

**Media Advisory 10/25/01**

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**Public Utilities Commission Challenges Utilities' Profits on Conservation;  
Women's Energy Matters Shows Public Power Is More Energy Efficient**

In a stunning reversal of past practice at the Public Utilities' Commission, Administrative Law Judge Christine Walwyn failed to rubber stamp California's investor-owned utilities' requests for \$142 million dollars in "shareholder incentives" awards for recent energy efficiency programs. PG&E is requesting over \$80 million. Instead, at a hearing Tuesday morning, Oct. 23rd in San Francisco, Walwyn demanded more evidence of energy efficiency results and a more thorough review of what the utilities did with the money. She will hold additional hearings starting Nov. 19.

The Judge's ruling is bolstered by comments of Women's Energy Matters (WEM), a local nonprofit which is the sole intervenor in the Annual Earnings Assessment Proceeding (AEAP). The AEAP determines how much the utilities can collect as rewards for doing conservation programs. Statewide, ratepayers pay about \$250 million a year for energy efficiency; as much as 30% of it for "shareholders incentive" awards.

Barbara George, Executive Director of Women's Energy Matters, commented, "WEM is pleased that Judge Walwyn is looking more deeply this year into where all those energy efficiency dollars went — money that comes directly out of ratepayers' pockets. In the past ten years, the Commission has awarded the utilities \$550 million of pure profit — on top of their bloated energy efficiency budgets. We believe that the utilities should receive no awards in this proceeding, especially since energy efficiency results have declined every year since deregulation. California would not have been in such a fix this year if the utilities had been more serious about conservation."

George notes that PG&E spends nearly five times as much to save a kilowatt of electricity as the Los Angeles Dept. of Water & Power. "This is a big reason why we need non-profit, public power," George said. "Municipal utilities are much more successful in saving energy. The PUC has been trying to bribe the investor-owned utilities to do better programs by giving them MORE of our money, but the utilities continue to undermine conservation."

Commission Chair Loretta Lynch has acknowledged that the utilities have a conflict of interest with energy efficiency, since their biggest profits come from selling MORE, not less electricity. She has pledged to conduct open bidding for future programs.

This is WEM's first time as an intervenor. "We were shocked to find how few resources the Commission has to investigate what the utilities did with energy efficiency money," George commented. "It doesn't even have an accountant! Coupled with the fact that the utilities' conservation budgets are not based on generally accepted accounting principles, this is a setup for misuse of the money."