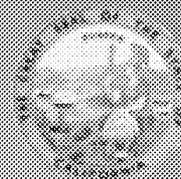
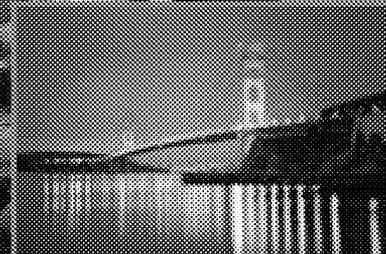


Energy Efficiency California's Highest- Priority Resource



Lowering Energy Costs,
Promoting Economic Growth
and Protecting the Environment

California Public Utilities Commission
and California Energy Commission



Energy Efficiency Costs Less than Generating Electricity

The average cost of energy efficiency programs is about half the cost of base load generation. From 1997 to 2004, California's utility-run energy efficiency programs saved consumers and businesses approximately \$4.1 billion.⁸ Preliminary estimates put savings in 2005 alone at approximately \$1.16 billion.⁹ These programs save energy at a cost of less than 3 cents per kWh, less than half the per kWh cost of building new generation facilities.¹⁰

Improves Reliability

Using energy-efficient buildings and equipment to stabilize California's per capita electricity consumption reduces the state's need for new power plants and its dependence on natural gas, thereby increasing the reliability of the electricity system.

- In the summer of 2001, California's energy efficiency programs and energy conservation-related efforts saved between 3,200 and 5,600 MW and reduced peak demand by an average of 8 percent, which helped the state avert 50 to 160 hours of rolling blackouts.¹¹
- California's long-standing commitment to energy efficiency has helped address reliability problems by allowing programs to "ramp up" quickly in response to short-term supply constraints. Many of these energy efficiency measures and consumer behavior changes have persisted, resulting in additional energy and cost savings.

Protects California's Environment

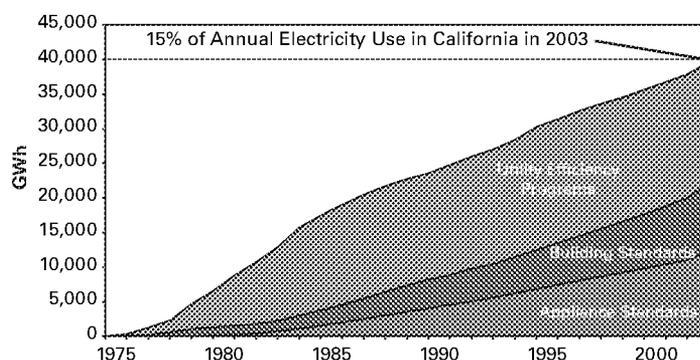
Energy efficiency reduces air pollution, water consumption, and waste associated with generating electricity from fossil fuels or using natural gas.

- Since 1975, California's energy efficiency programs and standards have cumulatively saved more than 40,000 GWh of electricity and 12,000 MW of peak electricity (equivalent to 24 large power plants), thus contributing to a 30 percent decrease in per capita carbon dioxide emissions.¹²
- Energy efficiency is a cornerstone of California's efforts to meet Governor Schwarzenegger's aggressive greenhouse gas reduction targets, established in June 2005. Energy efficiency measures in buildings are expected to reduce carbon dioxide emissions by 11 million tons by 2010.¹³

Building and Appliance Standards

California's internationally recognized building and appliance standards help businesses and consumers save energy through more efficient appliances, building design, equipment, and building materials. As of 2003, the amount of energy saved by these standards, along with the state's other energy efficiency programs, was equal to 15 percent of the energy used in California during that year. The California standards have served as a model for other states' appliance and building standards and for federal appliance standards.

Figure 2 Cumulative Savings from California's Energy Efficiency Programs (1975–2003)



Source: CEC 2005e