Status of California's Public Power Energy Efficiency Efforts

Natural Resources Defense Council

August, 2011

Overview

- Energy efficiency legislation
- Public power progress
- New energy saving targets
- Recommendations for expanding efficiency

Publicly Owned Utility (POU) EE Legislation

- SB 1037 (Kehoe) – 2005
  - Requires annual reports on EE investments & savings
  - Codifies energy loading order
- AB 2021(Levine) – 2006
  - EE targets every 3 years & independent evaluation
  - EE investments treated the same as other resources
- AB 1890 (Brulte) – 1996: updated in 2000
  - Requires utilities to collect charge to fund programs
  - Sets minimum investment level for POUs

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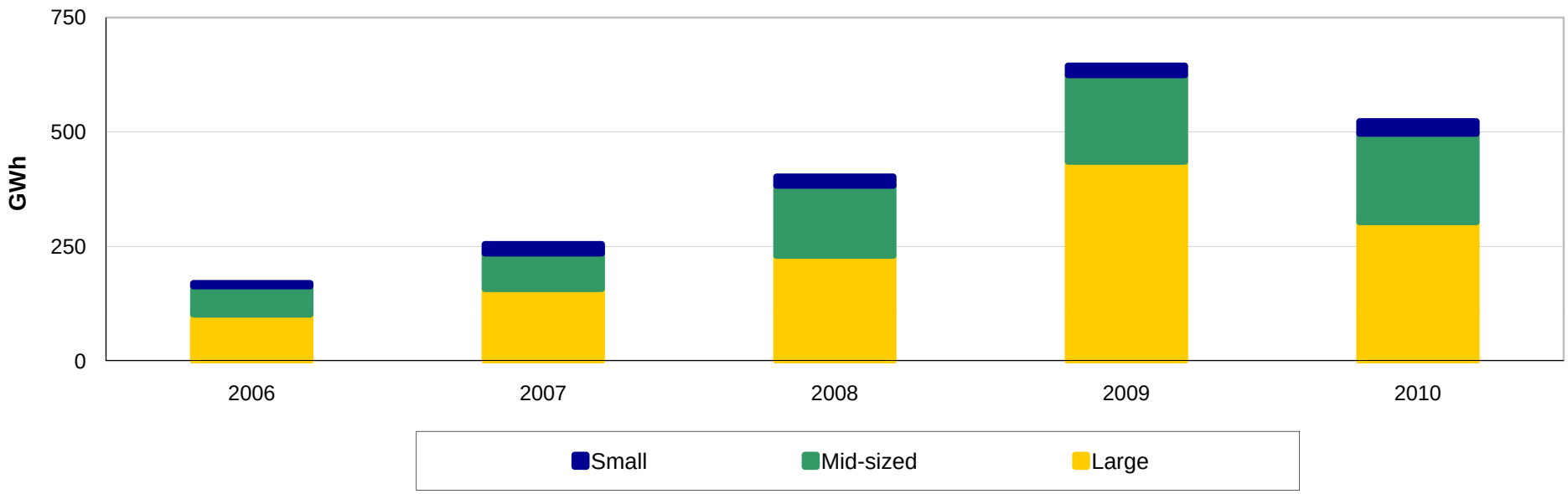
Public Power Progress – Energy Savings



Source: 2006-2011 Status Reports

Since 2006, programs:

- Saved customers more than $1 billion
- Tripled energy savings
- Reduced emissions equivalent to more than 200,000 cars
- Provided $3 of benefit for every $1 invested

