



Search example: How can I reduce my bill?

SEARCH

[Home](#) › [News and Updates](#) › [All News and Updates](#) › [CPUC Sets New Energy Efficiency Targets to Continue California Leadership in Energy Efficiency](#)

## CPUC Sets New Energy Efficiency Targets to Continue California Leadership in Energy Efficiency

August 28, 2025 - SAN FRANCISCO – The California Public Utilities Commission (CPUC) today adopted new long-term energy efficiency objectives for California’s investor-owned utilities to further cost-effective energy-saving programs that reduce energy use, lower costs for customers, and support California’s climate and clean energy commitments.

The framework adopted today is based on the CPUC’s 2025 Energy Efficiency Potential and Goals Study, which estimates the amount of cost-effective energy savings and fuel substitution that can be achieved through 2037.

These benefits are measured using a metric called Total System Benefit (TSB), which puts a dollar value on the long-term savings from energy efficiency and fuel substitution efforts. TSB values savings from reduced energy use including lower greenhouse gas emissions, and the avoided costs of electricity generation and transmission and distribution.

The statewide forecasted TSB for 2026 is \$589 million and reflects strong, cost-effective opportunities for energy savings across California.

Today’s decision reflects changes in efficiency opportunities and market conditions, including growth in fuel substitution, such as switching from natural gas to electric appliances, a decline in traditional efficiency measures in industrial and agricultural sectors, and a more rigorous cost-effectiveness threshold.

These updated objectives not only guide utility programs but also play a critical role in statewide energy planning, supporting the CPUC, the California Energy Commission, and the California Independent System Operator in ensuring energy efficiency is factored into long-term resource planning.

Today’s decision sets performance targets but does not establish a budget. Utilities will request funding through separate applications to the CPUC, which will determine the appropriate budgets to meet the goals.

### More Information

- [Proposal Approved](#)
- [Docket Card](#) (R.25-04-010)

###

### About the California Public Utilities Commission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians access to safe and reliable utility infrastructure and services. Visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov) for more information.

[Press Release](#)

RELATED PROGRAMS

- [Environment and Renewable Energy.](#)
- [Electricity and Natural Gas](#)

RELATED DIVISIONS

- [Energy.](#)

HOW CAN WE HELP?

Emergency? **Call 911**

- File a Complaint
- Late Bill Assistance
- Power Outage Map
- Are you in a high fire-threat area?
- Financial Assistance
- Consumer Programs and Services
- Electric Rate Comparison Website
- Website Feedback

MORE INFORMATION

- Consumer Support
- Regulatory Services
- Industries and Topics
- News and Updates
- Events and Meetings
- Proceedings and Rulemaking
- Public Advocates Office
- Office of the Tribal Advisor
- About CPUC
- Careers

CALIFORNIA STATE CAMPAIGNS

- Register to Vote
- Save our Water
- Flex Alert

[Back to Top](#)

[Conditions of Use](#)

[Privacy Policy](#)

[Accessibility](#)

[Contact us](#)

[Employees](#)

[X](#)

[Facebook](#)

[Instagram](#)

[YouTube](#)

[Linked In](#)

Copyright © 2025 State of California