CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

State Policy Call

June 20, 2025

REC

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Legislation - Bill Support, Opposition, and Tracking

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OUA **AB 306 (Schultz D) Building regulations: state building standards.**
CEDMC joined the opposition unless amended (OUA) coalition led by NRDC; Passed Assembly; Now in Senate
Status: 6/10/2025-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on HOUSING.

Support **AB 44 (Schultz D) Energy: electrical demand forecasts.** Passed Assembly; Now in Senate
Status: 6/11/2025-Referred to Com. on E., U & C.

Support **AB 740 (Harabedian D) Virtual power plants: load shifting: integrated energy policy report.**
Passed Assembly; Now in Senate
Status: 6/11/2025-Referred to Com. on E., U & C.

Support **AB 1020 (Schiavo D) Public utilities: energy: taxpayer funding: reporting.** Passed Assembly; Now in Senate. Status: 6/18/2025-Referred to Com. on E., U & C.

Under Consideration **AB 1117 (Schultz D) Electricity: rates: optional dynamic rate tariffs.** Passed Assembly; Now in Senate. **Status**: 6/11/2025-Referred to Com. on E., U & C.

AB 825 (Petrie-Norris) (includes Chapter 10.9, Statewide Demand Side Program Review - Passed Assembly; Now in Senate. Status: 6/18/2025-Referred to Coms. on E., U & C. and B. P. & E.D.

Legislation - Bill Support, Opposition, and Tracking

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Support **SB 540** (**Becker** D) **Independent System Operator: independent regional organization.** Bill moved out of Committee on 4/21.2025 Passed Senate, Now in Assembly **Status:** 6/5/2025-In Assembly. Read first time. Held at Desk.

Support **SB 541** (**Becker** D) **Electricity: load shifting: dynamic pricing.** Council Testified in Support. With amendments, Bill moved out of Committee 14 - 6 Passed Senate, Now in Assembly - Policy **Status:** 6/9/2025-Referred to Com. on U. & E

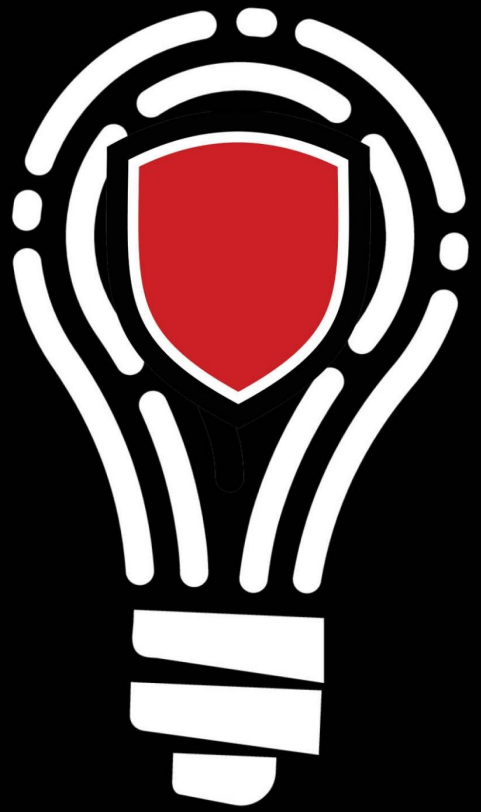
Support **SB 620** (**Stern** D) **Energy utility data** April 29 set for first hearing, canceled at the request of author. Issues need more work; **Status: This is now a 2-year bill**

Monitor closely **SB 330** **Electrical transmission infrastructure: financing.** Turn Sponsored

> Would authorize the Governor to establish one or more pilot projects to develop, finance, or operate electrical transmission infrastructure that meet the specified criteria, including, among other things, that the transmission line is identified by the Independent System Operator in its transmission planning process as a project subject to competitive bidding and necessary to support clean energy generation to meet the state's clean energy goals. Passed Senate, Now in Assembly - **Status:** 6/9/2025-Referred to Coms. on U. & E. and NAT. RES.

Monitor closely **SB 647** (**Hurtado** D) Low-income energy assistance programs: equitable building decarbonization program. Passed Senate, Now in Assembly - 6/16/2025-June 25 set for first hearing canceled at the request of author.

The bill aims to expand eligibility and access to energy efficiency and weatherization programs to help more low- and moderate-income families, not just those in deep poverty, afford to cool their homes and reduce their energy burden.