****savings are self-reported by POUs****

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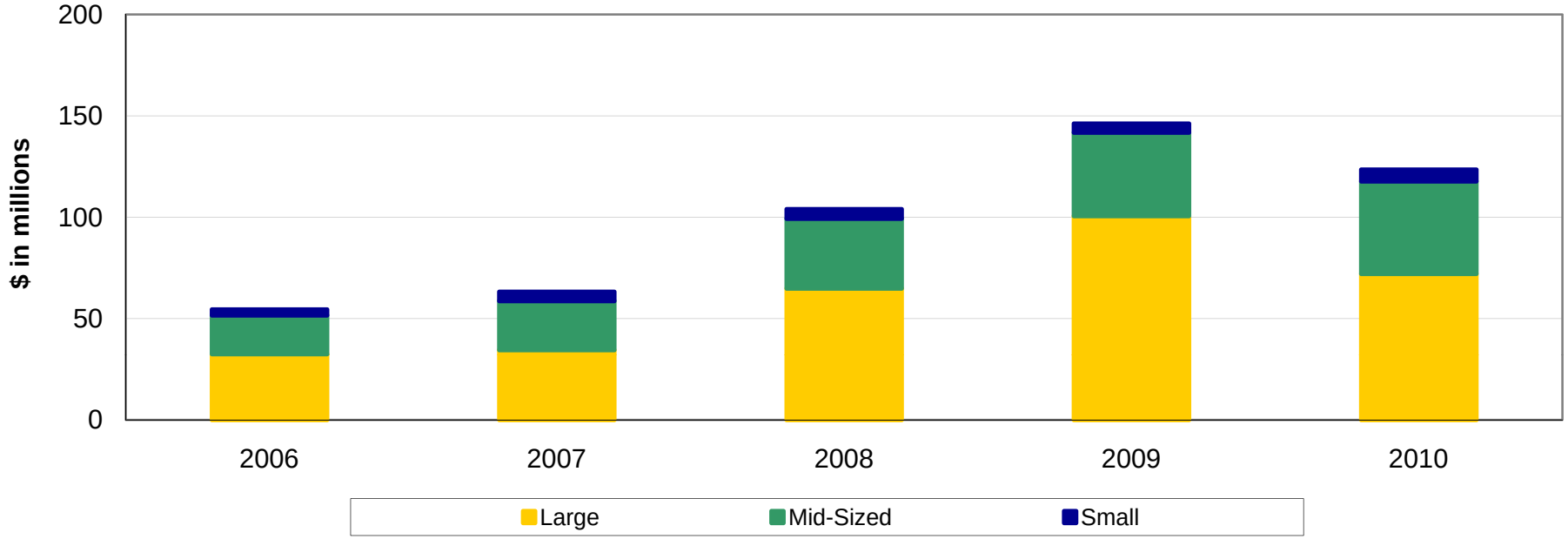
Public Power Progress – Investments



Source: 2006-2011 Status Reports

Since 2006:

- Funding doubled, driving increased savings
- Investments are greater than all utilities made in Texas
- Approaching aggressive levels of efficiency investment

