

## A CONVERSATION ON CALIFORNIA'S CLEAN ENERGY FUTURE

# What's the Cleanest Energy? (You'll be Surprised)

BY TONY EARLEY, CHAIRMAN & CEO, PG&E CORPORATION

IF SOMEONE ASKED YOU to name the cleanest type of energy on the planet, what would you pick? Nuclear? Solar? Wind? Hydropower? Thermal power from beneath the ground?

Actually, the answer is none of the above. The cleanest energy is the kind we don't have to produce at all—because we've figured out how to make smarter use of the energy we already have.

No one has done that better than Californians.

California's leadership in energy efficiency has saved households more than \$50 billion since the early 1970s, according to a University of California study. The state's programs help account for the fact that Californians on average spend about \$20 a month less on electricity than customers in other states. And we breathe cleaner air as a result, while avoiding emissions of carbon dioxide equal to the output of 3 million cars, when measured over the last eight years.

The progress of the past several decades was achieved through everything from higher efficiency standards for buildings and appliances to the smart use of rebates and other incentives that encouraged consumers and businesses to adopt new more efficient technologies.

With so much having been accomplished already, it would be easy to assume we've come close to exhausting the potential for major gains in energy conservation, or that it will play less of a role getting us where we need to go from here.

Both would be wrong. Energy efficiency remains a vast reservoir of opportunity.

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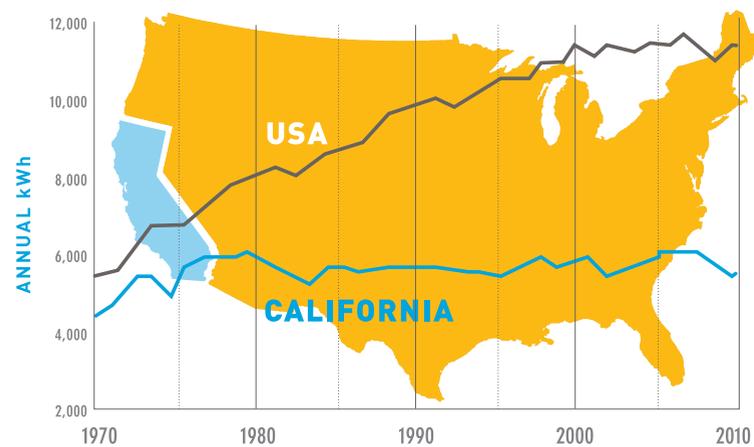
A recent study by Lawrence Berkeley National Laboratory confirms that “the cost of energy efficiency still compares favorably to the cost of new energy supply and to retail electric rates.”

Fresh savings can come in many forms, including new kinds of lighting that uses a small fraction of the power needed by incandescent bulbs, while lasting up to 25 times longer; ENERGY STAR-rated appliances that sip electricity while they cool your house, wash your dishes, or dry your clothes; and better insulation for leaky walls and roofs to keep you more comfortable while lowering your utility bills.

Electric utilities have led many of California's innovative efficiency programs, thanks to smart state policies that allow them to offer financial incentives to help customers use less energy. Major utilities such as Pacific Gas and Electric Company offer rebates to encourage customer purchases of efficient appliances and cost-effective building retrofits; work with retailers to increase the availability of high-efficiency products; and advocate for stronger building codes and appliance standards.

In 2014 alone, PG&E's energy efficiency programs saved customers more than \$150 million. And—of crucial importance to the

### PER CAPITA ELECTRICITY CONSUMPTION



(Source: US Energy Information Administration)

PG&E has partnered with government, non-profit and private sector partners to help shape a California model for energy efficiency that helped keep California's per capita energy use nearly flat over the last 35 years while electricity usage in the rest of the U.S. continued to rise.

state's climate action goals—our programs have avoided the release of more than 200 million metric tons of carbon dioxide over the last three decades.

We're ready to do even more. One example: working with policy makers so that we can extend our programs to include upgrading the efficiency of older buildings, which are among the biggest energy users throughout the state. An estimated 70 percent of possible energy savings in California lie in this area—savings that could be shared with our customers.

As California moves forward to meet its ambitious clean energy and climate goals, energy efficiency should remain a top priority. It's a win for consumers, for the environment, and for every future generation that will call this state home.

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