AGENDA

Regular Meeting
Community Advisory Committee

Thursday, February 12, 2026
5:30 p.m.

Don L. Nay Port Administration Training Room
3165 Pacific Highway, San Diego, CA 92101

Alternate Location:
7354 Eads Avenue, San Diego, CA 92037

The meeting will be held in person at the above date, time and location(s). Community Advisory Committee (CAC) members and members of the public can attend in person. Under certain circumstances, CAC members may attend and participate virtually in the meeting, pursuant to the Brown Act (Gov. Code § 54953). As a convenience, San Diego Community Power provides a Microsoft Teams teleconference option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that in the event of a technical issue causing a disruption in the Teams teleconference option, the meeting will continue unless otherwise required by law (such as when a CAC member is virtually attending the meeting), pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the CAC on any agenda item. When providing comments, it is requested that name and city of residence are provided for the record. Members of the public are requested to address their comments to the CAC as a whole through the chairperson. Comments may be provided in one of the following manners:

1. **Oral comments during meeting.** Anyone attending in person who wishes to address the CAC is asked to complete a speaker's card and present it to the clerk of the Board. To provide remote comments during the meeting, join the Teams meeting by electronic device or dial-in number. When participating in a Microsoft Teams meeting by electronic device, use the "Raise Hand" feature. This will notify the moderator that a members of the public wishes to speak during a specific item on the agenda or during the non-agenda public comment period. Members of the public will not be shown on video but will be able to address CAC members when called upon. When participating in the meeting using the Teams dial-in number, press *5 to raise your hand and *6 to unmute microphone. Comments will be limited to three minutes.

2. **Written Comments.** Written public comments must be submitted prior to the start of the meeting to ClerkOfTheBoard@SDCommunityPower.org. Please indicate a specific agenda item when submitting a comment card. All written comments received prior to the meeting will be provided to the CAC members. At the discretion of the chairperson, the first ten submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the CAC members and become part of the public record.

If members of the public have any materials to be distributed to the CAC, they should be sent to ClerkOfTheBoard@SDCommunityPower.org, who will distribute the information to CAC members.

The public may participate using the following remote options:

Microsoft Teams

Meeting ID: 261 215 241 717 7

Dial in by phone

469-262-1739

Phone conference ID: 565 317 75#

Press *5 to raise hand and *6 to unmute

WELCOME

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

ITEMS TO BE WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

This is an opportunity for members of the public to address the CAC on any items not on the agenda but within the subject jurisdiction of the CAC. Members of the public may provide a comment in either manner described above.

CONSENT CALENDAR

All matters are approved by one motion without discussion unless a CAC member requests a specific item be removed from the Consent Calendar for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

1. **Approve December 4, 2025, CAC Regular Meeting Minutes**

2. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**

3. **Receive and File Update on Customer Operations**

4. **Receive and File Update on Programs**

5. **Receive and File Update on Power Services**

REGULAR AGENDA

The following items call for discussion or action by the CAC.

6. **Informational Presentation on the California Community Choice Association**

Recommendation: Receive and File the Informational Presentation on the California Community Choice Association.

7. **Community Clean Energy Grants Update**

Recommendation: Receive and File the update on San Diego Community Power's (Community Power) Community Clean Energy Grants.

8. **Regulatory and Legislative Affairs Update**

Recommendation: Receive and File Update on Regulatory and Legislative Affairs

9. **Update on 2026 Rates Adjustment**

Recommendation: Receive and File Update on 2026 Rates Adjustment.

10. **San Diego Regional Energy Network (SDREN) Update**

Recommendation: Receive and File SDREN Update.

11. 2026 CAC Work Plan End of Ad-Hoc Committee Report

Recommendation: Receive and File 2026 CAC Work Plan End of Ad-Hoc Committee Report.

12. 2026 Community Advisory Committee Work Plan

Recommendation: Recommend Board Approval of 2026 CAC Work Plan Approval.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

The CAC may bring items to the attention of the Board for consideration at a Board meeting using either of the following:

1. **Standing CAC Report.** The CAC report may be a standing item on the Board agenda, in which the CAC chairperson, chief executive officer (CEO) or designated staff reports on updates related to a recent CAC meeting. Consistent with the Brown Act, items raised during the standing CAC report may not result in extended discussion or action by the CAC unless agendized for a future meeting.

2. **Suggesting Board agenda items.** The CAC may suggest agenda items for Board consideration by communicating with the CAC chairperson and the designated Community Power staff before and/or after a regular CAC meeting. If suggested during a regular meeting, there shall be no discussion or action by the CAC unless the item has been included on the CAC agenda. To be added to a Board meeting agenda, items must have the approval of the Community Power chief executive officer and the chairperson of the Board of Directors. If approval is provided, staff must be given at least five business days before the date of the Board meeting to work with the CAC to draft any memos and materials necessary.

COMMITTEE MEMBER ANNOUNCEMENTS

Committee members may briefly provide information to other members and the public. There is to be no discussion or action taken on comments made by committee members unless authorized by law.

ADJOURNMENT

The Community Advisory Committee will adjourn until the next regular meeting scheduled for Thursday, March 12, 2026, at 5:30 p.m.

Compliance with the Americans with Disabilities Act

Community Power committee meetings comply with the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, to participate in a public meeting may contact 888-382-0169 or

ClerkOfTheBoard@SDCommunityPower.org. Requests for disability-related modifications or accommodations require varying lead times and should be provided at least 72 hours in advance of the public meeting.

Availability of Committee Documents

Agenda-related materials are available at sdcommunitypower.org/resources/meeting-notes. Late-arriving documents related to a CAC meeting item are distributed to the members prior to or during the CAC meeting and are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically from ClerkOfTheBoard@SDCommunityPower.org or by mailing San Diego Community Power, Attn: Clerk of the Board, P.O. Box 12716, San Diego, CA 92112. The documents may also be posted on Community Power's website. Such public records are also available for inspection by contacting ClerkoftheBoard@SDCommunityPower.org to arrange an appointment.

SAN DIEGO COMMUNITY POWER

COMMUNITY ADVISORY COMMITTEE
Regular Meeting Minutes
December 4, 2025

Don L. Nay Port Administration Training Room
3165 Pacific Highway, San Diego, CA 92101

WELCOME

Chair Harris called the regular meeting to order at 5:34 p.m.

ROLL CALL

PRESENT: Chair Harris, City of La Mesa; Vice Chair Montero-Adams, City of San Diego; Secretary Pike and Committee Member Andersen, County of San Diego (Unincorporated); Committee Members Sclafani and Gonzalez, City of Chula Vista; Committee Member Vasilakis, City of San Diego; Committee Member Emerson; City of National City; Committee Member Sumner, City of La Mesa; Committee Member Hammond, City of Encinitas (via Zoom Teleconference); and Committee Member Hoyt, City of Imperial Beach

ABSENT: None

VACANT: Seat 7, City of Encinitas and Seat 10, City of Imperial Beach

Staff Present: Chief Financial Officer Washington; Director of Finance Manglicmot; Senior Strategic Finance Manager Spengler; Rates and Strategy Manager Lu; Assistant General Counsel Laity; Senior Manager Community Engagement Crespo; and Clerk of the Board Hernandez

PLEDGE OF ALLEGIANCE

Chair Harris led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

Chair Harris acknowledged the Kumeyaay Nation and all the original stewards of the land.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- **Introduction of new Community Power staff**

Chair Harris welcomed new employee, Megan Phelps, Program Associate to introduce herself.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

There were no items added, withdrawn, or reordered on the agenda.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR

1. **Approve November 13, 2025, CAC Regular Meeting Minutes**

2. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**

3. **Receive and File Update on Customer Operations**

4. **Receive and File Update on Programs**

5. **Receive and File Update on Power Services**

6. **Receive and File Update on Regulatory and Legislative Affairs**

There were no public comments on Consent Item Nos. 1-6.

Motioned by Secretary Pike and seconded by Committee Member Andersen to approve Consent Item Nos. 1-6. The motion carried 11/0 by Roll Call Vote as follows:

AYES:	Chair Harris, Vice Chair Montero-Adams, Secretary Pike, Committee Members Sclafani, Gonzalez, Hammond, Andersen, Sumner, Vasilakis, Emerson and Hoyt.
NOES:	None
ABSTAINED:	None
ABSENT:	None

REGULAR AGENDA

7. Fiscal Year End 2024-25 Performance Review

Dr. Washington provided a presentation on the Fiscal Year End 2024-25 Performance Review.

There were no public comments on Item No. 7.

After Committee Member questions, discussion and comments, the Fiscal Year End 2024-25 Performance Review was received and filed.

8. Proposed Updates to the Financial Reserves Policy

Messrs. Manglicmot and Spengler provided proposed updates to the Financial Reserves Policy.

There were no public comments on Item No. 8.

After Committee Member questions and comments, the update on proposed updates to the Financial Reserves Policy was received and filed.

9. Update on SDG&E's 2026 Projected Rates

Mr. Lu provided an update on SDG&E's 2026 Projected Rates.

There were no public comments on Item No. 9.

After Committee Member questions and comments, the update on SDG&E's 2026 Projected Rates was received and filed.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

None.

COMMITTEE MEMBER ANNOUNCEMENTS

Vice Chair Montero-Adams provided a report summarizing actions from the November 20, 2025, Board meeting.

Chair Harris volunteered himself to attend the December 11, 2025, Board of Directors meeting and take notes and report back at the February 12, 2026, CAC meeting.

Chair Harris announced the resignation of Committee Member, Aida Castañeda and announced the Ad-Hoc Committee appointees:

Ad-Hoc Committee Appointees

2026 CAC Work Plan Ad-Hoc Committee: Luis Montero-Adams (City of San Diego) and Matthew Vasilakis (City of San Diego)

Community Power Plan Review: David Harris (City of La Mesa); Ross Pike (Unincorporated San Diego County); Alonso Gonzalez (City of Chula Vista); and Lawrence Emerson (City of National City)

Distributed Energy Resources/Local Infill Ad-Hoc Committee: David Harris (City of La Mesa); Anthony Sclafani (City of Chula Vista); and Shaun Sumner (City of La Mesa)

ADJOURNMENT

The Community Advisory Committee meeting adjourned at 7:21 p.m. to a regular meeting scheduled for Thursday, February 12, 2026, at 5:30 p.m.

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Maricela Hernandez, MMC, CPMC
Clerk of the Board

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Jen Lebron, Senior Director of Public Affairs
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Marketing, Public Relations, and Local Government Affairs
Date:	February 12, 2026

Recommendation

Receive and file an update on marketing, public relations, and local government affairs activities for San Diego Community Power (Community Power).

Background

Community Power has engaged in a variety of public relations, marketing, community outreach, and local government affairs activities to drive awareness, spark community engagement, and maintain high customer enrollment.

Analysis and Discussion

Community Power's Public Affairs Department has been participating in events across our member agencies as it aims to increase general awareness and answer questions in a friendly, helpful manner.

Recent and Upcoming Public Engagement Events

Biocom
Business for Good End of the Year Social
Santa's Clean Air Workshop
San Diego Regional Chamber of Commerce
Logan Heights Community Development Corporation Small Business Advisory Presentation
San Diego Regional Climate Collaborative: Annual Climate Recap
Intertribal Arts: Family Nature Day

Party 4 the Planet
Holiday Tree Lighting at Imperial Beach Pier Plaza
December Nights
Community Climate Conversations - South Bay Community Farm
Chula Vista Community Collaborative
CleanTech San Diego Holiday Party
Montgomery Elementary 75th Anniversary Celebration
Fannie Lou Hamer Legacy Celebration
Green Corridor Holiday at Mundo Gardens
City Heights Community Development Corporation Winter Extravaganza
National City's A Kimball Holiday
United Taxi Works of San Diego Open House
San DIego Green Drinks
Imperial Beach Collborative
Assemblymember Dr. LaShae Sharp=Collins 79th District Holiday Giveaway
Teralta Park Beutification
Cardiff Farmers Market
National Electrical Contractors Association Annual Dinner
North San Diego Business Chamber Regional Connect
Fallbrook Community Forum
41st Annual Dr. Martin Luther King Jr. Human Dignity Award Breakfast
MLK Day Parade, Fun Run and Festival
38th Annual All Peoples Celebration Breakfast
Cultivating Impact Mixer at Coastal Roots Farm
Suncoast Market Grand Opening
La Mesa Environmental Sustainability Commission
Chula Vista Community Collaborative
NAIOP San Diego's Annual Breakfast
Little Saigon Lunar New Year Festival
Green Schools Conference
San Diego Women's Week

Marketing, Communications and Outreach

The Public Affairs team led the awareness campaign for the new rates approved by the Board of Directors in January. The team is working on a broader public service announcement campaign to promote PowerBase, the agency's most affordable service plan, and expanded time-of-use periods that can encourage customers to save money.

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts, including the launch of the San Diego Regional Energy Network and the

Solar Battery Savings Program. It is also ramping up efforts to promote pilot programs, including one that helps customers repair their roofs to be ready for solar installations, and another that will distribute grants to small businesses that would benefit from more efficient refrigerators. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in these programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

Community Power has continued its efforts to connect with local leaders through meetings and community events.

The Public Affairs team will continue to develop new strategies, processes and capacity over the next several months to conduct more community outreach, expand marketing and brand awareness efforts, and provide timely, accurate information across multiple channels.

