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Energy Efficiency Program Funding: A Ratepayer Perspective

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Assembly Utilities & Energy Committee
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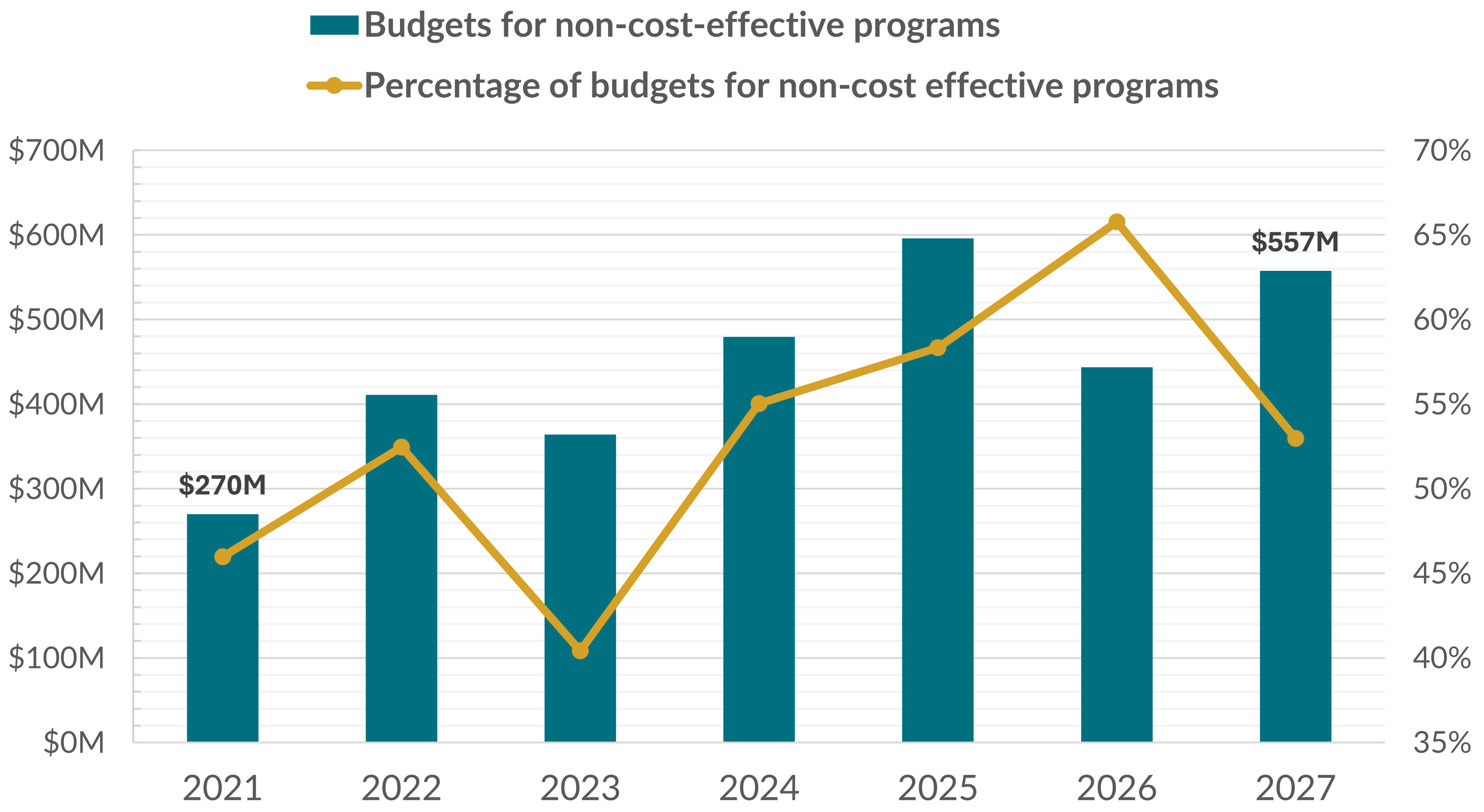
Budgets for Non-Cost-Effective Programs Keep Growing



- Non-cost-effective budgets rose from ~$270M in 2021 to ~$557M in 2027– a **107% increase.**

- Their **share of total EE budgets increased from 46% in 2021 to 53% in 2027**, reaching two-thirds in 2026.

*These budget figures, regardless of program status, cover program costs such as administrative costs but exclude EM&V, Portfolio Admin and Portfolio Support, etc. 2021-2027 Program Summary Data from CEDARS, accessed on July 24, 2026, at: https://cedars.cpuc.ca.gov/reports/summary/.

**Percentage = Budgets of non-cost-effective programs / Total budgets. The budgets of non-cost-effective programs equal to the sum of all non-cost-effective programs and their administrative costs that are separate line items. The total budgets exclude Codes and Standards programs that are cost-effective while the non-cost-effective Codes and Standards programs would count towards the non-cost-effective program budgets.

