



Ensuring the Promise of Energy Efficiency in California

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California Public Utilities Commission

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Energy Efficiency and Procurement



“Loading Order” for Electric Resource Procurement:

1. Energy efficiency
2. Demand response
3. Distributed generation
4. Renewable generation
5. Cleanest available fossil resources

Utilities must demonstrate consistency with loading order when filing their Procurement Plans

Unlocking The Efficiency Resource



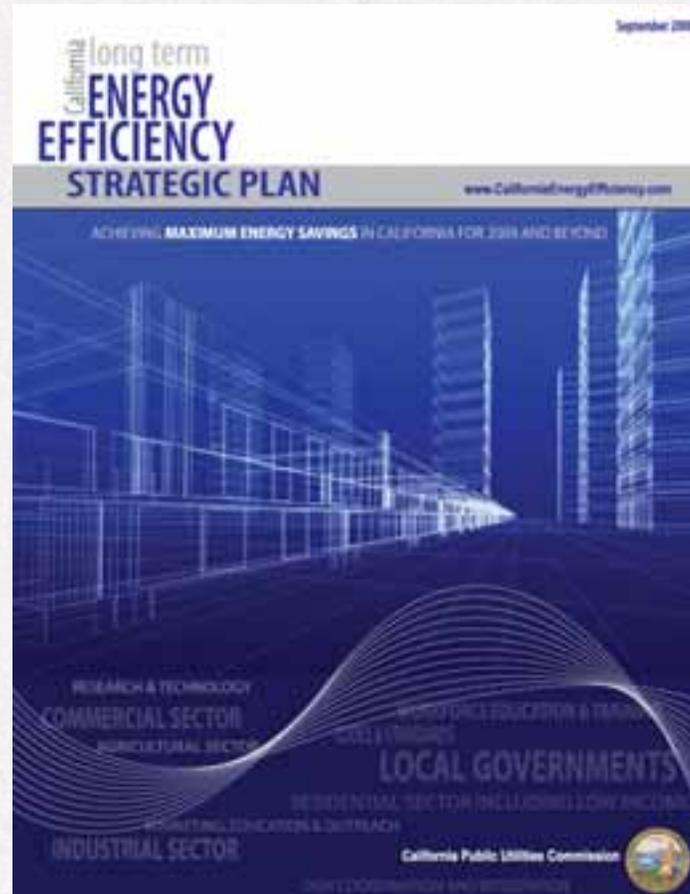
- **Clear Policy**
 - Efficiency linked to resource planning through specific annual and cumulative savings goals
- **Firm Standards**
 - Building and Appliance Standards in step with utility programs
- **Adequate Financial Mechanisms and Funding**
 - Decoupling sales from revenues; Performance incentives
- **Evaluation Measurement and Verification**
 - Independent analysis of achievements

California Efficiency Goals



- **30,000 GWh by 2020**
 - Scoping Plan to AB 32, California's Global Warming Solutions Act of 2006.
- **Zero Net Energy**
 - All new residential homes by 2020, Commercial by 2030
- **Energy Efficiency Retrofits**
 - Energy consumption in existing homes will be reduced by 20% by 2015 and 40% by 2020
- **Low Income Energy Efficiency**
 - All eligible low income households will benefit from LIEE program offerings by 2020.

The California Long Term Energy Efficiency Strategic Plan



www.CaliforniaEnergyEfficiency.com

Goals Example: COMMERCIAL



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|----|---|---|---|
| 1. | New construction will increasingly embrace zero net energy performance including clean, on-site distributed generation, reaching 100 percent penetration of new starts in 2030. | → | An increasing percentage of the 50-120 million sq. ft./ year of new commercial construction will be progressively more efficient; all new construction ZNE by 2030. |
| 2. | 50% existing buildings equivalent to ZNE buildings by 2030 through deep efficiency & clean DG. | → | 250 million square feet (1/20th of existing space) per year through 2030 reach deep levels of energy efficiency improvements through whole building approaches. |
| 3. | Commercial lighting will transform to high-efficiency, high-performance technologies, pushed by state & national codes and standards. | → | Utilities will phase out mass market CFL bulb promotions, shifting focus to new technologies & innovations to long-life solutions & higher consumer uptake. |

Following Through with the Plan



- **2010-2012 Utility Programs**
 - Decision issued September, 2009
 - Available at: www.CaliforniaEnergyEfficiency.com
 - Approves \$2.9 billion of ratepayer-support over 3 years
 - Establishes 12 statewide programs
 - Launches broad-scale residential retrofit initiative (20% savings in 130,00 homes by 2012)
 - Refreshes California's approach to capturing savings in lighting
- **EE Web Portal**
- **Statewide Branding Effort**

Key Elements of Successful EM&V



- **Timing**
 - Evaluation must inform decision-making on a relevant timescale
- **Simplicity**
 - Evaluation must be understood by non-expert audiences
- **Transparency**
 - Transparency supports credibility and dispute resolution.
- **Objectivity**
 - Independence is essential, particularly when money is at stake.