Local Government Affairs

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region. It has made a concerted effort to reach out to newly elected officials in all seven member agencies to provide education about the organization.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 3

TO: Community Advisory Committee

FROM: Jack Clark, Chief Operating Officer
Lucas Utouh, Senior Director of Data Analytics and Customer Operations

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Update on Customer Operations

DATE: February 12, 2025

Recommendation

Receive and file an update on various customer operations' initiatives.

Background

Staff will provide regular updates to the Community Advisory Committee centered around tracking customer opt actions (i.e., opt outs, opt ups, opt downs, and re-enrollments) as well as customer engagement metrics. The following is a brief overview of items pertaining to customer operations.

Analysis and Discussion

A) Enrollment Update

As of January 24, 2026, Community Power is serving a cumulative total count of **967,129** active accounts.

Customers with newly established accounts or who have moved into a new service address within any and all of our member jurisdictions receive two post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date, notifying them that they have defaulted to Community Power electric generation service.

B) Customer Participation Tracking

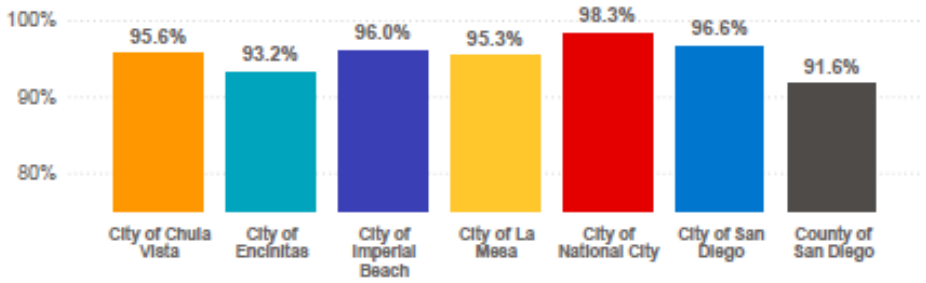
The below charts summarize customer participation by member agency as well as metrics for their elections into San Diego Community Power's four (4) available service options.

Please note that Re-Enrollment metrics are captured and displayed through December 31, 2025.

Enrolled Accounts	Participation Rate
967,129	95.5%

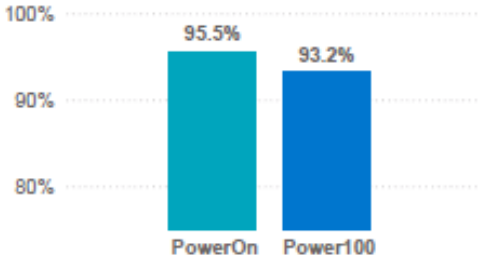
Participation

Participation by Jurisdiction

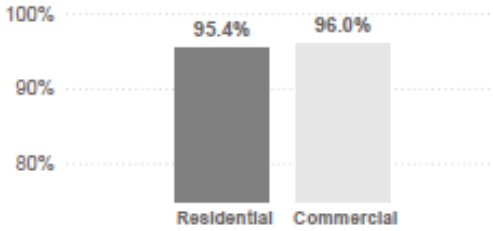


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,145	95,761	95.6%
City of Encinitas	Power100	28,918	26,951	93.2%
City of Imperial Beach	PowerOn	10,815	10,386	96.0%
City of La Mesa	PowerOn	29,621	28,226	95.3%
City of National City	PowerOn	19,690	19,346	98.3%
City of San Diego	PowerOn	632,718	611,265	96.6%
County of San Diego	PowerOn	191,171	175,194	91.6%
Total		**1,013,078**	**967,129**	**95.5%**

Participation by Default Service Option



Residential vs Commercial Participation

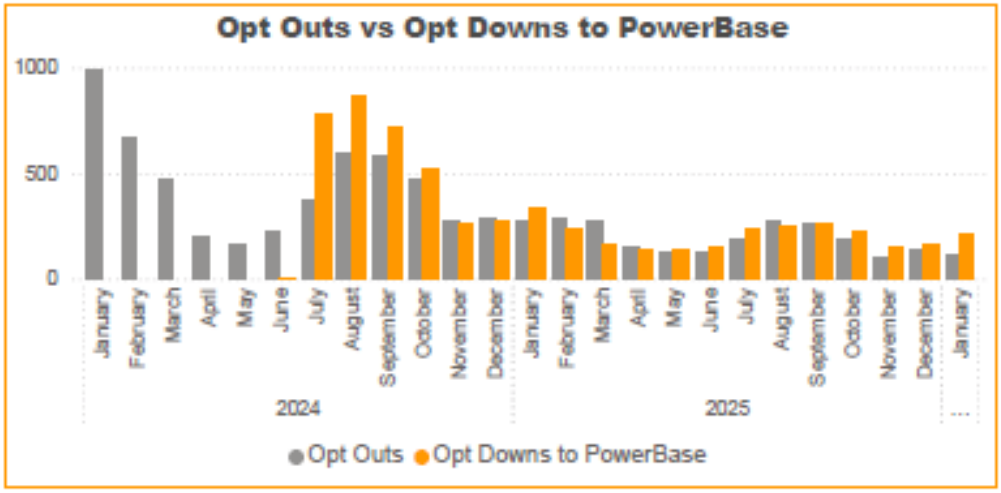


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	5,254	Enrolled	927,532	Enrolled	34,319	Enrolled	24
Participation	0.5%	Participation	95.9%	Participation	3.5%	Participation	0.0%

Service Option Enrollment Summary

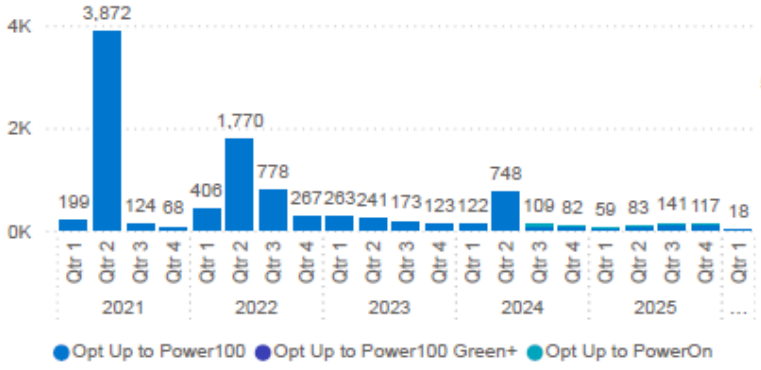
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+%
City of Chula Vista	PowerOn	95,761	474	0.5%	94,373	98.6%	914	1.0%		
City of Encinitas	Power100	26,951	211	0.8%	393	1.5%	26,347	97.8%		
City of Imperial Beach	PowerOn	10,386	40	0.4%	10,262	98.8%	84	0.8%		
City of La Mesa	PowerOn	28,226	147	0.5%	27,814	98.5%	265	0.9%		
City of National City	PowerOn	19,346	62	0.3%	19,254	99.5%	30	0.2%		
City of San Diego	PowerOn	611,265	2,856	0.5%	602,513	98.6%	5,872	1.0%	24	0.0%
County of San Diego	PowerOn	175,194	1,464	0.8%	172,923	98.7%	807	0.5%		
Total		967,129	5,254	0.5%	927,532	95.9%	34,319	3.5%	24	0.0%



Opt Up History

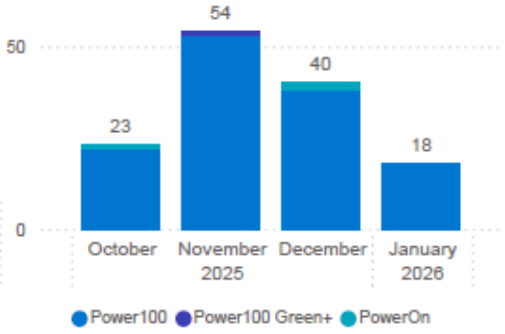
Total Opt Ups	Opt Ups Current*
9,763	8,066

Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	710	175	61	49	31	2	1,028
City of Encinitas	18	1	1	3	1	1	25
City of Imperial Beach	60	29	11	6	6	2	114
City of La Mesa	155	120	19	12	8		314
City of National City			12	24	2		38
City of San Diego	3,316	2,896	489	340	309	9	7,359
County of San Diego	4		207	627	43	4	885
Total	4,263	3,221	800	1,061	400	18	9,763

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	4,256	296	232	701	159	5	5,649
Residential	7	2,925	568	360	241	13	4,114
Total	4,263	3,221	800	1,061	400	18	9,763

Opt Ups by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	4,232	1,372	301	817	213	5	6,940
IVR	4	85	84	42	29	1	245
Web	27	1,764	415	202	158	12	2,578
Total	4,263	3,221	800	1,061	400	18	9,763

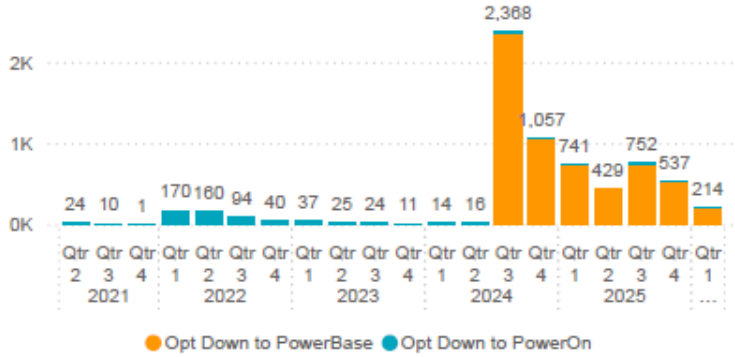
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of January 24, 2026

Opt Down History

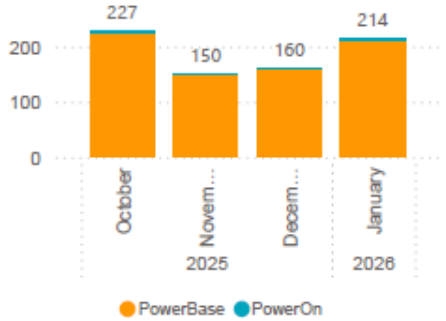
Total Opt Downs	Opt Downs Current*
6,724	5,675

Opt Downs Quarterly



Opt Downs Monthly

Last 4 Months



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista		2	4	287	246	13	552
City of Encinitas	35	429	74	150	109	14	811
City of Imperial Beach		1		31	18	2	52
City of La Mesa		4		106	66	6	182
City of National City				36	39	1	76
City of San Diego		28	13	1,793	1,390	152	3,376
County of San Diego			6	1,052	591	26	1,675
Total	35	464	97	3,455	2,459	214	6,724

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	34	23	9	508	171	3	748
Residential	1	441	88	2,947	2,288	211	5,976
Total	35	464	97	3,455	2,459	214	6,724

Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	31	311	65	2,562	1,531	72	4,572
IVR	4	26	3	309	274	25	641
Web		127	29	584	654	117	1,511
Total	35	464	97	3,455	2,459	214	6,724

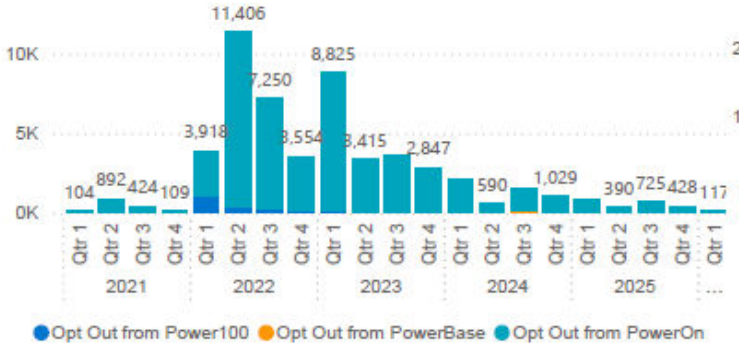
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of January 24, 2026

Opt Out History

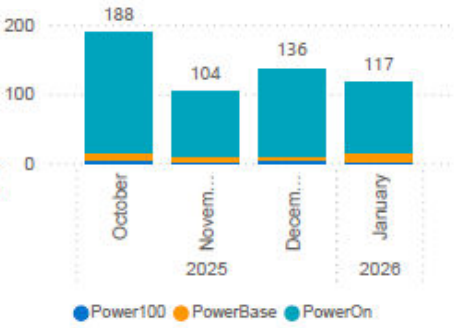
Total Opt Outs	Opt Outs Current*
54,125	44,767

Opt Outs Quarterly



Opt Outs Monthly

Last 4 Months



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	267	3,466	747	411	200	6	5,097
City of Encinitas	66	1,869	230	118	56	4	2,343
City of Imperial Beach	32	343	99	60	17	3	554
City of La Mesa	84	1,269	235	128	59	3	1,778
City of National City			285	75	33	2	395
City of San Diego	1,078	19,180	3,185	1,836	1,065	59	26,403
County of San Diego	2	1	13,899	2,669	944	40	17,555
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	1,492	535	1,684	344	142	9	4,206
Residential	37	25,593	16,996	4,953	2,232	108	49,919
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

