

2023-127 AUDIT SCOPE AND OBJECTIVES

California Public Utilities Commission—Energy Efficiency Programs Oversight

The audit by the California State Auditor will provide independently developed and verified information related to the California Public Utilities Commission’s (CPUC) oversight of energy efficiency programs. The audit’s scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine the amount of funds collected from ratepayers for energy efficiency programs overseen by the CPUC from 2012 through 2022 and how much those programs have expended and perform the following related analyses:
 - (a) To the extent possible, determine the amount of ratepayer funds spent in the following ways:
 - i. Across various economic sectors, including public, commercial, residential, industrial, agricultural.
 - ii. Across census tracts and geographic regions.
 - iii. On low-income Californians.
 - iv. On gas appliances.
 - v. On pay-for-performance programs by type.
 - (b) Determine what technologies and improvements energy efficiency programs are funding and incentivizing, including natural gas and HVAC technologies and appliances and pay-for-performance programs. Identify any programs that enable fuel substitution to electricity versus programs that do not include electrification.
3. To the extent possible, review the effectiveness of a selection of the CPUC’s energy efficiency programs by measuring energy savings, greenhouse gas reductions, and cumulative savings on energy bills from 2012 through 2022, distinguishing between electricity and gas.
4. Review the CPUC’s processes for overseeing the design of energy efficiency programs and determine their effects on the adoption of new technology.
5. For a selection of programs, determine whether policies or regulatory requirements may have led to some of the programs not spending all of their funding or limiting program participation.
6. Review the adequacy of the CPUC’s process for determining the effectiveness of energy efficiency programs it oversees and perform the following related analyses:
 - (a) To the extent possible, evaluate the CPUC’s current, historical, and proposed cost-effectiveness measures for energy efficiency programs, including their effects on the demand for energy and the adoption of new technology, and how recently enacted changes to the law in Assembly Bill 205 (Chapter 61, Statutes of 2022) will affect these processes.

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- (b) Compare the CPUC’s process for overseeing its energy efficiency programs with the processes used by the California Energy Commission to oversee the California Schools Healthy Air, Plumbing, and Efficiency Program.
- 7. Review and assess any other issues that are significant to the audit.