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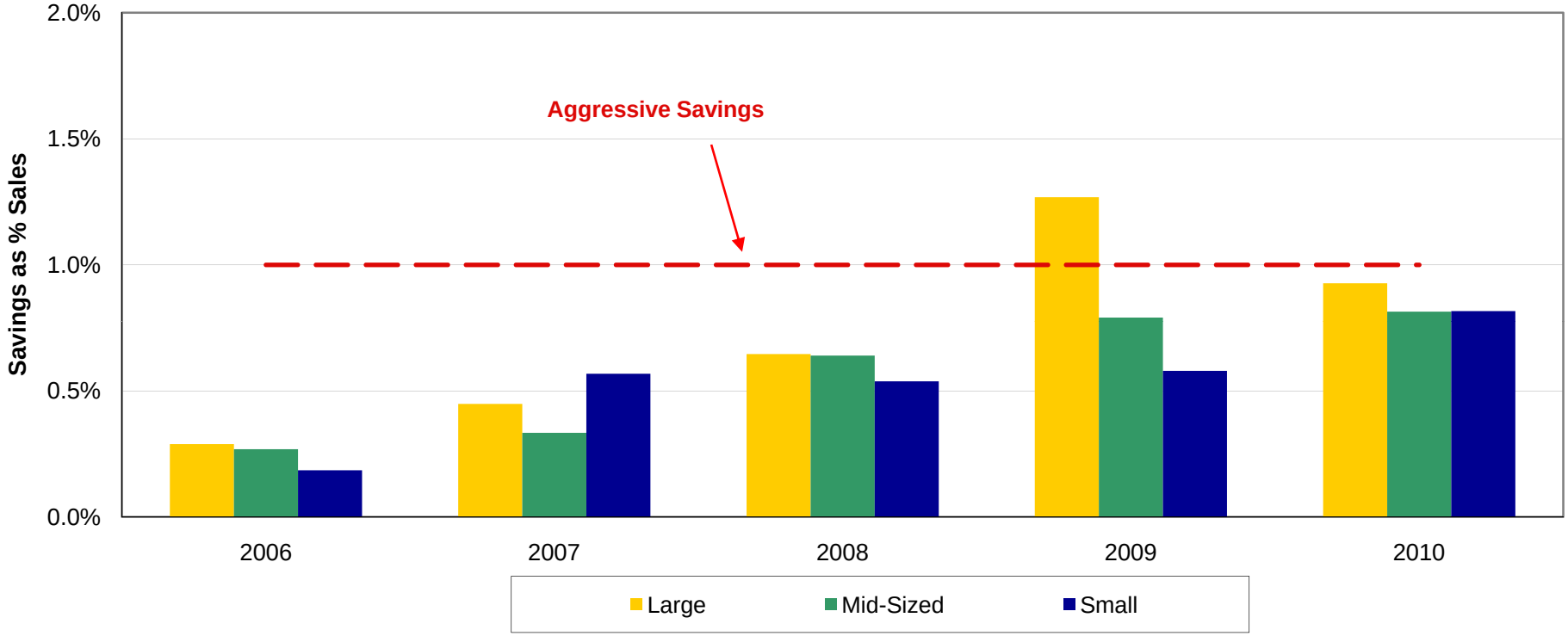
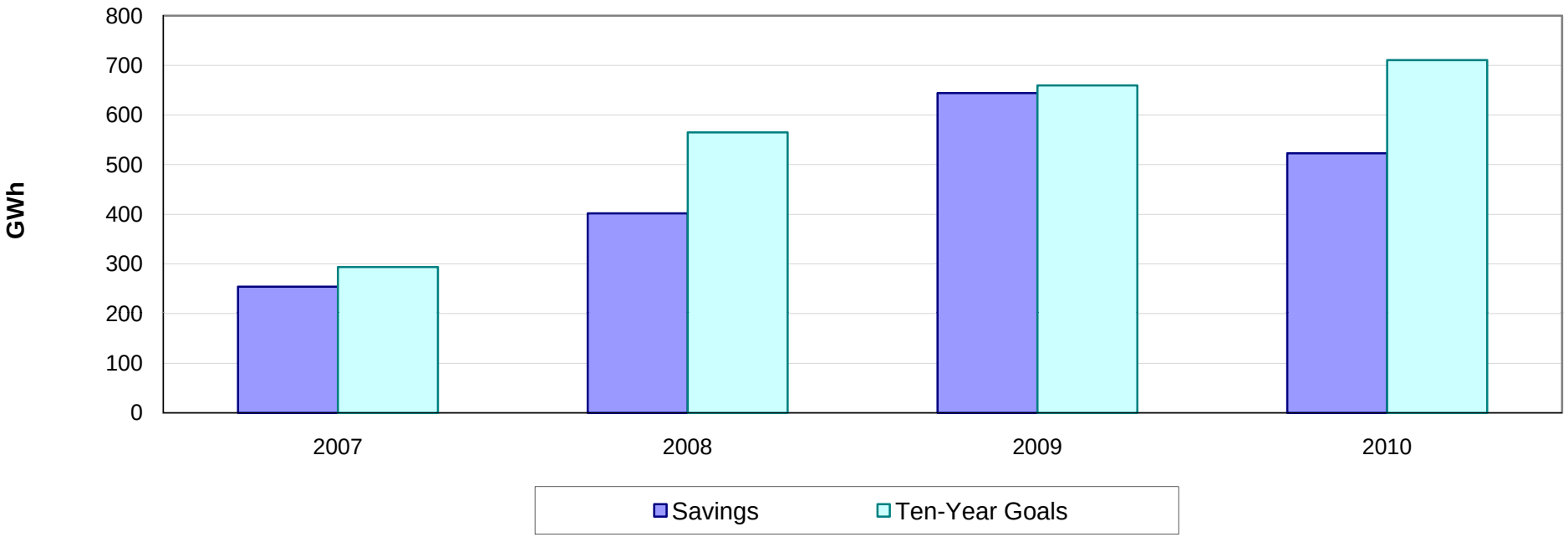
Savings as a Percent of Electricity Sales



