Heather Payne

Utilities have, time and again, demonstrated that their activities are not consistent with the public interest. We need to address climate change and accelerate the energy transition. While some utility functions will necessarily remain a monopoly, we need to start analyzing what utilities do and whether those tasks are appropriate for them. Energy efficiency programs are not a natural monopoly and one place where we need to start over. It might seem counterintuitive to radically redesign energy efficiency programs, given how popular they are. But they need to change – and they must be removed from utility control.

Numerous disincentives for success and conflicts of interest exist for utilities running energy efficiency programs. While this should be obvious from the investor-owned utility business model, this problem has not been often explicitly identified and addressed. The solution would not only enable successful programs, but would address issues of energy and pollution burdens, using underutilized data that has been paid for by utility customers but that utilities are loathe to use for their customers’ benefit. Focusing on the change away from fossil fuels to electrification will also only occur with structural changes to current programs.

Importantly, there will never be enough funding for all the energy efficiency work that has to be done. To better address the energy burdens and disparities that exist, funding must be redirected toward those for whom energy efficiency improvements would be most beneficial and consequential. This would mean reducing popular programs where products that would have been bought anyway are subsidized and increasing programs (and available services) to marginalized communities.