



2009 Summary of Energy Efficiency in California's Public Power Sector

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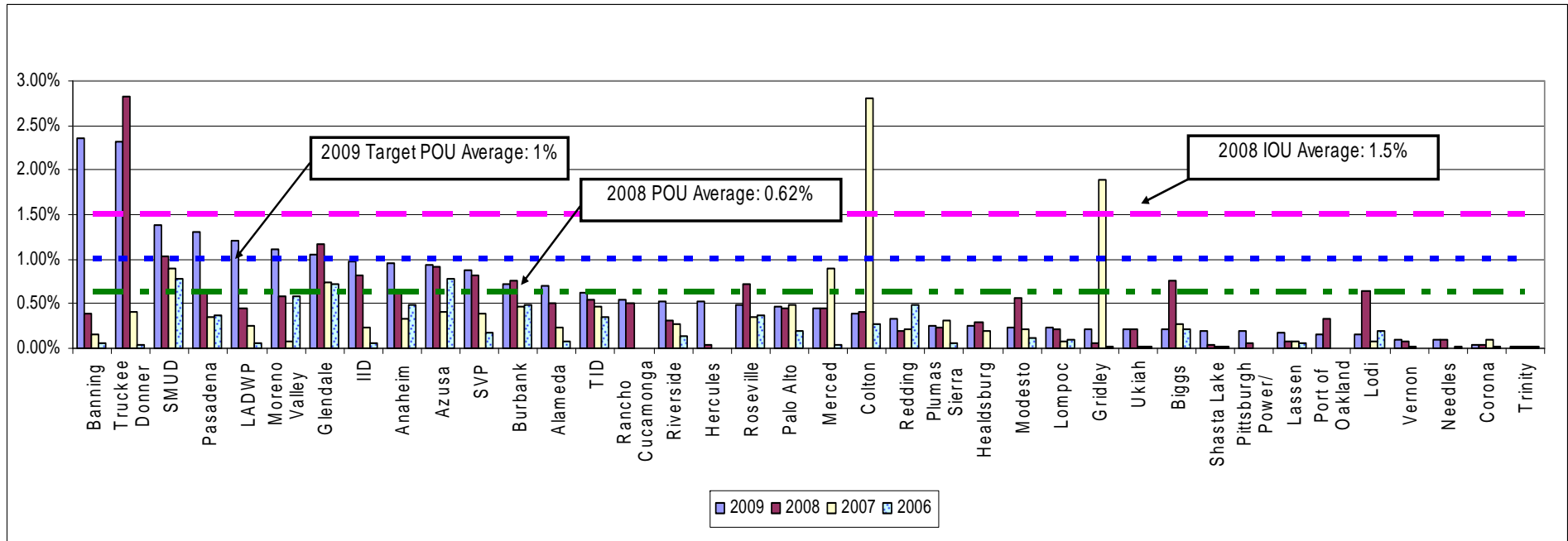
Energy Efficiency (EE) Legislation

- **SB 1037 (Kehoe) - 2005**
 - Requires utilities to report annually on efficiency investments and savings
 - Codifies loading order to require EE as first procurement resource
- **AB 2021 (Levine) - 2006**
 - Utilities must set EE targets every 3 years
 - Requires independent evaluation of EE programs
 - CEC required to set annual statewide targets and provide an assessment of utility achievements

SB 1037 Report Summary for 2009

- POU's in aggregate doubled energy savings and saved customers nearly \$400 million since 2006
- Many POU's met or exceeded their 2008 targets
- Estimated \$3 benefit to every \$1 of investment
- Increased collaboration to share best practices