- POUs are approaching aggressive levels of savings
- Only 8 individual POUs exceeded 1% of sales in 2010

****savings are self-reported by POUs****

Savings Compared to Targets Set in 2007



- Aggregate POUs nearly met the 2009 energy saving goals, but only met 74% of their 2010 targets (w/o LADWP they met 94%)
- About half of the individual POUs met or exceeded their targets, with the same amount falling short of 2010 targets

****savings are self-reported by POUs****

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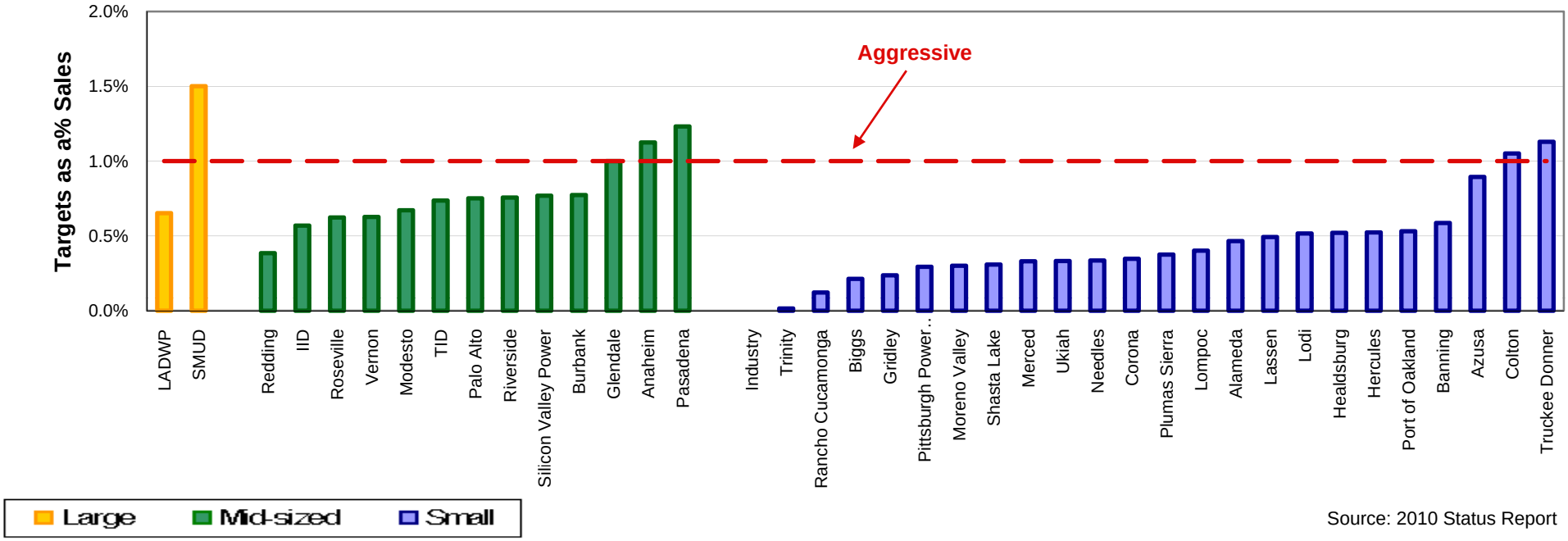
New POU Annual Average Ten-Year Targets