Opt Outs by Method

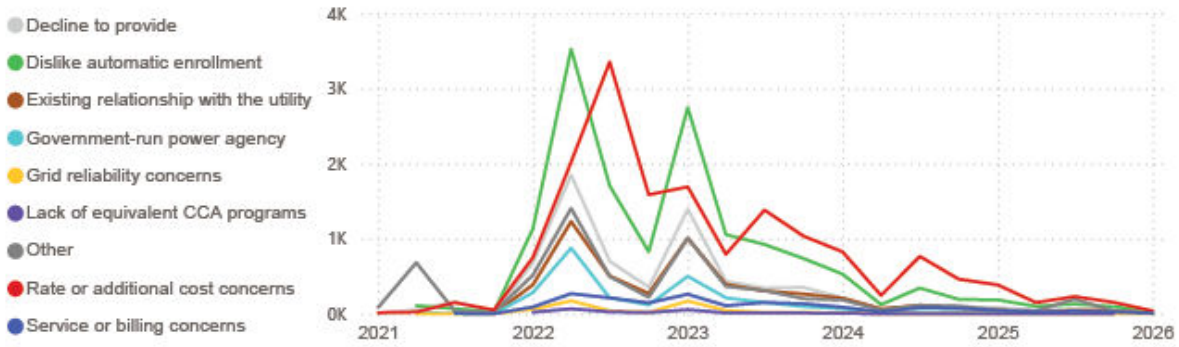
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	39	15,168
IVR	102	4,885	3,788	1,284	445	15	10,519
Web	323	14,280	10,186	2,360	1,226	63	28,438
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of January 24, 2026

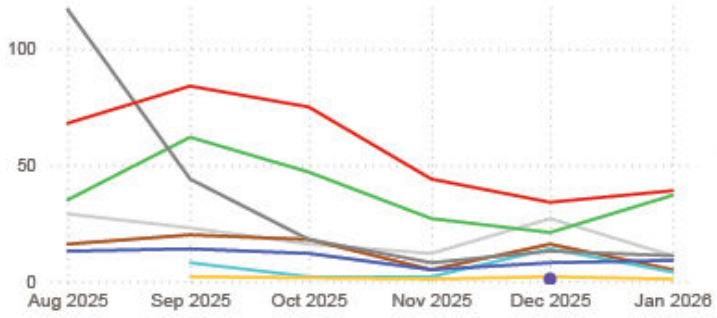
Opt Out Reason Summary

Opt Outs by Reason Quarterly



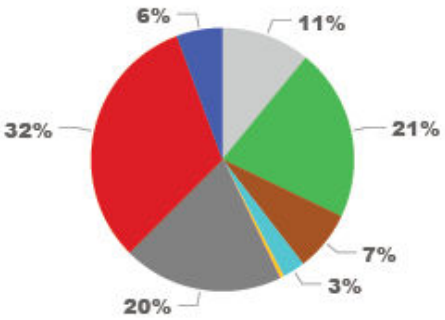
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months



Opt Outs by Reason Table

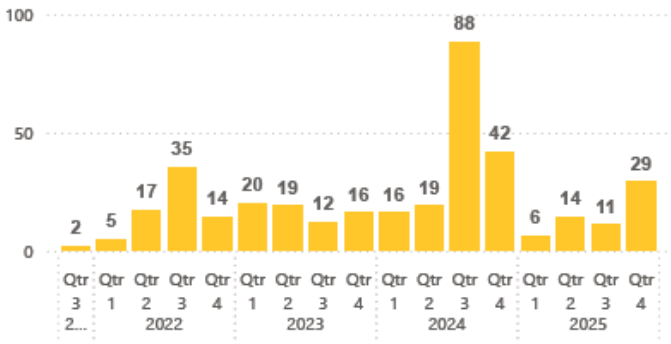
Opt Out Reason	2021	2022	2023	2024	2025	2026 YTD	Total
Decline to provide	228	3,581	2,518	465	256	11	7,059
Dislike automatic enrollment	203	7,187	5,458	1,188	511	37	14,584
Existing relationship with the utility	2	2,388	1,968	462	153	5	4,978
Government-run power agency	24	1,489	960	129	66	4	2,672
Grid reliability concerns	7	293	252	20	7	1	580
Lack of equivalent CCA programs		131	90	12	6		239
Other	819	2,636	1,883	453	325	11	6,127
Rate or additional cost concerns	240	7,705	4,897	2,296	918	39	16,095
Service or billing concerns	6	718	654	272	132	9	1,791
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

2026 YTD as of January 24, 2026

Re-Enrollment Requests

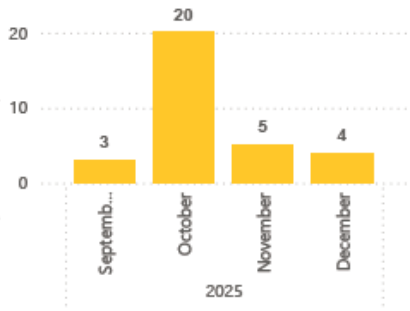
Excludes closed accounts

Re-Enrollments Quarterly



Re-Enrollments Monthly

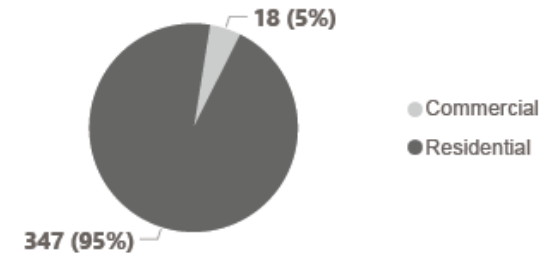
Last 4 Months



Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	24
City of Encinitas	33
City of Imperial Beach	4
City of La Mesa	8
City of National City	1
City of San Diego	214
County of San Diego	81
Total	365

Re-Enrollments Residential vs Commercial



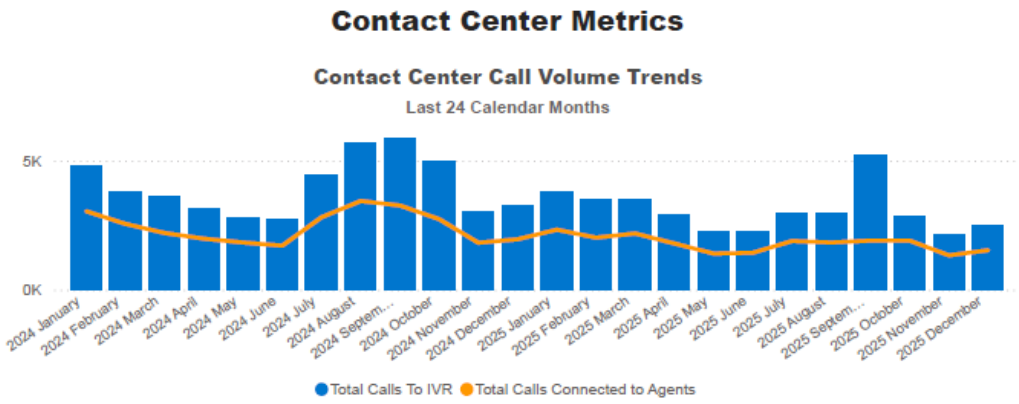
2025 YTD through the end of December, 2025

In September 2025, Community Power implemented an option for customers to identify their reason for re-enrollment at the time they submit their request to re-enroll. Following the Solar Battery Savings Program re-launch in 2025, about 57% of customers re-enrolled in Q4 2025 to join the program, while roughly 25% did so for lower rates.

C) Contact Center Metrics

As expected, calls to our Contact Center have decreased following the warm summer months that resulted in higher electric bills and have remained steady in the winter months.

The chart below summarizes contact made by customers into the Contact Center broken down by month. Contact Center Metrics are captured and displayed through December 31, 2025.



Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics

	2021	2022	2023	2024	2025 YTD	Total
Total Calls to IVR	2,289	47,118	52,977	48,073	36,829	**187,286**
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	21,556	**116,636**
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.33	**12.77**
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	9.0	**9.3**
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	95.85%	**95.33%**
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.43%	**0.45%**

Customer Service Emails

	2021	2022	2023	2024	2025 YTD	Total
Emails Received	272	2,894	2,116	1,271	1,170	**7,723**
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	1,170	**7,625**
Completion%	94%	96%	100%	100%	100%	**98%**

2025 YTD through the end of December, 2025

San Diego Community Power anticipates that the trend of customers calling into the Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt actions using the recorded prompts as well as utilizing Community Power's website for processing opt actions will continue to account for the majority of all instances. The remaining portion of customer calls are connected to Customer Service Representatives to answer additional questions, assist with account support, or process opt actions.

As of this latest reporting month, Community Power has 11 Dedicated Customer Service Representatives staffed at the Contact Center and 1 Supervisor. Robust Quality Assurance (QA) procedures are firmly in place to ensure that customers are getting world-class customer experience when they contact Community Power.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Colin Santulli, Senior Director of Programs
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Programs
Date:	February 12, 2026

Recommendation

Receive and file update on customer energy programs.

Background

Staff will provide regular updates to the Community Advisory Committee ("CAC") regarding the following Community Power customer energy programs: Commercial Programs, Residential Programs, Flexible Load Programs, Solar and Energy Storage Programs, and the San Diego Regional Energy Network.

Analysis and Discussion

Updates on customer energy programs are detailed below.

Commercial Programs

Efficient Refrigeration Pilot Project

Status: The Efficient Refrigeration Pilot Project, funded by the California Department of Food and Agriculture (CDFA), is closing as all equipment funding was expended and grant requirements have been met. A total of 32 participants received energy-efficient refrigeration equipment and 20 participants elected to receive American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Level 1 energy assessments. The equipment and energy assessments were at no cost to the participants and were fully covered by the grant.

Next Steps: Staff will finalize the remaining projects and complete all grant closeout and final reporting requirements through the end of the grant period in March 2026.

Residential Programs

California Energy Commission ("CEC") Equitable Building Decarbonization Direct Install ("EBD DI") Program

Status & Next Steps: Please refer to Item 4 of the December 2025 CAC agenda for the most recent update on this program.

Flexible Load Programs

Smart Home Flex Pilot Project

Status: Staff processed and sent incentives to Smart Home Flex Pilot Project (Smart Home Flex) participants that participated in Smart Flex events during the summer. At the end of December 2025, staff contracted with a vendor to complete an impact evaluation of Smart Home Flex. The impact evaluation project kicked off in January 2026. Learnings from the evaluation will inform the potential expansion of Smart Home Flex.

Staff shipped out the first Universal Communication Modules (UCM) to customers that enrolled their heat pump water heater into Smart Home Flex. The UCM allows Community Power to contact the water heater and pre-heat water to avoid electricity usage during peak periods.

Next Steps: Complete impact evaluation project of Smart Home Flex. Monitor the installation of UCMs and provide support as needed.

EV Flex Connect Pilot Project

Status & Next Steps: Please refer to Item 4 of the December 2025 CAC agenda for the most recent update on this program.

Solar and Energy Storage Programs

Net Energy Metering ("NEM") and Net Billing Tariff ("NBT")

Status & Next Steps: Please refer to Item 4 of the October 2025 CAC agenda for the most recent update on this program.

Solar Battery Savings ("SBS") Program

Status: SBS began accepting applications on September 30, 2025. To date, the program received over 540 applications, of which 314 have been approved; 78 of the 314 projects have been paid. Of the 54 contractors approved to participate in the program, 45 have submitted project applications. Sixty-eight percent of applications received so far are from market rate applicants and 75% are for new solar and storage systems (as compared to storage being added to existing solar systems).

In January 2026, Community Power posted an invitation via the Power Network for member organizations to bid to offer a series of SBS customer workshops to build awareness of the program and the benefits of residential solar and storage, in general. Workshops will be targeted in communities of concern with the goal of increasing non-market rate applications.

Next Steps: In February 2026, staff will reopen the contractor application period, including offering additional mandatory training to enable additional interested contractors to apply to become an approved contractor in the program. Community Power expects to start SBS customer workshops in Q2 2026.

Solar Advantage Program (previously DAC-GT)

Status: Staff notified developers who were shortlisted on December 19, 2025, and held initial kick off meetings for shortlisted bids received from RFO #2. Following the California Public Utilities Commission ("CPUC") issuance of Resolution E-5367 establishing new DAC-GT cost containment requirements, staff successfully developed the Confidential Benchmark Value Reference Price (CBVRP) in concert with NewGen Strategy.

Next Steps: Staff will continue working towards meeting all contractual milestones with shortlisted developers of RFO #2. Concurrently, staff plan to file an Advice Letter to request approval of the Solar Advantage solicitation documents to the CPUC prior to the launch of RFO #3, tentatively scheduled to be released early Q2 2026.

San Diego Regional Energy Network ("SDREN")

Status: Staff continue activities required for the successful launch of SDREN programs with a focus on procurement. As of January 23, 2026, the following contracts from Phase 2 have been executed with the selected vendors:

- Climate Resilience Leadership Program:
  - Vendor: The Energy Coalition
  - Contract Total: $9,361,556 (direct implementation), $7,442,846 (incentives)

- Single-Family Program:
  - Vendor: ICF Resources, LLC

    - Contract Total: $6,320,226 (direct implementation), $12,416,267 (incentives)

- Multifamily Program:
    - Vendor: TRC Solutions, Inc.
    - Contract Total: $3,491,763 (direct implementation), $6,539,071 (incentives)

Please refer to the dedicated SDREN item included in the February 2026 CAC meeting agenda packet for additional SDREN updates.