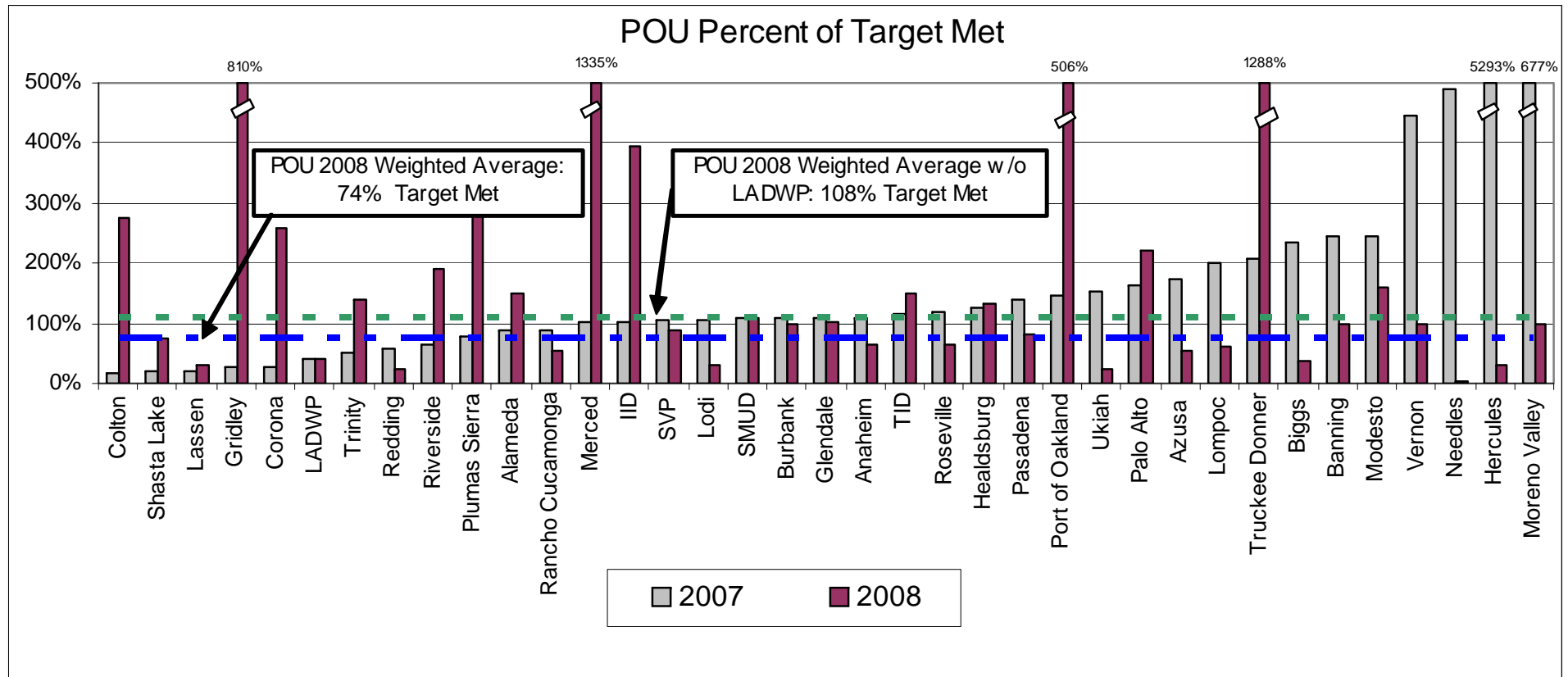
Status of POU Energy Efficiency Savings



Source: NRDC letter to CMUA regarding *Energy Efficiency in California's Public Power Sector* (June 2009)

- Aggressive energy efficiency savings is at least 1% of sales
- POU's show continued progress, but still need to increase savings

Percentage of Targets Met

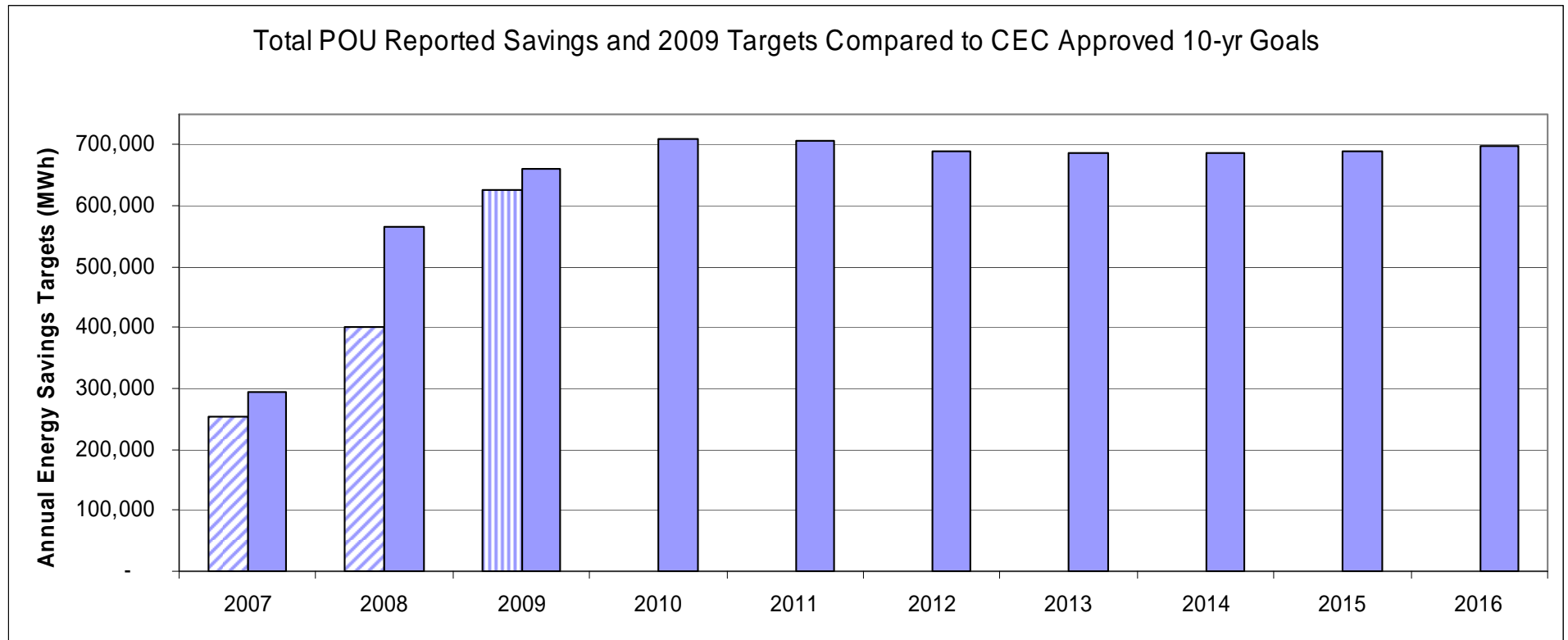


Source: NRDC letter to CMUA regarding *Energy Efficiency in California's Public Power Sector* (June 2009)