Energy Efficiency Defense Coalition

ACTION SUMMIT

MAY 15, 2025

Mapping EE Organizational Missions & Oversight

*Illustrative only. Not intended as a complete ecosystem list

Legislature	Mission: To create laws that serve the best interests of California's citizens. The California Legislature also holds the Executive Branch accountable for how it administers current law Oversight: CPUC provides annual reports to the legislature on past performance and 12-month work plans
CPUC	Mission: We empower California through access to safe, clean, and affordable utility services and infrastructure. Oversight: Regulate "investor-owned" or privately owned electric, natural gas, telecommunications, railroad, rail crossings, rail transit, passenger carriers and water utilities.
CEC	Mission: As the state's primary energy policy and planning agency, the California Energy Commission plays a critical role in creating the energy system of the future—one that is clean, modern, and ensures the fourth largest economy in the world continues to thrive Oversight & Policy: C&S, Power plant siting, IEPR, Fuels & Transportation
CAISO	Mission: Manages the flow of electricity across high-voltage, long-distance power lines. We operate a competitive wholesale energy market that promotes lower costs and renewable resources, as well as overseeing transmission planning to maximize efficiency and reliability.
IOU	For profit load serving entity; regulated rate of return overseen by CPUC
POU	Non-profit load serving entity typically governed by local government / ratepayer board
REN	Authorized by the California Public Utilities Commission (CPUC) to serve as program administrators and deliver energy programs to local communities.
CCA	A program (local government or JPA) that allows cities, counties and other qualifying governmental entities available within the service areas of investor-owned utilities (IOUs), to purchase and/or generate electricity for their residents and businesses
PAO	Mission: To advocate for the lowest possible bills for customers of California's regulated utilities consistent with safety, reliability, and the state's climate goals
TURN	Mission: champions the cleanest energy and highest quality phone service at the lowest prices possible for residential customers, low-income households, and small businesses through legal advocacy at the California Public Utilities Commission, state and federal policy development, and community organizing throughout California
And many more…	Implementers, CARB, Environmental Organizations, Community Based Organizations….

Breakout #1: What did we learn?
(continued)

2. Perceived value of EE/DSM

- Energy efficiency is the fastest, most cost-effective way to help California reach its goal of a carbon-free economy while also reducing rising energy costs.
- Climate change and growing demand are pushing up energy prices, and infrastructure investments are making bills even higher.
- Energy efficiency is the quickest and cheapest solution—it's flexible, reliable, and resilient during power outages. Plus, it's a clean, zero-carbon energy source that improves safety and health. It also creates jobs and delivers the most direct benefits to customers compared to other options.

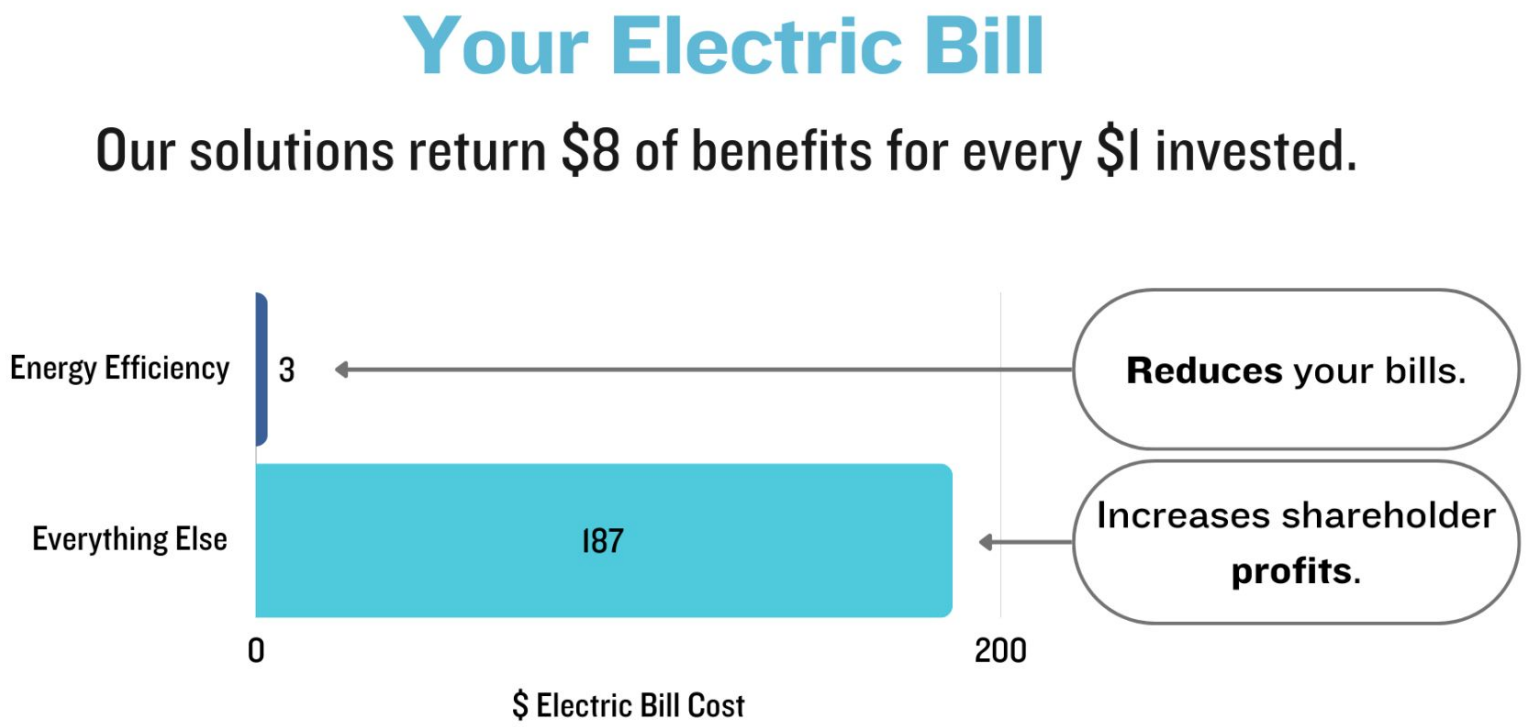
Why It's the Responsibility of California Legislators:

California legislators have a duty to ensure that the state's energy future is not only clean, but also affordable, equitable, and resilient. As stewards of public policy, they are uniquely positioned to shape the regulatory and investment frameworks that determine how energy is produced, delivered, and consumed.
With energy rates among the highest in the nation, growing climate threats, and disproportionate burdens on low-income communities, the Legislature must act to protect Californians from rising costs and ensure that no one is left behind in the clean energy transition.

Energy efficiency and demand-side management are proven, cost-effective tools that reduce emissions, lower bills, and strengthen grid reliability—yet they remain underutilized. Legislators have the authority and responsibility to prioritize these solutions in state policy, funding, and oversight.
By embedding affordability and equity into California's energy strategy, lawmakers can deliver on climate goals while safeguarding economic opportunity and quality of life for all residents.

Breakout #2: What did we learn?

Elevator Pitch Graphics (posted in google drive)



Breakout #2: What did we learn? (continued)

2. Combating False Narratives

False Narrative/Claim	Response
Need more oversight @CPUC	EE/DSM programs have more oversight than any other part of the energy bill and are required to be cost effective as a whole. EE/DSM is overregulated and these regulation are strangling the ability of this valuable resource to deliver more for Californians.
Only participants benefit	EE is lowest cost of energy (cite ACEEE levelized 2018 cost study). Therefore, all ratepayers benefit by buying lowest cost energy.
243 or 65% of programs are not cost effective, e.g. most EE programs are not cost effective	This claim is false. EE programs consistently deliver $8 or more of benefit to ratepayers for every $1 of spending. False claim analysis includes cost not paid for by ratepayers and exclude bill savings benefits realized by ratepayers.
Spending should not be in rates if it is not necessary to deliver energy – "social programs" should be moved to other funding sources	These programs are necessary to provide energy supply to all customers via EE/DSM programs – the lowest cost of energy. Utilities must provide pipes and wires and service to all customers, without considering which are more or less costly. Some customers are most costly than others to serve. Therefore, programs that support more costly customers also belong in the bill. Otherwise, we put at risk service to these customers. EE programs have both short-term and long-term investments that realize energy resource now and in the future. Taken together, the portfolio of programs is the lowest cost approach to serve all customers. Serving all customers also provides more resiliency to the grid.

Breakout #2: What did we learn? (continued)

2. Combating False Narratives (continued)

False Narrative/Claim	Response
EE spending is driving bill increases because it keeps growing.	This is a false claim. See chart below that EE spending has been decreasing steadily since 2015 while in the same time period rates have increased.
40 years of PPP spending has resulted in high energy costs in California.	The opposite is true. 40 years of PPP investments in EE/DSM have kept per capita energy use flat while rest of US states have grown. Recent increase in rates is 100% driven by increases in wildfire and distribution and transmission spending by utilities. See chart below.
As a result of Building Codes, there is a decrease of opportunity and effectiveness of EE programs, but budgets are not decreasing.	Vast opportunities remain in existing building stock for EE/DSM. Below codes savings exists through early retirement which are not currently allowed by rules.
EE programs overlap or duplicate (e.g. equity/ESA).	Does not add cost, just more benefits and choice for customers.
RENs are not focused on state goals and are not effective.	(RENs are working on this and have talking points)