Source: 2010 Status Report

- Reduce emissions equivalent to about 570,000 cars
- Provide about $2.6 billion in estimated net benefits
- Avoid the need to build two large power plants
- Only 7 POUs reach 1% of sales at some point

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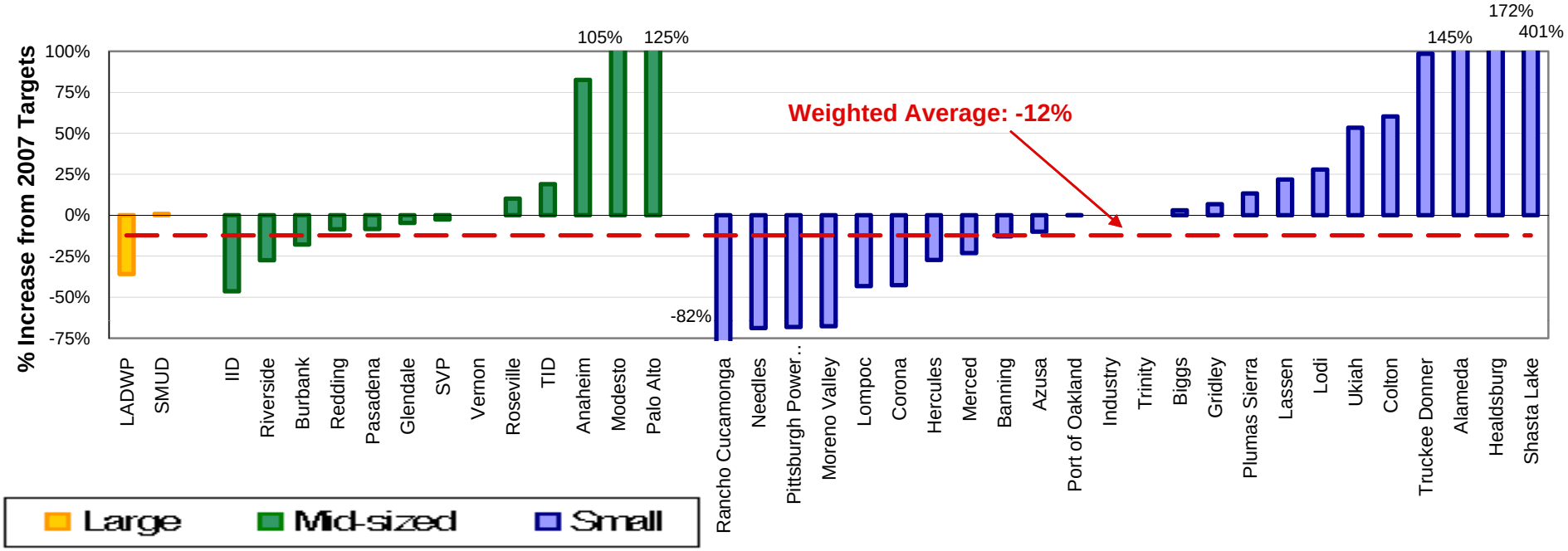
New Ten-Year Targets Compared to Previous



Sources: 2007 Targets and CEC AB 2021 Reports; 2010 Status Report

- POUs in aggregate decreased targets by 12% compared to 2007 (w/o LADWP, they slightly increased)
- Half of the POUs *decreased* their targets
- Six POUs nearly doubled or doubled targets
- Uncertain what modifications were done to model

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Next Steps for California's POUs

- Set higher targets (including demand) and expand portfolios to capture full energy savings potential
- Treat efficiency as the top energy resource by integrating efficiency into resource planning in order to fully fund aggressive levels of efficiency
- Enhance the target setting process and provide additional detail on assumptions used and/or modified for setting targets
- Ensure robust evaluation plans and studies