Next Steps: Staff will continue to finalize contract negotiations with the selected vendors from the Phase 3 solicitation. All contracts from Phase 1 and 2 have been executed. Staff anticipate the Phase 3 contracts to be executed by February 2026 in accordance with Resolution No. 2025-01 adopted by the Board on January 23, 2025, authorizing the Chief Executive Officer to 'negotiate and execute contracts with third parties to implement the agreement or use of [SDREN] funds.

The remaining SDREN contracts are expected to be executed with selected vendors with amounts not exceeding the budgets stated in the solicitations:

Phase 3

- Efficient Refrigeration Program: $2,028,045 (direct implementation), $4,074,678 (incentives).
- Market Access Program: $4,597,330 (direct implementation), $9,006,228 (incentives).
- Small-to-Medium Business Energy Coach Program: $6,567,110 (direct implementation), $2,016,518 (incentives).

SDREN funds are authorized by the California Public Utilities Commission and are disbursed to San Diego Community Power in accordance with the *San Diego Regional Energy Network Energy Efficiency Programs and Budget Agreement for Years 2024-2027* executed between Community Power and SDG&E (under Resolution No. 2025-01).

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report - Item 5

To:	Community Advisory Committee
From:	Gordon Samuel, Chief Commercial Officer
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Power Services
Date:	February 12, 2026

Recommendation

Recommendation to receive and file update on Power Services.

Background

Staff provide the updates below to the Community Advisory Committee regarding Community Power's energy procurement activities.

Analysis and Discussion:

Power Services Staffing

Building out a team of experienced, knowledgeable energy professionals has long been a top priority and allows Community Power not only to solicit, negotiate, and administer contracts for energy supply effectively, but also to monitor market activity, manage risk, bring in-house several activities that have historically been completed by consultants, and to dedicate additional resources to local and distributed energy procurement and development efforts. The Power Services team is now sixteen people strong.

Compliance

On December 2, 2025, Community Power submitted its Mid-Term Reliability ("MTR") Integrated Resource Planning update to the California Public Utilities Commission. This filing showed that Community Power is on track to meet its MTR requirements.

Portfolio Updates

On December 23, 2025, the Arrowleaf project achieved commercial operations. Arrowleaf is a 42 MW solar, and 35 MW storage capacity project located in Imperial County, CA. The project can power approximately 28,140 homes annually and helps with local reliability. Additionally, on January 1, 2026, the Border project achieved commercial operations. Border is a 50 MW 1-hour battery in San Diego. The new battery system will help with local reliability and reduce the need for the co-located natural gas peaker's operations, thus reducing localized emissions.

Long-term Renewable Energy Solicitations

As Community Power strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) provide developers with certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that Community Power signs with a developing facility will underpin a new, incremental renewable energy and/or storage project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also hedging power supply costs. Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that Community Power provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in California Public Utilities Commission (CPUC) Decision (D.) 21-06-025, the CPUC required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of "Mid Term Reliability" (MTR). These requirements have been augmented and extended into 2026 and 2027 via CPUC D.23-02-040.

In pursuit of long-term contracts for renewable energy and storage, staff have released several Requests for Offers (RFOs), including an RFO this year that targeted clean-firm resources that can provide 24/7 deliveries. Staff and the Energy Contracts Working Group (ECWG) evaluate all submissions from solicitations prior to entering negotiations with selected participants. Assuming that staff and shortlisted developers can concur to mutually agreeable contracts consistent with terms authorized by the ECWG, staff then review draft terms with the Community Power Board for approval and authorization to execute the relevant documents. To date, staff have enabled the execution of over two dozen long-term contracts for energy, renewable energy credits and/or capacity from renewable and storage projects.

Staff remain in negotiations for additional resources that are expected to be online between 2027 and 2030. Going forward, staff expect to prioritize projects that increase the portfolio's diversity in terms of technology and innovative contract structures to achieve a pathway to 100% clean energy. Staff will also be increasingly prioritizing local infill projects as described below.

Local Development

Local RFI

Community Power's rolling Local RFI remains open and has yielded eight Board-approved contracts for local generation and storage facilities. After consultation with the ECWG, Community Power Board of Directors has approved a portfolio of PV PPAs and energy storage and service agreements and is actively negotiating with several local projects submitted to the Local RFI over the past several months. Community Power also released an RFO for distributed renewable energy resources (DERs), focusing on a broad range of distribution-level renewable projects within San Diego County. This solicitation has yielded nine Board-approved PPAs and energy storage agreements. Other ongoing local initiatives include continued collaboration with member agency staff and other local agencies to identify strategic opportunities to further infill development.

Community Power's Local RFI and Feed-in Tariff remain open. More information is available about each at the links below:

- https://sdcommunitypower.org/resources/solicitations/
- https://sdcommunitypower.org/programs/feed-in-tariff/

Solar Advantage Program (previously DAC-GT)

Status: The California Public Utilities Commission ("CPUC") approved Community Power's Advice Letter 35-E for three fully executed Power Purchase Agreements ("PPAs") with 1st Oak 2, LLC for a total of 2.91 MW on December 11, 2025. Staff presented the PPAs for Board approval at the September 2025 Board meeting (please refer to Item 18a).

Staff shortlisted 11 projects on December 19, 2025, received through the Solar Advantage Program's Second Request for Offer ("RFO") after following ECWG's approval.

Next Steps: Prior to launching RFO #3 (currently planned for Q1 CY 2026), staff will update the cost containment cap as directed by CPUC Resolution E-5368.

Staff will bring the shortlisted projects received through the Solar Advantage Program's Second RFO to the Board for approval in time to meet the CPUC's requirement to file an advice letter within 180 days of notifying bidders of their shortlisting status.

Short-Term RPS Procurement

Community Power staff continue to actively manage its environmental portfolio and closely monitor the market for opportunities to optimize its renewable and carbon-free portfolios. Community Power has recently been evaluating solicitation offers, bilateral offers, and products that meet the needs for multiple portfolios – creating greater value for its customers. Community Power will continue to prioritize environmental targets while also ensuring value for our customers.

Market Update

Due to resource availability in the broader Western Interconnection, lingering supply chain impacts and long interconnection queues that have delayed development of new-build energy resources, and implementation of tariffs and duties on foreign imports, the market for renewable energy and resource adequacy (RA) continues to be uncertain. Staff are working with developers, industry groups, the CPUC, and CA Governor's Office and legislators to i) develop near-term solutions while also actively procuring short-term energy and capacity products and long-term energy resources to meet Community Power 's portfolio needs practically and cost-effectively, and ii) to establish a portfolio of resources that will provide value to Community Power and California's clean, reliable energy needs into the future.

Near-term California power markets are on a slight decline due to decreasing electric demand and cooling temperatures. Markets are closely watching seasonal heating changes that can impact natural gas supply and by extension, in-state energy supply and prices. No supply shortfalls are expected, but markets remain sensitive to extreme weather events and unexpected supply shortages.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 6

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Jen Lebron, Senior Director of Public Affairs
Via:	Karin Burns, Chief Executive Officer
Subject:	Informational Presentation on the California Community Choice Aggregation Association
Date:	February 12, 2026

Recommendation

Receive and file an informational presentation on the California Community Choice Aggregation Association (CalCCA).

Background

Community choice aggregators (CCA) are still a relatively new concept when compared to more established energy service models, and community choice energy providers continue to face challenges on numerous fronts.

The California Community Choice Association (CalCCA) is the statewide association representing Community Choice Aggregation (CCA) electricity providers in legislative and regulatory forums. CalCCA advocates on behalf of CCAs before the California State Legislature and key state agencies, including the California Public Utilities Commission (CPUC), California Energy Commission (CEC), and California Air Resources Board (CARB). State-level decisions influenced by CalCCA advocacy can affect local program policies and autonomy, customer rates, program offerings, and long-term financial stability.

This informational presentation will provide an overview of CalCCA's role, activities, and impact to San Diego Community Power customers. Understanding how the organization works with our Regulatory and Legislative Affairs team on statewide advocacy and coordination efforts that intersect with local governance will provide CAC members with better context to engage in policy discussions.

Analysis and Discussion

Founded in 2016, CalCCA represents 24 of the 25 operating CCAs in California, making it the primary statewide coordination and advocacy body for community choice energy.

San Diego Community Power is a member of CalCCA, and its customers are included among the more than 15 million Californians served collectively by CCAs statewide. 42% of cities and towns in California are served by a CCA.

CalCCA's strategy is driven by its members, which jointly identify issues impacting community choice energy providers to respond with proactive advocacy and support. CalCCA also provides members with education, technical guidance, and gathering opportunities through committees and an annual conference.

Key functions of CalCCA include:

- **Statewide Advocacy and Representation:** CalCCA represents the collective interests of CCAs in legislative and regulatory proceedings that shape how community choice energy programs operate, working to advance policies that protect local control, customer choice, and CCA decision-making authority, while opposing policies that would disadvantage CCAs or their customers.
- **Policy Expertise and Analysis:** CalCCA monitors and analyzes proposed legislation and regulatory actions and provides its members with summaries, briefings, and expert analysis, providing broader policy context behind staff recommendations and Board actions.
- **Collaboration and Best Practices:** CalCCA facilitates information sharing among CCAs through working groups, committees, webinars, and convenings, enabling inter-agency support.
- **Public Information and Transparency:** CalCCA develops communication tools that help explain complex energy policy topics to the public.

Fiscal Impact

N/A

Strategic Plan

This item supports establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders.

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 7

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Jen Lebron, Senior Director of Public Affairs
Via:	Karin Burns, Chief Executive Officer
Subject:	Community Clean Energy Grants Update
Date:	February 12, 2026

Recommendation

Receive and file the update on San Diego Community Power's (Community Power) Community Clean Energy Grants.

Background

Community Power's Community Clean Energy Grants aim to support local clean energy projects and programs that provide economic, environmental, health, and community benefits. The program was launched in March 2023 with a design informed by the community needs assessment that Community Power conducted for its Community Power Plan, and Community Power awarded grants to ten organizations later that June.

In August 2023, Community Power ran a competitive bidding process to establish ongoing program administration support. San Diego Foundation (SDF) was selected to serve as the program administrator through FY 2026-27 based on their demonstrated expertise supporting similar grant programs locally, established relationships with community-based organizations and nonprofits, and experience securing additional funding to support program budgets. SDF's mission is to inspire enduring philanthropy and enable community solutions to improve the quality of life in the San Diego region.

To date, Community Power and its partners have awarded over $2.5 million to more than 25 organizations as part of the Community Clean Energy Grants. This update provides a progress update on past cycles and an overview of the FY 2025-26 cycle, which was launched earlier this month.

Analysis and Discussion

Building on the success of previous years, Community Power's FY 2025-26 Community Clean Energy Grant Program will award funding to community-based organizations and nonprofits to implement projects that move communities toward a healthier, more sustainable, clean energy future. Upwards of $750,000 will be awarded, with grant sizes ranging from $25,000 to $150,000, and funding from SDF and Calpine included in the total funding amount for a third year in a row.

Applications must be led by a nonprofit with a 501(c)(3) public charity status or another tax-exempt organization (such as a public agency and/or a higher education institution) and have proven experience serving community members through projects or programs.

Proposed projects or programs must serve Community Power customers, directly relate to clean energy, and advance one or more of the following focus areas, according to the Board-approved policy:

- Increasing overall energy literacy of Community Power customers.
- Energy focused educational programming that encourages clean energy use, particularly for youth.
- Improvements in indoor and/or outdoor air quality related to electrification.
- Workforce development opportunities that support careers in the clean energy industry.
- Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.

Consistent with the Board-approved Community Power FY 2025-2028 Strategic Goals, there are two funding tracks used to assess applications for this grant cycle:

Track 1 – Clean Energy Infrastructure will primarily support the establishment of clean energy infrastructure within Community Power's service areas, prioritizing Communities of Concern. When applicable, projects will be strongly encouraged to enroll grant-funded distributed energy resources (DERs) into Community Power's Virtual Power Plant (VPP). Examples of eligible Track 1 projects include, but are not limited to:

- Distributed solar and storage
- Electric vehicles (EVs) and EV charging stations
- Grid-interactive buildings such as community resilience hubs that create energy cost reductions and provide response and services to communities during power outages.

Grants under Track 1 range from $50,000 to $150,000.

Track 2 – Clean Energy Programming will primarily focus on supporting programmatic opportunities to increase overall energy literacy of Community Power customers. This can include energy focused educational programming that encourages clean energy use, youth engagement programming, and workforce development opportunities that support careers in the clean energy industry. Examples of eligible Track 2 programming include, but are not limited to:

- Workforce development programs that support careers in the clean energy industry, such as jobs and education to maintain electric vehicles or install solar panels
- Energy literacy programming in Communities of Concern that encourages adoption of clean energy technologies
- Adoption of clean energy curriculum in K-12 focused programming.

Grants under Track 2 range from $25,000 to $50,000.

A collaborative evaluation committee consisting of staff from Community Power, SDF, Calpine, and philanthropic funders in the climate space will review, score, and select applications based on the evaluation criteria listed in the table below (out of 55 points).