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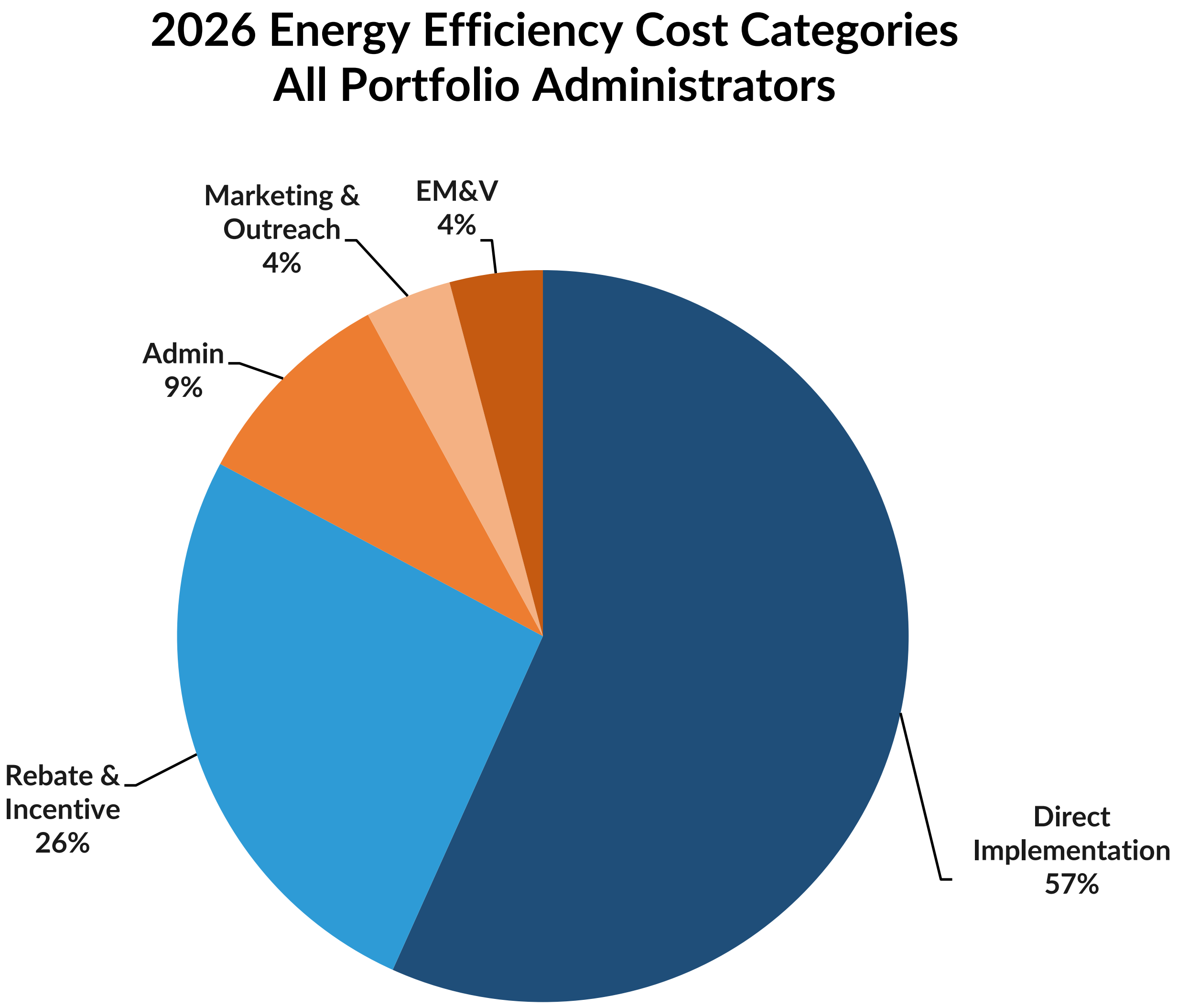
Where Does The Funding Go?



2026 Budget Snapshot

- **83%** Reported as Program Costs
  (Direct Implementation, Rebates & Incentives)
- **17%** Reported as Admin-Related Costs
  (Admin, Marketing & Outreach, EM&V)
- Categories show how dollars are reported – not whether they generate measurable energy savings.
  - e.g., Direct Implementation includes non-EE activities such as workforce training.

High-Level Opportunities for EE Reform

1. Apply consistent performance standards across all programs paid for with ratepayer dollars.

2. Compare projected benefits with quantifiable results, so future funding reflects demonstrated performance.

3. Coordinate energy efficiency with other demand-side programs increase savings, decarbonization, and grid reliability.

4. For programs that repeatedly fail to show measurable ratepayer benefits, determine whether a more appropriate funding source exists before approving ratepayer funding.

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