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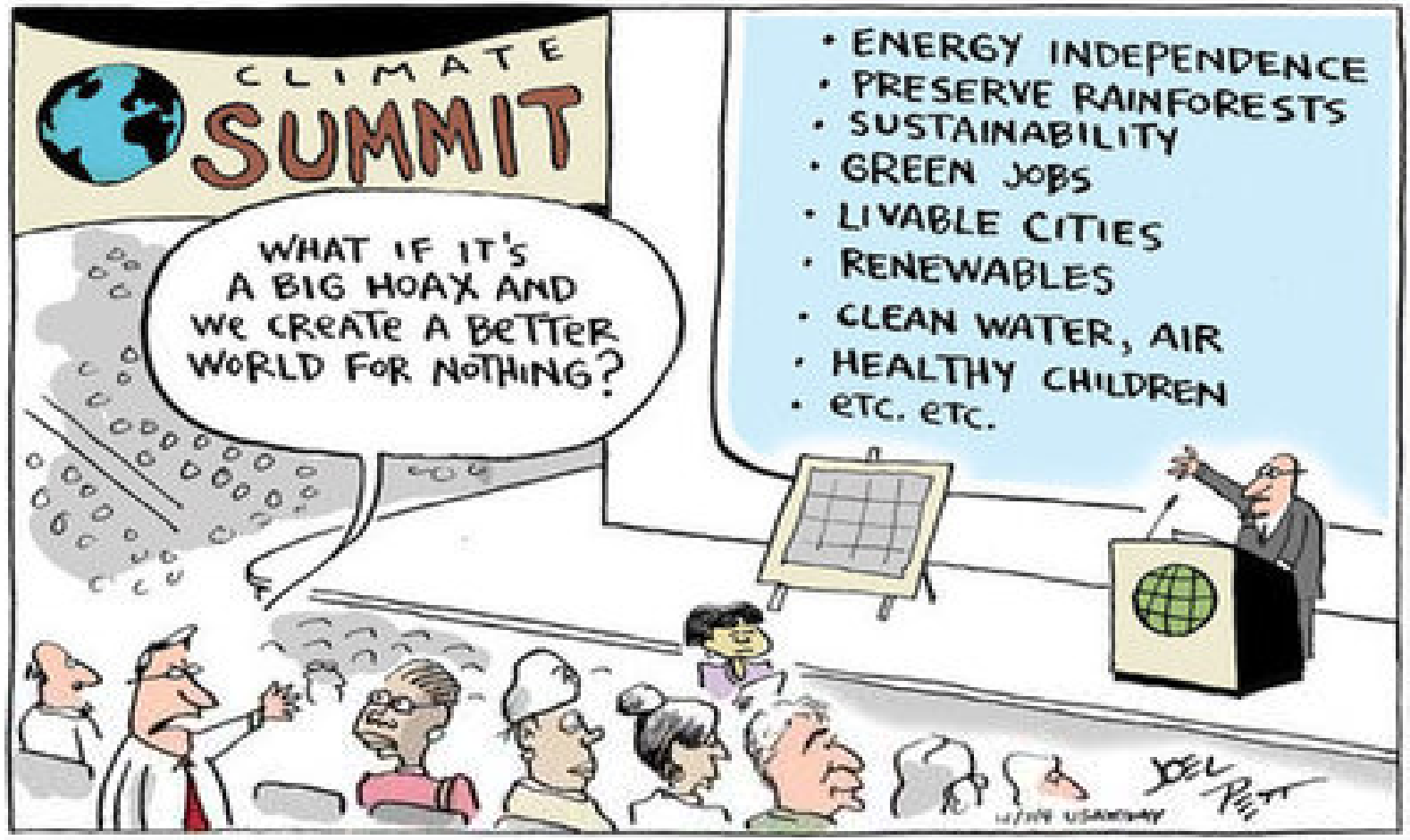
Questions?