Criteria	Description	Scoring
Funding Priority Alignment and Program Design	Project/program is designed to meet community needs while advancing one or more of the following focus areas: • Increasing overall energy literacy of Community Power customers. • Energy focused educational programming that encourages clean energy use, particularly for youth. • Improvements in indoor and/or outdoor air quality related to electrification. Workforce development opportunities that support careers in the clean energy industry. • Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.	13 Points
Regional Environmental Impact	San Diego Community Power is committed to entirely clean and renewable electricity by 2035 or sooner. Program/project contributes to regional clean energy goals such as: • Reduced carbon emissions • Improved energy usage • Increased energy literacy among participants • Increased energy infrastructure and resiliency among communities served	15 Points

	Program/project promotes the awareness and adoption of quantifiable clean energy solutions, creates energy cost reductions for customers, and/or contributes to strategic goals that advance Distributed Energy Resources (DER).	
Feasibility and Readiness	Program/project outlines well-defined goals and demonstrates having the staffing capability, timing, partnerships and applicable skills to successfully implement the program/project. Applicants sought guidance from staff on Virtual Power Plant (VPP) enrollment during available technical assistance periods and incorporated VPP elements to their project/plan where applicable and feasible. Application includes realistic timelines, and an implementation plan that accounts for all necessary permits, approvals, project requirements, as well as plans for addressing potential permitting or regulatory challenges (if applicable). Budget is within the allowable grant range and is reasonable for the program/project's scope.	15 Points
Communities Served	Program/project demonstrates a comprehensive understanding of the population to be served and focuses on Communities of Concern in Community Power's service territory. Program/project addresses potential barriers to participation and outlines outreach strategies to engage its target audience (if applicable). Program/project demonstrates how any partnerships and roles will be complementary and additive.	12 Points

The application was released on Monday, February 2, 2026, and will close on Friday, March 6, 2026. Grant awardees will be notified by July 2026. Grant funds must be expended within 12 months from their award date, and may be used for personnel, supplies, equipment, capital purchases, administrative or indirect costs, and any other program/project costs tied to effectively executing the proposed project. SDF and Community Power staff will provide technical assistance to potential applicants by appointment.

Promotional and outreach activities that Community Power and SDF may undertake to promote the FY 2025-26 program cycle include, but are not limited to, webpage updates, a live (and recorded) webinar, press releases, newsletter updates, community group presentations, email blasts, and social media posts. Staff will also leverage the Community Advisory Committee and the San Diego Community Power Network to help promote the cycle among eligible applicants.

Fiscal Impact

The Board-approved FY 2025-26 budget allocated $1.2 million to Community Clean Energy Grants. Of this, $600,000 is dedicated to grantmaking, while the remainder covers SDF's administration and disbursement costs for all funding sources for both the FY 2024-25 and FY 2025-26 cycles. SDF's administration fee is 15% for Community Power funding, and 8% for other funding sources.

Calpine will contribute additional funding to the FY 2025- 26 program cycle per their Data Services Agreement with Community Power; San Diego Foundation will seek further contributions through its donor network. All program-related expenditures will comply with Community Power's Board-approved Procurement Policy.

Strategic Plan

This item supports establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders; building community relationships and reinvesting in the communities we serve; increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings; and developing and executing effective communications & marketing plans to encourage San Diego residents to take advantage of programs they qualify for to enhance their energy efficiency.

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 8

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Laura Fernandez, Senior Director of Regulatory and Legislative Affairs Patrick Welch, Associate Director of Legislative Affairs Aisha Cervantes-Cissna, Senior Policy Manager
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Regulatory and Legislative Affairs
Date:	February 12, 2026

Recommendation

Receive and file the update on regulatory and legislative affairs.

Background

Staff provide regular updates to the Community Advisory Committee regarding Community Power's regulatory and legislative engagement.

Analysis and Discussion:

A) Regulatory Updates

Integrated Resource Planning

On January 14, 2026, the California Public Utilities Commission (CPUC) issued a Proposed Decision (PD) requiring 2029-2032 electric resource procurements and transmitting portfolios for the 2026-2027 Transmission Planning Process (TPP).

The PD requires load-serving entities (LSEs) to undertake additional reliability procurement between 2029 and 2032 to pursue any viable projects that can still qualify for Federal tax credits or other incentives and continue the momentum of annual procurements under the Mid-Term Reliability (MTR) and supplemental MTR requirements in D.21-06-035 and D.23-02-040. The new procurement requirement is 2,000 megawatts (MW) of net qualifying

capacity (NQC) by June 1, 2030, and an additional 4,000 MW of NQC by June 1, 2032. Eligible resources must be new resources online after January 1, 2020, and zero-emitting or renewables portfolio standard (RPS)-eligible with no more than half of the total NQC per tranche eligible to come from storage resources. Community Power is responsible for procuring 84 MW by 2030 and 168 MW by 2032 for a total of 252 MW.

The recommended base case portfolio for the 2026-2027 TPP extends the offline dates for certain offshore wind resources by up to six years and recommends a two-year extension to the in-service dates for transmission to support North Coast offshore wind. The Commission also outlined the recommended transmission deliverability reservations by years in MW for biomass, geothermal, long-duration energy storage (LDES), in-state and out-of-state wind, and off-shore wind for the 2026-2027 TPP. There were no changes to the load forecast assumptions to the base case and the 25 million metric ton (MMT) target in 2035 and 8 MMT target by 2045 will remain. The recommended sensitivity portfolio tests a low-wind development scenario and provides an opportunity to identify other transmission developments that may be needed in a worst-case scenario slowdown in wind development. This year, California Independent System Operator (CAISO) will study the Limited Wind Sensitivity portfolio, based on recent federal policy changes.

Comments on the PD are due February 3, 2026, and reply comments are due February 9. Community Power is working with its trade association, the California Community Choice Association (CalCCA), to file comments. The PD may be heard as soon as the February 26 CPUC meeting.

Ruling Setting Requirements for Individual Integrated Resource Plans Due June 1, 2026

On January 16, 2026, the CPUC issued a Ruling setting the IRP filing requirements for load serving entities (LSEs), including Community Power. The deadline for filing individual LSE IRPs is June 1, 2026, and comments on IRP filings are due July 15.

The greenhouse gas (GHG) emissions constraints for the IRP portfolios are aligned with the statewide trajectory included in the California Air Resources Board's 2022 Scoping Plan for Achieving Carbon Neutrality, with a 25 MMT limit in 2035 and a limit of 8 MMT by 2045. LSEs are required to submit at least one conforming portfolio for the model years 2026, 2028, 2030, 2035, 2040, and 2045 that meets its proportional share of the GHG targets, and LSEs may also submit an additional "preferred" portfolio that may go beyond the assigned GHG targets.

Power Charge Indifference Adjustment (PCIA)

On December 26, 2025, the CPUC issued a Ruling scheduling the revised Track 2 prehearing conference for the *Rulemaking to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes*. Initially, Track 2 had a broad list of scoped issues, which will now be addressed in Track 3 later in 2026.

The new Track 2 is focused on the emergent issue in the recent ERRA forecast proceedings of valuation of pre-2019 renewable energy credits (RECs) and how that valuation is applied to investor-owned utility (IOU) bundled customers and departed load customers, like those of community choice aggregators (CCAs), such as Community Power.

The prehearing conference was held on January 23, 2026, and Community Power was represented by CalCCA. The CPUC will next issue a Scoping Memo and Ruling.

SDG&E Energy Resource Recovery Account (ERRA) Forecast

On January 5, 2026, Community Power, jointly with Clean Energy Alliance (CEA), filed an Application for Rehearing (AfR) at the CPUC of the Decision approving SDG&E's 2026 ERRA Forecast.

The AfR is closely related to CalCCA's Petition for Writ of Review with the California Court of Appeal, Third District, challenging a recent CPUC Decision that retroactively changes the methodology used to calculate the Power Charge Indifference Adjustment (PCIA). As such, the AfR argues that by setting PCIA rates in the ERRA Forecast based on a 2025 PCIA revenue requirement that incorporated the new methodology to calculate the 2025 Final RA MPB, the Decision violates the statutory prohibition against retroactive ratemaking.

On January 20, 2026, SDG&E filed a response arguing that the AfR constitutes an improper collateral attack and should be denied. The CPUC has until March 6 to issue a decision, otherwise the AfR will be deemed denied.

Provider of Last Resort (POLR)

On January 16, 2026, the CPUC issued a final Decision setting a procedural pathway and guidelines for non-IOUs to apply to serve as the provider of last resort (POLR), which is the entity responsible for providing uninterrupted electric service in the event that a LSE fails.

The Decision adopts a streamlined approach for a non-IOU and relevant IOU to jointly file an application to transfer POLR responsibilities for the entire service territory of the IOU or for a portion of that service territory. The Decision outlines specific questions to be addressed in the application regarding the applicant's proposed service, capabilities, and proposed CPUC regulation and oversight.

Prior to the final Decision, CalCCA filed opening comments and reply comments on the Proposed Decision. In general, CalCCA supported the CPUC's approach but recommended the Decision guarantee the pathway for an applicant to seek guidance on threshold questions, and the CalCCA reply comments pushed pack on SDG&E's recommendation to define POLR services in this Decision, rather than through the application process. CalCCA's

recommendation was accepted by the CPUC. This Decision closed the POLR proceeding (R.21-03-011).

SDG&E's Advanced Metering Infrastructure 2.0 Application

SDG&E's filed application and supporting testimony requesting approval to spend $825 million to replace its existing smart meters with next generation smart meters, technology and an updated platform designed to meet current operational challenges, support future advancements, and maintain customer affordability. SDG&E proposes deployment would begin in 2027 with a full transition by 2030. The utility's stated rationale for replacing the existing Smart Meter assets, deployed largely in 2009–2011, are reaching end-of-life; the CPUC previously declined to approve fleetwide replacement in SDG&E's General Rate Case and directed the utility to bring this separate application with a clearer record.

San Diego CCAs (SDCP & CEA), Utility Consumer Action Network (UCAN), The Utility Reform Network (TURN), Mission:Data, and CalAdvocates filed protests to the application on January 21. The San Diego CCAs' joint protest asserts that SDG&E's application does not adequately ensure real-time data access for customers and LSEs and therefore requires clear, enforceable conditions tied to any approval. The protest's key requests are: guaranteed near real-time usage data access for CCAs and customer-authorized third parties on parity with SDG&E's internal uses; explicit competitive neutrality and data-parity provisions across all interfaces and tools; formal CCA engagement in technical design, testing, deployment sequencing, and customer communications. Other protesting parties generally protest the application, arguing the filing is not ready for approval on an expedited track. Collectively, the protests emphasize, the absence of a comprehensive cost benefit analysis, the need to address Smart Meter 1.0 transition/stranded costs and protect against double recovery, stronger ratepayer protections and vendor accountability.

SDG&E's response to protests is due on February 2, after which the CPUC will issue a draft scoping memo and set a date for a prehearing conference to determine the final scope and schedule of the proceeding.

SDG&E's Application to Withdraw from Regional Energy Efficiency Administration (Application 25-04-014, Application of San Diego Gas & Electric Company to Revise its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan.)

On January 15, four parties filed opening testimony in SDG&E's application to withdraw from regional energy efficiency administration: SDG&E, the Public Advocates Office (PAO), San Diego Community Power and Clean Energy Alliance, and Bay Area REN (BayREN) with Tri-County REN (3CREN). See Attachment A for the joint filing Community Power filed. The filings reflect two clearly defined positions. SDREN and other Regional Energy Networks argue that

San Diego's regional energy efficiency programs deliver demonstrable value to ratepayers and are an important affordability measure, while SDG&E and PAO contend that such programs do not and that associated funding should be eliminated if programs fail the Commission's cost-effectiveness tests.

A central objective for SDREN in this proceeding is to preserve the approximately $300 million in regional funding that SDG&E proposes to eliminate, in order to ensure that SDREN and/or other Portfolio Administrators have sufficient resources to expand programs and address service gaps resulting from SDG&E's withdrawal, if the CPUC finds withdrawal is permissible. Rebuttal testimony is due February 18, 2026.

The arguments raised in this withdrawal proceeding are also expected to foreshadow issues that may arise in opposition to SDREN's forthcoming 2028-2035 Strategic Business Plan and 2028-2031 Portfolio Plan Application, which is scheduled to be filed in March 2026. More details on SDREN's programs are described in the San Diego Regional Energy Network (SDREN) Update staff report included in the agenda packet.

General Energy Efficiency Oversight (Rulemaking 25-04-010, Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation.)

Opening Comments on Commission Viable Electric Alternatives Staff Proposal

On January 13, Community Power, on behalf of the SDREN, filed joint opening comments with BayREN, 3CREN, and Southern California Regional Energy Network (SoCalREN) in response to the CPUC's Energy Efficiency Natural Gas Incentive Phase-Out Staff Proposal issued pursuant to the December 1, 2025, ruling in R.25-04-010. The Staff Proposal outlines a framework to phase out natural gas energy efficiency incentives where a Viable Electric Alternative (VEA) exists, defined as an electric measure that provides the same end-use service and is cost-effective to the customer under the Participant Cost Test. Where a VEA is identified, staff recommend eliminating ratepayer-funded gas incentives across new construction, retrofit, and equity programs, with certain gas measures (such as building envelope measures) remaining exempt based on prior CPUC decisions.

