reducing your use during PSR events. These payments will appear as credits on your normal bill. **You will never be penalized or charged more than your normal rate if you choose to not participate in a PSR event.**

I am struggling to afford my electric bill. Is there any help available?

If you are an electric utility customer in California whose household income is less than 250% of the federal poverty rate, you may qualify for a reduction in your electric bill. Contact your utility to find out if you are eligible. These reduced rates are available to all income-qualified customers who live in California without regard to race, color, creed, religion, national origin, ancestry, sex, gender, age, disability, veteran status, citizenship, or any other protected class.

What if I later decide that I want to leave PSR?

Keep in mind that customers will never be penalized or be required to pay more than their normal rate for electricity because of their enrollment in PSR. However, you may simply contact your electric utility and tell them that you wish to opt out of PSR. This can also be done online, using the utility PSR websites linked at the end of this fact sheet.

If you decide to enroll in a different demand response program, there is no action needed on your part – the utility will automatically remove you from PSR when you enroll in the new program.



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What are the benefits of PSR?

Participating in PSR events helps to ensure grid reliability during electric emergencies. By participating, you can help to avoid emergency rolling outages in your area. You can also earn payments for reducing your use, which will be applied to your utility bill.

I am already enrolled in another demand response program. Can I also sign up for PSR?

Customers are not permitted to receive payments from two different programs for the same reduction in electricity use. If you are not sure whether you are eligible for PSR, contact your utility's customer service department.

How can I find out about other ways to lower my electric bill while helping to reduce pollution?

CAISO and California's IOUs work together to maximize the use of renewable energy and to minimize the use of fossil fuel generation wherever possible. Sometimes that means encouraging customers to shift their heavy electricity use to the hours when California's millions of solar panels are generating at their full capacity. If you would like to learn more about programs that may help you save money while reducing fossil fuel use, browse for "demand response" on the website of your utility or the CPUC.

What are some ways that I can reduce my electricity use during a PSR event?

In many homes, air conditioning equipment is the biggest user of electricity. When a PSR event is called, you can reduce your use by either turning off the A/C or by setting the thermostat to a higher temperature. If you live in a home with multiple air conditioners, you may want to consider turning off the A/C in part of the house. Of course the health of the members of your household is the most important consideration, so if anyone in your home is vulnerable to warmer temperatures you should continue to operate the air conditioning as necessary to protect their health and safety.

Other ways that you can reduce your use during PSR events include:

- Delaying the use of dishwashers and laundry equipment until after the event ends
- If you are safely able, turn off pool and spa equipment
- Turn off unnecessary lights
- If you have an electric water heater, wait until the evening to shower
- Avoid charging electric vehicles

This all seems very complicated. Why doesn't California just build more electric generation capacity?

California nearly doubled its industrial-scale solar electricity generating capacity between 2015 and 2020. At the end of 2020, the state had 15.7 gigawatts of solar generating capacity. By comparison, California's nuclear power plant has a generating capacity of about 2.3 gigawatts. California will continue to develop clean energy sources that produce low-cost electricity for homes and businesses. But demand for electricity is also rapidly increasing in the state. Hotter summers, rapid adoption of electric vehicles, and shifts away from fossil fuel use in homes are all driving an increased need for electricity. California is leading the country with a massive transition to zero-emission energy, and we will continue to be a leader in developing and adopting revolutionary energy technologies.



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I have solar panels and battery storage at my home. How can I participate?

Contact your utility to enroll your battery storage in other demand response programs offered by the utility.

I know someone who would like to participate in PSR, but they don't speak English well. Is information available in other languages?

The IOUs have information about residential PSR available in a variety of languages. Contact your utility to see if they can help.

Utility PSR websites

California's three big IOUs each have their own PSR website. If you receive your electric bill from a CCA, you may still be eligible to enroll through the IOU that serves your area.

- **Pacific Gas & Electric** powersaver.pge.com
- **Southern California Edison** powersaver.sce.com
- **San Diego Gas & Electric** sdge.com/powersaver