



# Energy Efficiency (EE) – FACT SHEET

## Programs to Save Energy 2018

---

### What are the State’s Energy Efficiency Activities?

The Energy Commission, in consultation with the CPUC and local publicly owned electric utilities, are required to develop a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings. Additionally, the Energy Commission must establish targets for statewide annual energy efficiency savings and demand reduction for the next 10-year period.

The measurements, a program, or a portfolio of programs can be analyzed to determine cost-effectiveness. The CPUC reviews utility programs at the portfolio level, so collectively the programs must be cost-effective. Cost-effectiveness tests assess whether the dollar value associated with the saved energy is greater than the implementation costs. In other words, the benefits of the program must outweigh the costs.

### Key Program Details

There are multiple ways by which customers in California participate in these ratepayer-funded programs:

- The investor-owned utilities (IOUs) have statewide and individual programs.
- Private sector companies called “third party implementers” often run programs.
- Select counties participate in two regional energy networks (RENs) to deliver programs for hard-to-reach populations (examples include BayREN, and Southern California Regional Energy Network, SoCalREN).
- Community Choice Aggregators (CCAs) offer programs in their territories.
- Local governments partner with IOUs to offer programs (for example, dual energy and water saving).

Different programs deliver energy efficiency to the sectors below:

- Agricultural
- Commercial
- Industrial
- Residential





The programs offer customers energy efficiency measures, which are technologies or processes<sup>1</sup> that lead to energy savings. To determine the energy savings associated with each measure, the IOUs and CPUC staff must use engineering and other forms of technical analysis to create the assumptions of that measure's savings potential and what energy source that measure is replacing.

### **Progress toward Senate Bill 350 goals**

SB 350 (de Leon, 2015) requires the Energy Commission, in collaboration with the CPUC and local publicly owned electric utilities, to establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a doubling of statewide energy efficiency savings in electricity and natural gas final end uses by January 1, 2030. The Energy Commission and CPUC are currently collaborating on setting targets for SB 350 efficiency goals.

---

<sup>1</sup> Examples of energy efficiency measures include upgrading appliances such as air conditioning, improving home insulation or sealing leaky ducts.