The Joint REN comments raise concerns that the proposed VEA framework may have unintended equity and implementation impacts. Specifically, the Joint RENs argue that reliance on customer-level cost-effectiveness tests fails to account for non-energy benefits and local conditions in disadvantaged and Hard-to-Reach communities, that one-time electrification upgrades should not be counted against measure viability, and that cost-effectiveness analyses should reflect below-code conditions and projected increases in natural gas rates. The comments also emphasize the role of RENs in advancing neighborhood-scale decarbonization and piloting refrigerant management programs and urge alignment of the VEA methodology with the equity-focused objectives of SB 1221.

Reply Comments on Commission Viable Electric Alternatives Staff Proposal

On January 23, the San Diego Regional Energy Network (SDREN), joined by Inland Regional Energy Network (I-REN), BayREN, 3CREN, Northern Rural Energy Network (NREN), and SoCalREN, filed reply comments on the CPUC's Viable Electric Alternatives (VEA) Staff Proposal. See Attachment B for the reply comments filed by Community Power. These comments respond to issues raised in opening comments and are intended to inform how the Commission approaches the phased discontinuation of natural gas energy efficiency incentives and the transition to electrification over the coming decade.

In reply comments, the Joint RENs reiterate support for the Commission's electrification objectives while identifying key refinements needed to address equity and implementation concerns. The Joint RENs emphasize that existing cost-effectiveness tests do not fully capture non-energy benefits or the lived realities of equity and Hard-to-Reach customers and recommend interim adjustments until more comprehensive methodologies are adopted. The comments further argue that one-time electrification-enabling infrastructure costs should not be counted against VEA viability for equity customers, that Program Administrators are best positioned to lead refrigerant management initiatives, and that bill impact analyses should incorporate California Energy Commission rate forecasts and be improved before being applied at a granular level.

B) State Legislative Activities Update

The Legislature convened the 2026 legislative year on January 5. New bills must be introduced by February 20. Staff reviews the bills to determine alignment with the Board approved Policy Platform once they are introduced. Adopted bill positions will be regularly reported to the CAC through monthly staff reports and during quarterly presentations. Community Power's bill positions are also publicly posted on the legislative priorities webpage.

Summary of Several New Energy Related Bills

Since it is early in the legislative process and many bills are yet to be introduced, Community Power has not yet adopted any bill positions. Here are brief summaries of relevant energy-related legislation that has been introduced so far:

- AB 710 (Irwin): would direct the CPUC to require the state's IOUs to develop optional real-time rate tariffs in alignment with the California Energy Commission's (CEC) load management standards. It would also require each IOU to analyze the feasibility of deploying advanced metering infrastructure (AMI) and to develop a plan to complete such deployment by January 1, 2029, where feasible. As noted in the regulatory portion of this staff report, SDG&E has already deployed AMI and is in the process of seeking approval to roll out next generation AMI.
- SB 868 (Wiener): would eliminate interconnection requirements for portable solar devices for tenants and homeowners who wish to install small-scale solar systems on

balconies (i.e. balcony solar). A portable solar device is defined as a system with a maximum aggregated alternating current (AC) output of 1,200 watts and can be plugged into a standard outlet. In addition to removing interconnection requirements, electrical corporations would be prevented from requiring notification for installation of a balcony solar system.

- AB 1577 (Bauer-Kahan): would require the CEC to establish rules for owners of data centers to submit certain information on a monthly basis, such as the total electric capacity and the total electricity generated onsite. The information would inform future load trends from data centers and get better insights into data center energy use and water consumption.
- SB 886 (Padilla): would create the California Technology Innovation and Ratepayer Protection Act to establish new requirements for the interconnection of large load customers, which are defined as customers seeking interconnection at the transmission level with a peak demand of at least 75 megawatts. Specifically, the CPUC would be directed to establish or modify the tariffs of electrical corporations to govern the provision of transmission, distribution, and generation services to customers. The tariffs would have to meet certain standards such as assigning cost responsibility for transmission facility upgrades to the customer and requiring the installation of onsite zero-carbon energy storage with a capacity of not less than 50% of forecasted peak demand. The bill only applies to electrical corporations (i.e. IOUs) and does not apply to CCAs like Community Power.
- SB 887 (Padilla) would clarify that data centers are not ministerial projects exempt from the California Environmental Quality Act (CEQA), but that data centers *may* qualify as an environmental leadership development project and enjoy specific judicial streamlining if the data center meets ten different standards, such as paying the full cost of interconnection to prevent cost shifts to other ratepayers and will rely on 100% zero-carbon electricity to serve hourly needs within five years of initial operation.

Governor's Proposed 2026 Budget

The Department of Finance unveiled the Governor's 2026-27 Budget on January 9. The Budget proposal has a structural deficit of $20.9 billion, and deficits are projected to persist through 2029-30. The Budget proposal is built around a significant upgrade in the revenue forecast, primarily attributable to personal income tax and the stock market. The Budget does not address long-term structural deficits that are expected due to growing gaps between expenditures and revenues, including the impacts of H.R. 1 (the One Big Beautiful Bill Act).

The Governor's Budget proposal includes several energy items:

- **Public Financing of Clean Energy Transmission Projects:** $322.5 million in Proposition 4 (Climate Bond) funds to support the California Transmission Accelerator Revolving Fund established pursuant to SB 254 (Becker) from 2025.

- **Supporting Affordability through Expanded Power Markets**: $1.9 million is proposed to support oversight of voluntary participation in expanded regional power markets pursuant to AB 825 (Petrie-Norris) from 2025, legislation Community Power supported.

- **Implementing California Ratepayer Protection Act:** Nearly $1 million would be allocated to the CPUC to strengthen enforcement and oversight of political and promotional advertising to protect ratepayers from unreasonable utility costs pursuant to AB 1167 (Berman) from 2025.

- **Funding to Study Data Center Ratepayer Impacts.** The Governor proposes $668,000 for the CPUC to assess and report on the ratepayer impacts of data centers pursuant to SB 57 (Padilla).

- **New Light-Duty Electric Vehicle (EV) Incentive Program.** Under the Governor's proposal, the California Air Resources Board would get $200 million in one-time funds to accelerate the deployment of EVs in light of the federal EV tax credit being eliminated by H.R. 1.

C) Federal Activities Update

Congress returned from the holiday recess during the week of January 5 with a full legislative agenda. The primary focus has been on passing government funding measures, including both stand-alone and omnibus appropriation bills. These efforts aim to ensure government operations continue through September 30 and to prevent another shutdown on January 30.

Permitting Reform Discussions

In addition to funding legislation, lawmakers have been actively engaged in discussions regarding permitting reform. The potential outcomes of these talks could lead to new legislation affecting the development of energy projects located on federal lands or those that cross federal lands. At the end of 2025, the House successfully passed H.R. 4776, known as the "SPEED Act," along with several smaller bills focused on permitting. Meanwhile, bipartisan negotiations were underway in the Senate's Environment and Public Works Committee, highlighting continued interest in permitting reform.

Progress on permitting reform has encountered obstacles following the President's decision on December 22 to pause the development of five offshore wind projects along the East Coast. This executive action has led some legislators to withdraw from ongoing talks, creating uncertainty about the future of permitting reform legislation in 2026.

Fiscal Impact

N/A

Attachments

A: Prepared Direct Testimony on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's Application to Revise Its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan

B: Bay Area Regional Energy Network, Inland Regional Energy Network, Northern Rural Energy Network, San Diego Regional Energy Network, Southern California Regional Energy Network and Tri-county Regional Energy Network Reply Comments on Staff Proposal

ITEM 8
ATTACHMENT A

Docket No.: A.25-04-014

Exhibit No.:

Date: January 15, 2026

Witness: Various

PREPARED DIRECT TESTIMONY

ON BEHALF OF

SAN DIEGO COMMUNITY POWER AND CLEAN ENERGY ALLIANCE

IN SAN DIEGO GAS AND ELECTRIC COMPANY'S

APPLICATION TO REVISE ITS 2024-2031 ENERGY EFFICIENCY ROLLING PORTFOLIO BUSINESS PLAN

Table of Contents

I. INTRODUCTION AND SUMMARY OF TESTIMONY

San Diego Community Power ("SDCP"), on behalf of the San Diego Regional Energy Network ("SDREN"), and Clean Energy Alliance ("CEA") present this direct testimony in the *!"##$%& (%*!) +!, ' *!- %/) !0 ' 1!2 !3 $ &(4%&!5) 6 #' *7!* ("SDG&E") *!89 !: ; <! = >! () ! ?. @%. ! %A! <; <ABC; CD! 3 *. 4/ 7! 3 +%&%*&7! ?) $%%/ ! E) 4(+) $%! FG1%. 11! E$ *!* ("Application").[1] This testimony was prepared on behalf of SDREN and CEA by Craig Perkins, President and Executive Director, Laurel Rothschild, Vice President of Energy Programs, and Marc Costa, Director of Policy and Planning, The Energy Coalition ("TEC"). The witnesses' qualifications are set forth in Attachment A.

The California Public Utilities Commission's ("Commission") energy efficiency ("EE") framework includes investor-owned utility ("IOU"), community choice aggregator ("CCA"), and regional energy network ("REN") portfolio administrators ("PAs"). SDG&E is an IOU currently administering a portfolio of EE programs. SDG&E's Application requests Commission approval to discontinue its regional EE portfolio, with the exception of its regional Codes and Standards ("C&S") programs. SDREN, SDCP, and CEA have a particular interest in this Application as the impacted REN and CCAs operating in SDG&E's service area.

SDCP is a CCA serving nearly one million customers across the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, National City, and San Diego, as well as unincorporated areas of San Diego County.[2] SDCP serves as the lead PA for SDREN.[3] The

[1] Application ("A.") 25-04-014 (filed Apr. 25, 2025).

[2] !"" San Diego Community Power, #$%&'(!)*(+,"-%(.%/ /&*,'0(1%2"3, accessible at: https://sdcommunitypower.org/about/.

[3] !"" R.13-11-005,(4%',%*(%5(!)*(+,"-%(.%/ /&*,'0(1%2"3(%*(6"7)85(%5('7"(!)*(+,"-%(9"-,%*)8(:*"3-0(;"'2%3<(5%3(#==3%>)8(%5(:*"3-0(:55,?,"*?0(1%3'5%8,%(#==8,?)',%*, Exhibit 1: 2024-2031 Strategic Business Plan, p. 3 (Jan. 5, 2024).

Commission authorized SDREN in Decision ("D.") 24-08-003 to fill gaps in the San Diego region in serving historically underserved communities that face climate change and equity challenges.[4] SDREN and the Commission identified these gaps based on an analysis of SDG&E's then-current portfolio. SDG&E serves as the fiscal agent for SDREN, and the two PAs exercise a high degree of coordination to mitigate overlap.[5]

CEA is a CCA serving over 250,000 customers across the cities of Carlsbad, Del Mar, Solana Beach, Escondido, San Marcos, Oceanside, and Vista.[6] CEA does not currently administer EE programs, and its customers are currently able to utilize the offerings within SDG&E's regional EE portfolio, as well as SDREN's portfolio. CEA has an interest in exploring opportunities to administer EE programs under the Elect-to-Administer ("ETA") framework set forth in Cal. Pub. Util. Code § 381.1(e)-(f), but has determined that under the Commission's current ETA guidance, there is insufficient funding available to administer meaningful EE programs. Available ETA funding is highly dependent on the relevant IOU's EE collections from customers, meaning that SDG&E's potential withdrawal from regional portfolio administration and commensurate reduction in collections will directly impact the amount of funding available to CEA for ETA EE programs.

In this testimony, SDREN and CEA do not offer a recommendation as to the overall question of whether the Commission should, as a matter of policy, permit SDG&E to withdraw from regional portfolio administration.[7] Instead, SDREN and CEA urge the

[4] D.24-08-003, Findings of Fact ("FOFs") 1, 2 (Aug. 7, 2024).

[5] !"" ,@. at Ordering Paragraphs ("OPs") 2, 3 (requiring SDREN and SDG&E to submit a Joint Cooperation Memorandum following SDREN's initial authorization).

[6] !"" "Clean Energy Alliance Adopts Strategic Plan" (May 23, 2025). Accessible at: https://thecleanenergyalliance.org/clean-energy-alliance-adopts-2025-2027-strategic-plan/.

[7] !"" A.25-04-014, #AA,-*"@(.%/ /,AA,%*"3BA(!?%=,*-(4" /%()*@(9&8,*-, p. 4 (Aug. 8, 2025).

Commission to thoroughly evaluate the full range of impacts that SDG&E's potential withdrawal will have in the San Diego region. This careful examination is necessary to ensure that the Commission is prepared to determine and swiftly act upon the next steps needed to serve the region in the event of SDG&E's withdrawal. SDREN and CEA's specific recommendations are summarized as follows:

- The Commission should carefully evaluate the affordability claims set forth in SDG&E's Application, and should not apply any findings as to SDG&E's portfolio performance as a foregone conclusion with respect to remaining opportunities for cost-effective and beneficial EE in, or beyond, the region.
- In evaluating any claimed cost savings, the Commission should also consider all relevant lost benefits from reduced regional EE programming.
- Should the Commission permit SDG&E to withdraw from regional EE portfolio administration, it should be ready to authorize EE funding up to at least the current level as other PAs step in to serve the region.
- The Commission should pursue policy pathways to better enable other PAs to step in and fill the gaps left by SDG&E's withdrawal. In particular, the Commission should be ready to consider proposals for the commensurate expansion of San Diego regional PAs, and should consider SDG&E's potential withdrawal when re-evaluating the ETA funding calculation in its current EE Rulemaking, ("R.") 25-04-010 ("EE OIR").