Breakout #2: What did we learn?
(continued)

2. Combatting False Narratives (Early Supporting gra

Levelized Cost of (Saved) Energy

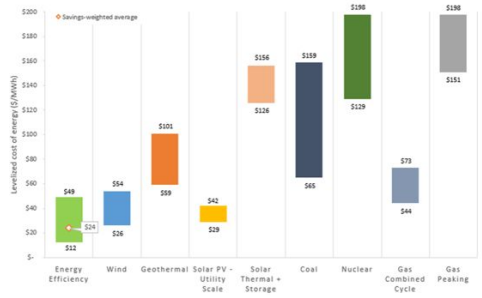
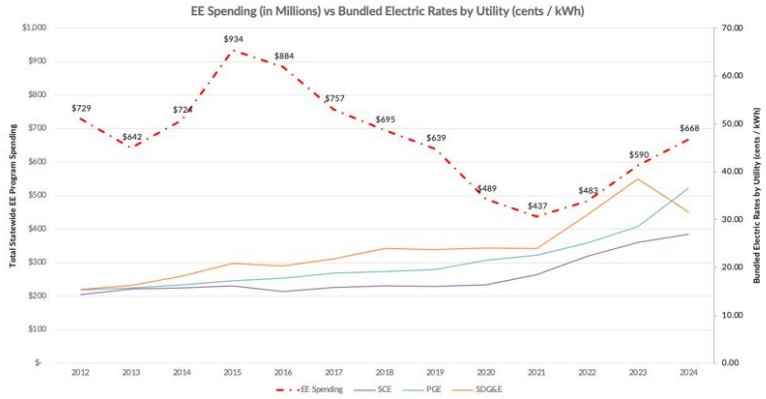
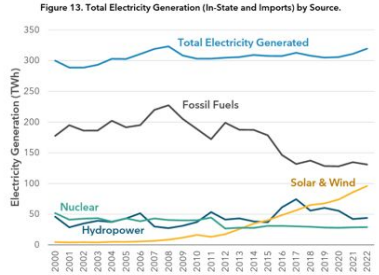


Figure 3. Levelized cost of energy efficiency compared with unsubsidized supply-side resources[18]

Source: ACEEE and Lawrence Berkeley National Lab



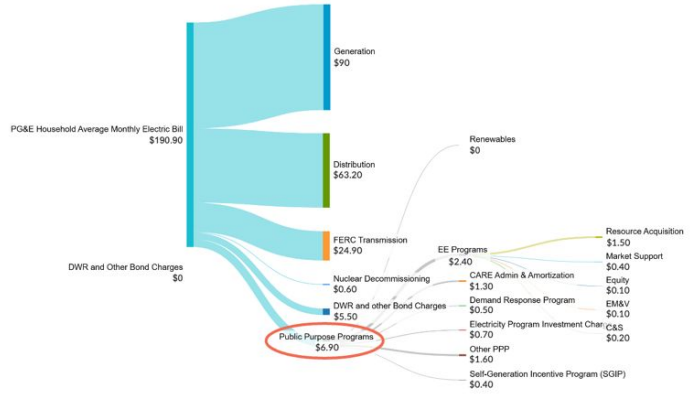
Since the 70s: CA energy use per capita has been declining



Source: State Energy Data System (SEDS): 1960-2022. U.S. Energy Information Administration.

Source: CEC's Energy Almanac

Without Public Purpose / DSM Programs, even higher bills



2.2.3. Other Implementation Issues

Though we do not intend to schedule specific activities related to other program or portfolio implementation issues at this time, it is possible that in the course of our oversight of this proceeding, issues may arise related to the following topics:

- Market transformation program rollout and oversight (coordinated with A.24-12-009);
- Integrated demand-side management (coordinated with R.22-11-013 and/or R.21-06-017);
- Strategic energy management program updates;
- Emerging technology program updates;
- Oversight and improvements to the Database for Energy Efficiency Resources;
- Program evaluation oversight, conducted by Energy Division, and implications of
- Evaluation outcomes for programs going forward; and
- Program synergies and duplication, among different types of administrators (CCAs, RENs, utilities) and/or program categories (resource acquisition, equity, and market support).

Discussion and Questions

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Thank You!

Please contact us if you have any questions.

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