- Compared 2008 EE targets to 2008 EE reported savings
- 12 POU's fell short of their target (<90%)
- 25 POU's met or exceeded target



Energy Efficiency Goals

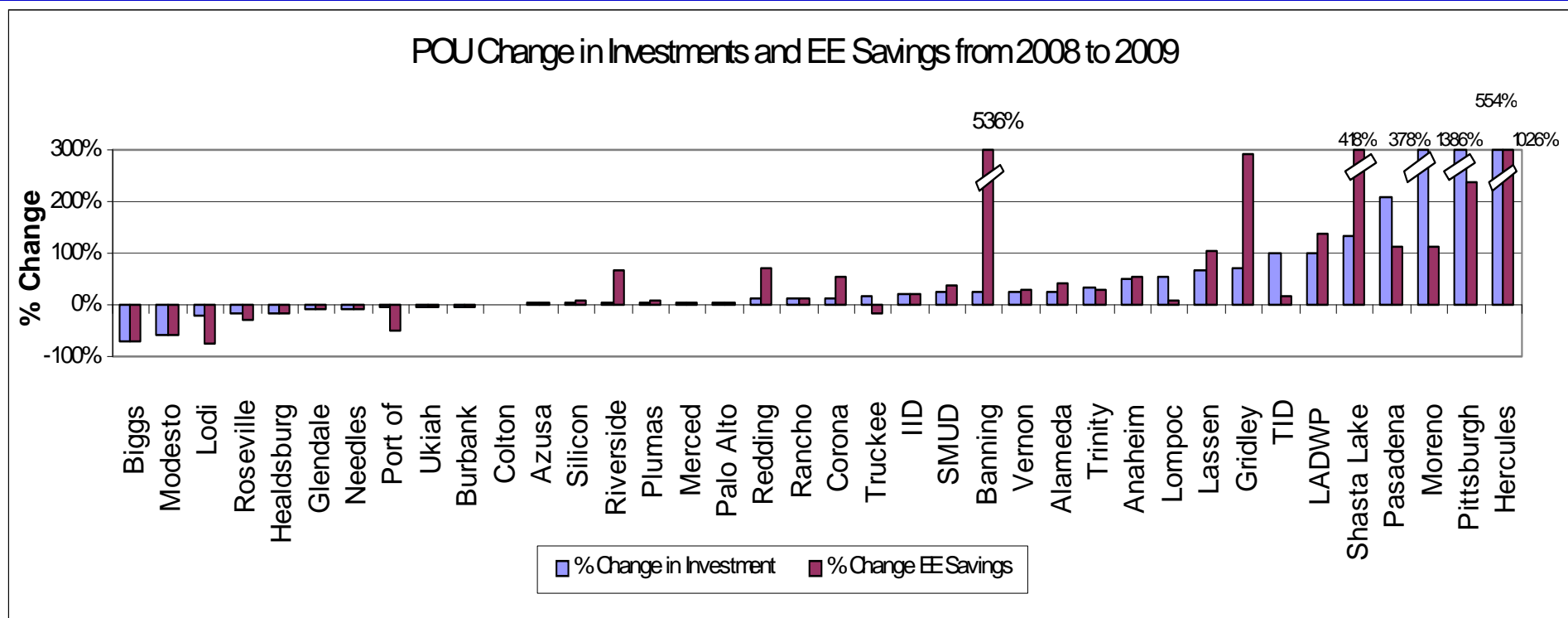


Source: NRDC letter to CMUA regarding *Energy Efficiency in California's Public Power Sector* (June 2009)

Diagonal stripes: reported 2007 and 2008 savings (CMUA SB 1037 Reports); vertical stripes: 2009 target (2009 CMUA SB 1037 Report); solid bar: 10-yr goals (AB 2021 Report)

- Planned savings do not meet their own 2009 goals
- Need to increase savings approximately 60% to reach 2009 goals
- POUs must reach savings targets for CA to meet AB 32 goals

Investments in Energy Efficiency



Source: NRDC letter to CMUA regarding *Energy Efficiency in California's Public Power Sector* (June 2009)

- Significant investments are required to meet aggressive targets
- Much cost effective EE remains
- Capturing EE potential may require decoupling revenues from sales



Independent Evaluation

- Critical to ensure EE is depended on as a resource
- Informs the development of effective EE programs
- Most POUs have evaluation plans
- 10 POUs conducted studies as of September 2009
- Need ***all*** POUs to have studies for next report

POU Next Steps

- Integrate efficiency into resource planning
- Expand collaboration with stakeholders
- Provide additional detail on assumptions
- Incorporate additional metrics into report
- Enhance the current target setting process
- Expand portfolios to capture full potential