

Submitter: D Torres

On Behalf Of:

Committee: Senate Committee On Energy and Environment

Measure, Appointment or Topic: SB1588

I Oppose SB 1588!

Helping customers lower their energy costs is an important goal. This bill takes the wrong approach by requiring every electric company to create and manage a financing program, regardless of whether it is needed or cost-effective.

Incredibly, the bill mandates that utilities develop inclusive utility investment programs for energy efficiency and renewable energy projects. This shifts utilities into the role of lenders and program administrators, which is not their core function. Utilities are designed to provide reliable service, not to manage financing programs that carry financial and operational risk.

I've read through the other testimonies supporting this and by doing so, those testimonies tell a different tale..... what is behind the veil of this bill. Statements like "bridging the gap created by the elimination of Federal tax credits and support programs and the lack of state resources for programs like the Community Heat Pump Deployment Program. That this bill will enable utility customers to get an affordable home upgrade funded by the Utility company and pay back through a monthly utility bill. And then statements that mention "saving money through reduced peak energy consumption, more distributed & flexible energy on the grid.... etc... These statements tell a whole different story than the authors of this bill reveals.

The bill promises customer savings, it does not guarantee that all participants will actually benefit. Even with minimum savings standards set by the Public Utility Commission, projected savings may not materialize as expected. If savings fall short, customers may still be locked into long-term repayment obligations.

This bill also allows utilities to earn performance incentives while recovering program costs through rates. This creates a risk that non-participating customers will subsidize these programs, even if they never receive upgrades or cost savings themselves. Low-income customers, renters, and others who cannot easily participate may end up paying higher bills to support such a program.

The program standards and oversight requirements add regulatory complexity and administrative costs. These costs will ultimately be passed on to customers, reducing or eliminating the promised savings.

Voluntary market-based programs and existing efficiency incentives already exist in

many areas. This bill could crowd out private financing options and limit innovation by imposing a single, utility-run model.

For these reasons, I urge the committee to reject this bill or revise it to make participation voluntary, limit cost recovery, and protect non-participating ratepayers.