- The Commission should not extend or apply any findings from its ultimate decision on this Application beyond SDG&E's territory.[8]

This testimony is structured based on discussion topics related to multiple questions in the Commission's August 8, 2025, *"11%*. H5)66%1%*. 411!,&)#%/!=.6)!'*H?G$%/* ("Scoping Ruling"). SDREN and CEA have notated the specific Scoping Questions each section of this testimony addresses throughout.

II. THE COMMISSION SHOULD CAREFULLY SCRUTINIZE THE REPRESENTATIONS SET FORTH IN SDG&E'S APPLICATION AND SHOULD NOT APPLY SDG&E'S CONCLUSIONS MORE BROADLY IN OR BEYOND THE REGION.

Much of SDG&E's Application rests on the following high-level assumptions: 1) that SDG&E's regional EE portfolio is not cost-effective and therefore provides little benefit to customers;[9] 2) that there is little opportunity for cost-effective EE remaining in the region;[10] and 3) that discontinuing SDG&E's regional programs will result in a cost savings of $300 million over the next six years.[11] SDG&E further positions its Application as a means by which the Commission can address ongoing affordability concerns.[12] But these conclusory assertions ignore the key role EE continues to play in affordability, decarbonization, reliability, and equity goals,[13] fails to provide the full picture of impacts

[8] Note that this recommendation is consistent with the Commission's findings in determining the appropriate scope of R.25-04-010, where it concluded that "[t]he issues raised in that application are not consolidated with this proceeding and I do not expect that we will undertake any general policymaking in this proceeding with respect to the authority or the policy implications of allowing a utility or any other portfolio administrator to withdraw from its role administering energy efficiency portfolios or programs. The issues associated with SDG&E's application will be addressed solely within A.25-04-014." !"" R.25-04-010, #AA,-*"@(.%/ /,AA,%*"3BA(!?%=,*-(4" /%()*@(9&8,*-, p. 9 (Jul. 23, 2025).

[9] !""C("D-D, A.25-04-014, 13"=)3"@(+,3"?'(E"A', /%*0(%5(F%88,"(6,"3/)*, p. HB-2:11-13 (Apr. 2025).

[10] !"" ,@. at HB-4:15-26.

[11] !"" ,@. at HB-2:13-15, HB-5:12-13.

[12] !""C("D-D, Application at 6-7.

[13] For a discussion of several relevant statewide and Commission goals, see Section II.A.1.

to customers, and relies upon insufficient data to conclude that regional EE is not cost-effective.

It is imperative that the Commission consider the shortcomings in SDG&E's analysis for several reasons. First, the Commission must weigh the actual cost savings that discontinuance of regional EE will have against the value of lost benefits. This analysis is necessary to determine remaining needs and appropriate next steps for the region in meeting the Commission's affordability, decarbonization, reliability, and equity goals. When evaluating all data available, it is clear that total discontinuation of regional EE is neither a just and reasonable nor effective solution for addressing affordability challenges.

Rather, the information available indicates there is significant remaining opportunity and need for cost-effective and beneficial regional EE programs within SDG&E's territory, particularly when integrating innovative solutions. Regardless of SDG&E's status as a regional PA, the Commission should continue to foster these opportunities. Thus, should the Commission permit SDG&E to withdraw from regional EE portfolio administration, it should be ready to authorize funding up to at least the current level as other PAs step in to fill SDG&E's role. The following discussion in Section II of this testimony addresses Scoping Questions 7, 17, 18, 19, 20, 21, and 23.

A. Total Discontinuation of Regional EE is Not an Appropriate or Effective Solution to Address Affordability Challenges.

1. Energy Efficiency Remains a Key Aspect of Achieving the Commission's Affordability, Equity, Reliability, and Climate Goals.

At the outset, it is important to properly contextualize the role of EE as it relates to ongoing affordability concerns. When evaluating the last ten years of data for the region, it is apparent that EE is not a key driver of rate increases. Between 2014 and 2024, SDG&E's revenue requirements specific to EE **decreased** by **117%**, as compared to its

revenue requirements associated with other customer programs, which increased by 204%, as well as its distribution revenue requirements, which increased by 115%.[14]

Irrespective of whether SDG&E continues to administer a regional portfolio, it is also important to recognize the key role that EE continues to play in delivering affordability, reliability, and equity benefits to the region, as well as in meeting the state's aggressive decarbonization goals. EE has been the state's priority resource since 2003, when the Commission, the California Energy Commission ("CEC"), and the Consumer Power and Conservation Financing Authority came together to develop the first Energy Action Plan ("EAP I").[15] EAP I established a "loading order" related to electric resource procurement.[16] The loading order, which was reiterated in subsequent EAP updates, provides that "…the state, in meeting its energy needs, would invest first in energy efficiency and demand-side resources, followed by renewable resources and only then in

[14] !""(California Public Utilities Commission, #AA"/$8O(6,88(GH(9"=%3'A(5%3(I")3A(JKLMNJKJM, Demand-Side Management and Customer Programs (comparing IOUs' EE revenue requirements with those of other programs, such as the Self-Generation Incentive Program ("SGIP"), Electric Program Investment Charge ("EPIC"), California Alternative Rates for Energy ("CARE"), Energy Savings Assistance ("ESA"), and other Public Purpose Program ("PPP") programs). Accessible at: https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/reports-on-utility-costs.
The Commission has recently reaffirmed the value of EE in the July 2025 Report to the Legislature on Demand-Side Management ("DSM") Programs, which stated "**DSM-related expenditures constitute less than 5 percent of utility revenue requirements, demonstrating a highly effective return on investment through lowered overall system energy costs**."

[15] !"" California Public Utilities Commission and California Energy Commission, :*"3-0(#?',%*(1ß)*(JKKO(P=@)'", p. 1 (Feb. 2008) (explaining the history of the Energy Action Plan and noting that the Consumer Power and Conservation Financing Authority is now defunct). Accessible at: https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/2008-energy-action-plan-update.pdf.

[16] California Public Utilities Commission, California Energy Commission, and California Power Authority, :*"3-0(#?',%*(1ß)*(Q, p. 4 (May 8, 2003). Accessible at: https://www.cpuc.ca.gov/-/media/cpucwebsite/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/2003-energy-action-plan.pdf.

clean conventional electricity supply."[17] In 2005, the California Legislature amended Section 454.5 of the Public Utilities Code to codify the "first in the loading order" status for EE and demand reduction resources.[18]

The EAP was developed within the context of growing energy consumption and peak load demand.[19] The broad policy goal behind the EAP (and the loading order) was to ensure "that adequate, reliable, and reasonably priced electrical power and natural gas supplies are achieved and provided through policies, strategies, and actions that are cost-effective and environmentally sound for California's consumers and taxpayers."[20] In prioritizing EE as the "first-in-the-loading order" resource, these agencies reasoned that, "[b]y definition, energy efficiency is a zero-emissions strategy, and also a least-cost strategy."[21] This is consistent with the widely accepted principle that the least expensive kWh is the one that is never used. These agencies further concluded that EE is the most important tool in achieving greenhouse gas ("GHG") emissions reductions, and that aggressive and innovative EE strategies are necessary to achieve statewide decarbonization goals.[22] The Commission has recently reaffirmed the value of EE in the July 2025 Report (to legislature) on Demand-Side Management ("DSM") Programs, which stated "DSM-related expenditures constitute less than 5 percent of utility revenue requirements,

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17 !""(California Public Utilities Commission and California Energy Commission, :*"3-0(#?',%*(18)*(QQ, p. 1 (Oct. 2005). Accessible at: https://docs.cpuc.ca.gov/published/Report/51604.htm; A""()8A% EAP 2008 Update at 1 (emphasis added).

18 2005 Cal. Senate Bill ("SB") 1037 (enacted Sept. 29, 2005).

19 EAP I at 4.

20 California Public Utilities Commission, :*"3-0(#?',%*(18)*(R"-,A8)',>"(9"=%3', p. 1. Accessible at: https://docs.cpuc.ca.gov/word_pdf/REPORT/33091.pdf.

21 EAP 2008 Update at 6.

22 Q@.

demonstrating a highly effective return on investment through lowered overall system energy costs."[23]

While much has changed within the California energy sector since the EAP was last updated in 2008, the core principles and policy rationales for prioritizing EE continue to apply. The state is currently facing large increases in projected energy demand, driven, in part, by electrification efforts and emerging, energy-intensive industries.[24] A Lawrence Berkeley National Laboratory ("LBNL") Report published in 2024 concluded that when compared to electricity generation, EE programs still stand out as a least-cost resource.[25] Based on findings from a national survey, the LBNL Report demonstrated that approximately 80% of energy savings and demand reductions cost less than $0.035/kWh and $150/kW, which is less than the lowest levelized generation costs.[26] In other words, EE is still a least-cost strategy to meet growing demand, as EE resources remain less expensive than building additional generation to serve demand.

Moreover, EE remains a key strategy in reaching the state's aggressive decarbonization goals. For example, Senate Bill ("SB") 100 (2018) calls for statewide carbon neutrality by 2045. The California Air Resources Board ("CARB") 2022 Scoping Plan identified building decarbonization, defined as "energy efficiency, use of low- and

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[23] California Public Utilities Commission, 9"=%3'(%*(+" /)*@N!,@"(4)*)-" / "*'(13%-3) / A(1&3A&)*'('%(1P.(!"?',%*(SLTDUV(JKJLNJKJT(9"A&8'A, p. 4 (Jul. 2025). Accessible at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2025/report-on-demandside-management-programs-pursuant-to-puc-section-9135.pdf.

[24] !""C("D-D, California Energy Commission, #@%='"@(JKJM(Q*'"-3)'"@(:*"3-0(1%8,?0(9"=%3'(P=@)'", pp. 19-23 (Oct. 9, 2025). Accessible at: https://www.energy.ca.gov/publications/2024/2024-integrated-energy-policy-report-update.

[25] Lawrence Berkeley National Laboratory, .%*A&/"3(6"*"5,'A(%5(.8")*(:*"3-0V(:*"3-0(:55,?,"*?0, pp. 4-5 (Dec. 2024). Accessible at: https://eta-publications.lbl.gov/sites/default/files/2024-12/ee_consumer_benefit_final.docx.pdf.

[26] Q@. at 5, Figures 3 and 4.

zero-carbon electricity, demand flexibility, energy storage, use of very low- or no-GWP refrigerants and refrigerant emission leak reduction, and eliminating fuel combustion by electrifying appliances and equipment, among other actions," as a key means by which the state can achieve SB 100 goals.[27] The 2022 Scoping Plan makes clear that much more work is needed to achieve carbon neutrality by 2045, emphasizing the need for "[m]arket-enabling actions such as incentives, affordable energy rates, education, and flexible demand programs lay the foundation to prepare consumers, building developers, appliance manufacturers, and contractors for an equitable transition to building decarbonization."[28] Recent CEC analysis similarly highlighted the ongoing importance of EE in meeting the SB 350 (2016) target of doubling statewide energy efficiency savings in electricity and natural gas end uses by 2030.[29] In particular, the CEC noted that "[a]chieving energy efficiency doubling by 2030 while reducing GHG emissions from buildings requires the continued success of traditional efficiency programs, as well as new efforts to electrify end uses."[30]

Beyond its critical role in facilitating aggressive decarbonization, EE continues to more broadly support system reliability. A 2021 LBNL Technical Brief analyzed the specific grid reliability and resiliency benefits associated with EE, ultimately concluding

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[27] California Air Resources Board 2022 Scoping Plan, Appendix F, p. 1 (Nov. 2022). Accessible at: https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents.

[28] Q@. at Appendix F, p. 49.

[29] !"" California Energy Commission,(+3)5'(.)8,5%3*,)(6&,8@,*-(:*"3-0(#?',%*(18)*, p. 137 (Dec. 19, 2025).

[30] Q@.

that EE delivers these benefits to the bulk power system and the distribution system, while simultaneously enhancing demand-side management strategies.[31]

Finally, the clean and least-cost nature of EE reinforces its position as a key resource in carrying out the Commission's affordability, equity, and decarbonization goals. In particular, the Commission's Environmental and Social Justice Action ("ESJ") Plan emphasizes the need to increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health.[32] Moreover, failure to prioritize available and cost-effective EE as a key resource may lead to more costly generation investments, only exacerbating affordability challenges.

In sum, EE remains the key, least-cost, zero-emissions resource to help mitigate the need for more costly generation investments and to simultaneously bolster the state's progress towards decarbonization goals. Regardless of any conclusions the Commission reaches as to the performance of SDG&E's portfolio in serving these important purposes, it should continue to contextualize EE as the priority resource in the San Diego region and to ensure that if SDG&E is relieved of its responsibility to administer regional EE programming, there are other pathways to acquire EE resources.

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[31] Frick, N.M., Carvallo, J.P., and Schwartz, L., W&)*',50,*-(-3,@(3"8,)$,8,'0()*@(3"A,8,"*?" , / =)?'A(%5("*"3-0("55,?,"*?0V(: X) / =8"A()*@(Y==%3'&*,',"AC(Lawrence Berkeley National Laboratory Technical Brief, p. 2 (December 2021) ("LBNL Technical Brief"). Accessible at: https://emp.lbl.gov/publications/quantifying-grid-reliability-and.

