

# Energizing California's Economy During COVID-19: Lowering Bills & Adding Jobs



April 2, 2020

## Lowering Utility Bills

While paying utility bills is always a concern for consumers and businesses, COVID-19 has altered the landscape dramatically. During shelter-in-place families are spending much more time at home, with many facing reduced wages or job losses. Early analysis shows consumption increases of 25% or more, which would result in bill increases even larger than that due to tiered rates. **Energy efficiency can play a valuable role in reducing utility bills during this difficult time**, enabling Californians to pay for critical food, medicine, and rent and for businesses to produce needed supplies efficiently.

## Adding Valuable Jobs

California is the U.S. leader in energy efficiency jobs, with **over half the 300,000 people working locally to reduce energy consumption represented by the Council**. These hard working people can reinvigorate the economy while providing valuable bill reductions to customers suffering from the effects of the current health crisis. With over \$400M in funding for utility efficiency projects already approved –capable of generating over \$4B in energy savings and economic activity– critical relief efforts can ramp up quickly to reinvigorate the economy.

## Recommendations to the Legislature

The legislature has the power to help millions of Californians during this unprecedented crisis. The clean energy industry is ready to help, and calls on you to unlock this powerful resource by passing legislation that removes critical barriers to getting back to work as quickly as possible:

- Require the CPUC to approve all projects in pipeline, streamline submission process
- Reduce program cost-effectiveness requirements for 18 months after shelter-in-place
- Require acceptance of savings from remote approaches (e.g. online audits & marketplaces)

Greg Wikler, Executive Director ([gwikler@cedmc.org](mailto:gwikler@cedmc.org)) – [www.cedmc.org](http://www.cedmc.org)

# Deep dive into recommendations

## Technical Changes

**Immediately and Temporarily Relax Feasibility Requirements for EE Projects.** Residential and business customers have cash-flow challenges and need Commission assistance to unlock valuable energy savings that will reduce their energy costs. Many of these customers serve disadvantaged communities in need of urgent relief. We request the legislature direct the CPUC to make the following temporary measures be taken from now until the end of 2021:

- Temporarily lower portfolio cost-effectiveness threshold to TRC of 0.75 in order to allow additional viable projects to move through the process to bring about additional energy savings and preserve jobs.
- Temporarily allow full effective useful lifetimes (EUL) for all measures, remove gross realization rate (GRR) discounts, and remove net-to-gross (NTG) discounts.
- Require all retrofit project savings to use existing conditions baseline methods.

## Policy Changes

**Allow Remote Validation.** Many performance- or meter-based EE programs that would result in customer bill savings are at the final stages of approval but still require onsite validation. With contractors prevented from going onsite to validate the savings performance, customers that are waiting for incentives for installed projects will not receive their incentive payments for quite some time. We request the legislature require the CPUC make the following changes:

- Direct the IOUs grant temporary waivers to contracting provisions and allow validations/approvals based on contractor and customer assurances and by using pre-approved a priori savings claims.

**Resume Non-Resource EE Programs to Reduce Customer Bills.** The IOUs are in the process of scaling back many of their non-resource programs (e.g., Workforce Training & Education, Marketing, Education & Outreach, and Marketplaces) in order to meet broader Commission requirements. These essential EE programs directly and indirectly result in customer bill reductions. We request the legislature require the CPUC make the following changes:

- These, and all other non-resource programs, should be immediately restored to bring about additional energy savings and preserve jobs.