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To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
Bcc:
Subject: CPUC Modifies Utility Incentive For Meeting Energy Efficiency Goals: CPUC Press Release

**FOR IMMEDIATE RELEASE
PRESS RELEASE**

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
Docket #: R.12-01-005

**CPUC MODIFIES UTILITY INCENTIVE FOR
MEETING ENERGY EFFICIENCY GOALS**

SAN FRANCISCO, December 20, 2012 - The California Public Utilities Commission (CPUC) today approved a shareholder incentive mechanism for utility implementation of the 2010-2012 portfolio of energy efficiency programs. Cost-effective energy efficiency is the state's least expensive and most environmentally friendly resource, as well as the preferred way to meet energy demand. A shareholder incentive mechanism is a core part of the state's strategy to successfully deploy energy efficiency.

The shareholder incentive approach approved today serves as a reform to the shareholder incentive mechanism for the utilities' 2010-2012 portfolio of energy efficiency programs while the CPUC contemplates further modifications for the upcoming 2013-2014 portfolio.

Annual awards will be earned in the form of a management fee, equal to 5 percent of actual energy efficiency portfolio expenditures and a performance bonus of up to an additional 1 percent of actual energy efficiency expenditures. The actual weighting of the 1 percent depends on how well each investor-owned utility has performed during the 2010-2012 cycle.

Consistent with the new mechanism, the CPUC also disbursed shareholder incentives to reward 2010 activities. In total, the CPUC disbursed approximately \$42.2 million to shareholders for 2010 energy efficiency activities, with \$21 million to Pacific Gas and Electric Company, \$15 million to Southern California Edison, \$3.3 million to San Diego Gas & Electric, and \$2.7 million to Southern California Gas Company.

The CPUC also adopted procedures for expedited processing of applicable incentive awards for 2011 and 2012 activity, using the mechanism approved today. Specific 2011 and 2012 incentive amounts are to be determined and approved during calendar years 2013 and 2014, respectively.

Said Commissioner Mark J. Ferron “Today’s decision rewards utility shareholders for successful deployment and management of the state’s top priority energy resource, energy efficiency.”

The proposal voted on today is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M039/K594/39594897.PDF>

For more information on the CPUC, please visit www.cpuc.ca.gov.

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