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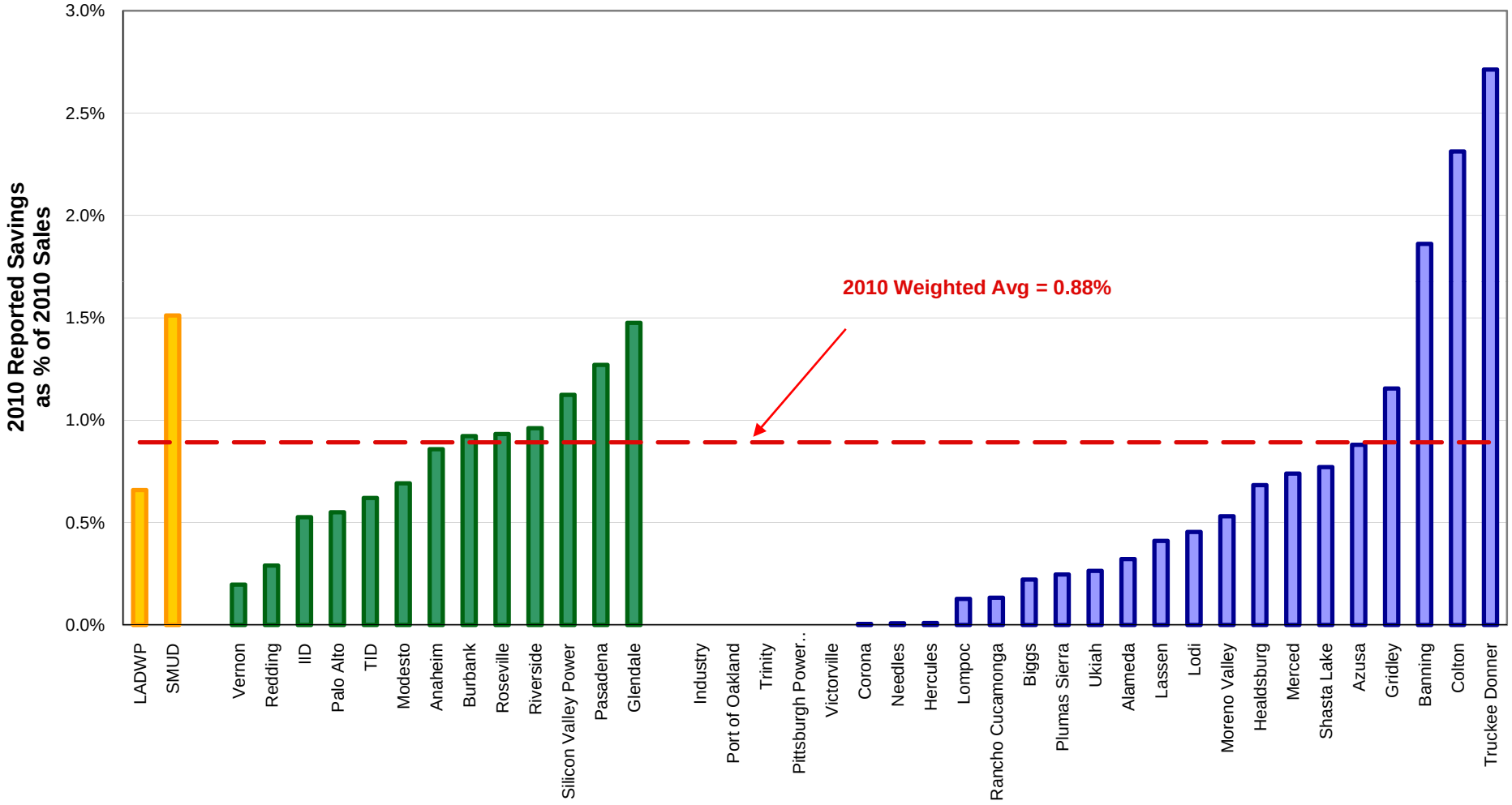
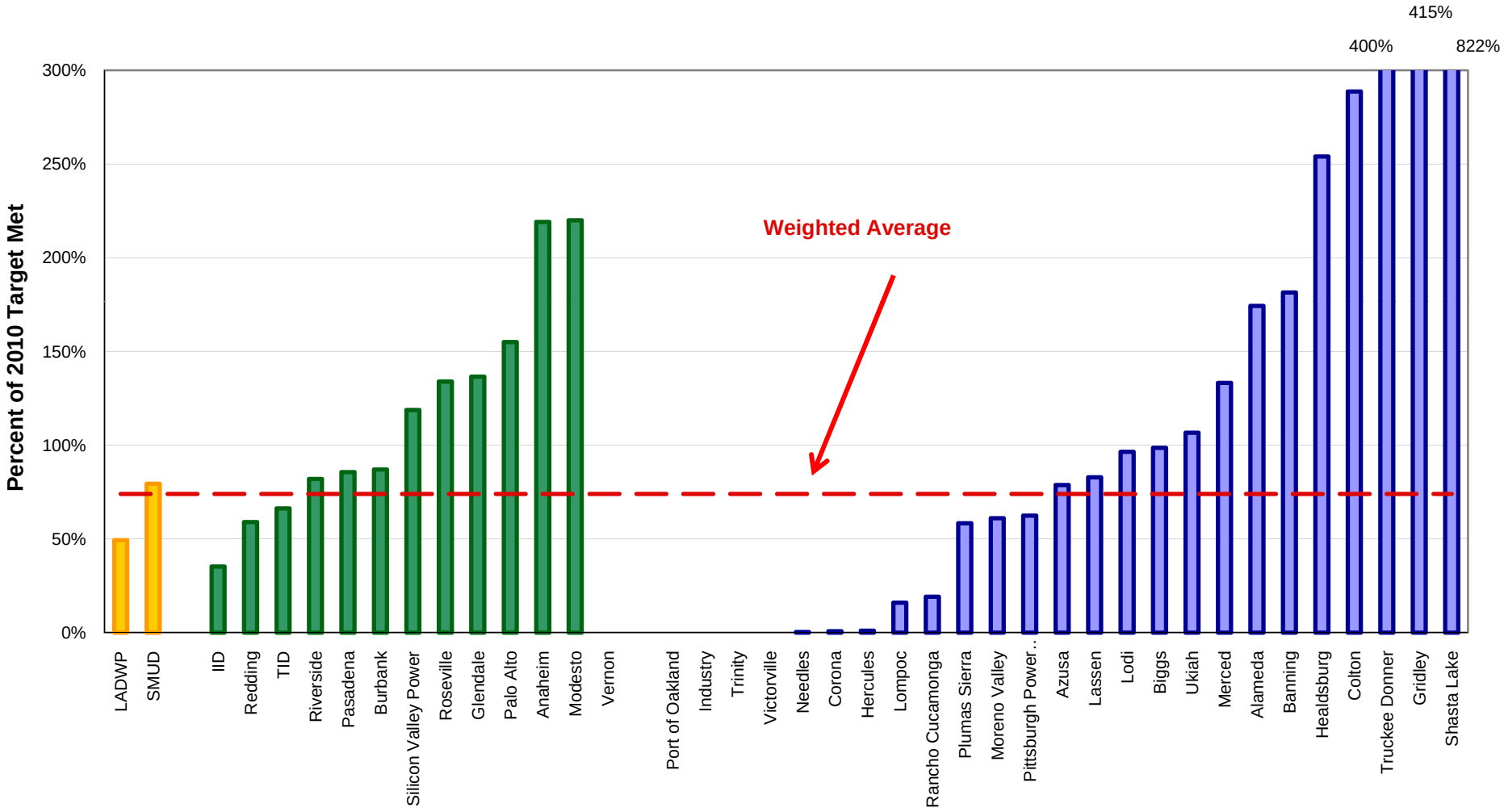
2010 Savings as a Percent of Sales



2010 Savings as Percent of 2007 Targets