[32] California Public Utilities Commission, : *>,3%* / "*')8( )*@(!%?,)8(Z&A',?"(#?',%*(18)*C(["3A,%*(JDK, p. 5 (Apr. 7, 2022).

2. When Evaluated with Proper Context, the Benefits of Regional EE Still Outweigh the Costs.

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SDG&E's Application represents its withdrawal from regional portfolio administration as a simple and direct $300 million in savings to customers over a six-year period.[33] However, this characterization is fundamentally flawed due to three key factors: 1) the Application's savings calculations assume another PA will not step in to provide continuity of service in the event of SDG&E's exit; 2) the Application assumes that absent withdrawal, SDG&E would spend its full $300 million portfolio budget; and 3) the Application assumes ratepayers receive no value for the programs that would be closed. Put more simply, it is incorrect to accept SDG&E's implicit assumption that the reduction of its regional portfolio budget will translate into a dollar-for-dollar ratepayer savings.

First, SDG&E's savings calculation assumes that the entirety of its $300 million budget would no longer be collected from customers. However, this assumption fails to account for commensurate PA expansion in the San Diego region. As discussed below, the programmatic gaps left by SDG&E's withdrawal would necessitate new or existing PA expansion to continue to deliver total system benefit ("TSB") and ensure equitable access to EE is preserved in the region. Alternative PA expansion (and related budgets) would necessarily reduce the dollar amount to be removed from Public Purpose Program ("PPP") collections.

Second, SDG&E's estimated $300 million in savings is based on SDG&E's approved 2026-2031 Business Plan budgets from D.23-06-055.[34] This calculation does not

[33] Application at 2.

[34] Q@. at 5, Table 2; SDG&E's budget is derived from SDG&E's Advice Letter 4203-E for years 2026-2027. For 2028-2031, SDG&E utilized the budget approved in D.23-06-055.

recognize the fact that SDGE's actual EE expenditures are less than originally forecasted, and its 2024-2027 portfolio forecast has been revised as reflected in its recently filed Mid Cycle True Up Advice Letter ("MCAL").[35] In fact, SDG&E's recent MCAL indicates 23% lower spend in 2024 than estimated in its last True Up Advice Letter ("TUAL") and includes 2026 and 2027 budgets that are 8% less than what was included in SDG&E's Application and over 10% less than their 4-year approved budget cap.[36] This historical trend indicates that SDG&E's future EE expenditures may very well continue to be less than its full authorized budget, and that calculating hypothetical ratepayer savings based on the full portfolio budget overinflates the actual dollar impact that SDG&E's withdrawal would have on customers.

Finally, SDG&E's estimate of total savings erroneously assumes that none of its current regional EE programs deliver any economic benefit to ratepayers. This is inconsistent with the findings set forth in the Commission's recent DSM Report to Legislature,[37] and cannot be accepted as a factual claim. To contextualize SDG&E's omission of these benefits, it is helpful to evaluate SDG&E's Total Resource Cost ("TRC") data for its Resource Acquisition ("RA") segment. The TRC is the Commission's primary metric of EE cost effectiveness.[38] The TRC nets total program costs to the utility and

[35] !""(San Diego Gas & Electric Company Advice Letter ("AL") 4747-E, :*"3-0(:55,?,"*?0(4,@(.0?8"(E3&"(P=(#@>,?"(R"'""3(1&3A&)*'('%(+DJLNKUNKTL((Nov. 4, 2025).

[36] !"" ,@. at 6, Table 2.3a, line 11; San Diego Gas & Electric Company AL 4302-E, :*"3-0(:55,?,"*?0(E3&"(P=(#@>,?"(R"'""3(1&3A&)*'('%(+DJLNKUNKTL, Appendix 3, Table 2.3, line 11 (Oct. 16, 2023); D.23-06-055 at OP 5 (approving SDG&E's 4-year budget cap).

[37] !""(-"*"3)880, Report to the Legislature on DSM Programs: 2021-2023 Results.

[38] !""(Energy Efficiency Policy Manual (Version 6), Section IV: Cost-Effectiveness (Apr. 2020). Accessible at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/eepolicymanualrevised-march-20-2020-b.pdf.

participants against benefits in the form of avoided supply-side investments.[39] Generally, a TRC ratio of 1.0 or greater indicates that the benefits, as defined in the TRC test, outweigh the costs and the program is therefore cost-effective.[40]

The majority of SDG&E's regional EE portfolio falls under the RA segment.[41] SDG&E's prior reporting indicates that its RA segment meets or almost meets a 1.0 TRC ratio,[42] with its most recent MCAL forecasting an RA segment TRC ratio of 1.12 for 2024-2027.[43] Based on these TRC values, SDG&E's regional EE programs have a demonstrable economic benefit for customers.

Because these quantifiable benefits exist, it is misleading to characterize savings to customers based solely on the dollar reduction in SDG&E's EE expenditures. A more accurate depiction of savings in the event of SDG&E withdrawal would be the pro rata portion of the budgets between the actual TRC performance and the 1.0 TRC goal. For example, SDG&E spent $38,332,496 on regional programs (not including C&S) in 2024, which achieved an overall 0.80 TRC ratio.[44] Thus, no more than two-tenths of SDG&E's budget ($7,687,438) should be construed as potential ratepayer "savings" if these programs

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[39] Q@.; A""( )8A% California Standard Practice Manual, p. 18 (Oct. 2001). Accessible at: https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/cpuc-standard-practice-manual.pdf.

[40] !""C("D-D, D.21-05-031, pp. 21-22 (May 26, 2021); A""()8A% California Standard Practice Manual at 18 (stating that "[t]he benefits calculated in the Total Resource Cost Test are the avoided supply costs, the reduction in transmission, distribution, generation, and capacity costs valued at marginal cost for the periods when there is a load reduction").

[41] AL 4747-E at 6.

[42] R.25-04-010, !)*(+,"-%(\)A(](:8"?'3,?(.%/=)*0(^P(SKJ(4_(:*"3-0(:55,?,"*?0(13%-3)/A(#**&)8(9"=%3'(JKJM(9"A&8'A, Supporting Document "SDGE_2024_Annual Report Narratives and Spreadsheets_2024_SDGE_EE_Annual_Report_Tables_Final.xlsx," Tab 'T-4 Segment Summary' (Jun. 30, 2025).

[43] AL 4747-E at 7.

[44] Note that this example assumes that there are no other ratepayer benefits or value (including non-energy or equity benefits) that the program delivers, other than those included within TRC.

were discontinued. This is because these programs delivered 80% of the quantifiable benefits when netted against costs. Despite achieving a TRC below 1.0, customers received significant value from these programs that would be lost if the programs were closed.

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SDG&E's Application further does not adequately discuss the parallel loss of TSB that will occur if it withdraws, which is important context alongside the potential ratepayer savings in the form of budget reductions. TSB is the metric by which the Commission sets EE goals, and is "an expression, in dollar terms, of the lifecycle energy, capacity, and GHG benefits, expressed on an annual basis."[45] Whereas failure to consider lost TRC benefits understates lost value to customers, failure to consider lost TSB understates general lost benefits to the system.

In its most recent EE Business Plan Application, SDG&E forecasted approximately $300 million in TSB over the 2024-2027 period.[46] SDG&E's recent MCAL confirmed, based on actual 2024 data, updated 2025 goals, and updated 2026-2027 projections, a forecasted TSB value of nearly $280 million.[47] The Commission's updated 2025 Potential and Goals further indicated opportunity for growth in SDG&E's delivered TSB, adopting a goal of approximately $365 million for the 2032-2035 period.[48] In sum, there is substantial system value associated with SDG&E's EE portfolio. If SDG&E withdraws

[45] D.21-05-031 at 9. Note that TSB is essentially equivalent to the numerator of the TRC ratio.
[46] !"" D.23-06-055, p. 96, Table 10 (Jul. 3, 2023).
[47] AL 4747-E at 7.
[48] D.25-08-034, p. 21, Table 5 (Sept. 5, 2025).

and its regional programs are not replaced, then these forecasted TSB values and adopted goals represent the lost opportunity cost associated with abandonment of regional EE.[49]

It is important to consider the reduction in TSB that would occur as a result of SDG&E's withdrawal as compared to the dollar reduction in SDG&E's EE budget to more fully contextualize the dollar savings-to-lost benefit scenario. With its request for a budget reduction of approximately $300 million, SDG&E simultaneously projects a reduction in TSB of $286 million.[50] SDG&E's updated TSB forecast, based on the request set forth in its Application, is reflected in the table below.

Graphic 1: Snapshot of SDG&E's Updated TSB Forecast[51]

Table HB-3
Energy Efficiency TSB Comparison for 2026-2031[31]

Year	Old TSB Forecast[32]	(A) New TSB Forecast	(B) San Diego Regional Energy Network TSB	(A) + (B) Total SDG&E Regional TSB Forecast	Potential & Goals Targets
2026	$102,615,958	$59,082,067	$6,168,332	$65,250,399	$45,878,572
2027	$110,881,516	$57,409,939	$7,160,300	$64,570,239	$47,996,979
2028	$86,093,559	$38,774,272	$7,370,803	$46,145,075	$53,596,931
2029	$86,093,559	$38,770,714	$7,479,904	$46,250,618	$54,624,969
2030	$86,093,559	$38,755,871	$7,620,566	$46,376,437	$47,447,704
2031	$86,093,559	$38,836,440	$7,852,869	$46,689,309	$50,003,487

Without consideration of this substantial lost TSB value, SDG&E's estimated ratepayer savings fail to capture the complete picture of impacts to the region.

[49] !""(""-, AL 4747-E at 7 (explaining that SDG&E is forecasting to achieve 112% of its TSB goal for 2024-2027).
[50] Bierman Direct at HB-10, Table 3 (compare the sum of SDG&E's old TSB forecast, $557,871,710, minus the sum of SDG&E's new TSB forecast, $271,629,303).
[51] @. at HB-10.

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Beyond the more straightforward TRC and TSB benefits, SDG&E's savings estimate also omits any analysis of lost non-energy benefits ("NEBs"). NEBs may include benefits such as cleaner air and a healthier workforce, which are harder to quantify but nonetheless provide substantial value to customers.[52] Along similar lines, SDG&E's representation of savings does not account for lost ratepayer value associated with Market Support and Equity programs, which are not evaluated on a TRC basis.[53] Equity and Market Support programs are instead evaluated based on specific metrics and indicators, for which IOUs, and all PAs, must quantify and calculate benefits based on Commission-approved methodologies.[54]

Finally, SDG&E argues that its request to withdraw will result in bill reductions, as it will be collecting approximately $300 million less through PPP rates to support its portfolio.[55] However, this representation may not be accurate for *#4) / 4' 6 !#' 4(%8%' *(1*. For example, a project may achieve a lifetime impact of $1,000 in TSB, but the customer achieves $2,500 in lifetime bill savings. These customer bill savings are not captured in TSB. In other words, program beneficiaries realize far greater bill savings and system

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[52] California State Auditor, E7"(.)8,5%3*,)(1&$8,?(P',8,',"A(. % / /,AA,%*V(`,'7%&'( Q / =3%>,*-( ,'A( Y>"3A,-7'C('7"(6"*"5,'A(%5( : *"3-0( : 55,?,"*?0(13%-3) / A( 4 )0( ; %'($"( ` %3'7(E7",3(. %A'('%(9)'"=)0"3A, p. 3 (Mar. 2025). Accessible at: https://www.auditor.ca.gov/wp-content/uploads/2025/03/2023-127-Report.pdf. Note that efforts are currently underway to develop a methodology for quantifying and valuing 11 NEB categories: the benefit of bill savings, increased comfort, better health at the participant level, increased job access, economic development, better health at the societal level, increased jobs, reduced shut-offs, increased property value, increased productivity, and enhanced community resilience and adaptation to climate change. !"" Illume Advising, LLC & Industrial Economics, Inc., Market Rate Equity Segment Non-Energy Benefits Research Plan (Prepared for SoCalGas), p. 2, Table 1 (Jul. 1, 2025). Accessible at: https://pda.energydataweb.com/api/view/4183/CA%20Market%20Rate%20Equity%20Segment%20NEBs%20Study%20Research%20Plan%20v20250701_clean.pdf.

[53] !""(D.21-05-031 at 22-24.

[54] Resolution E-5351, pp. 9-10, Appendix B (Jun. 12, 2025).

[55] Application at 4-6.

benefits than the potential bill reductions as a result of decreased PPP rates. SDREN and CEA have neither the detailed and comprehensive participation data by customer class nor the participant bill savings data to offer a technical analysis of SDG&E's purported bill savings, but nonetheless offer SDG&E's lack of consideration for participant bill impacts to participating customers as another factor for the Commission's evaluation.

To accurately portray the savings associated with SDG&E's withdrawal, SDG&E would need to quantify the total TRC, TSB, NEBs (to the extent possible), and Market Support and Equity benefits that its regional portfolio currently provides. Those benefits would then be applied as an offset to the straight dollar reduction figure associated with discontinuing SDG&E's portfolio.

Without providing a comprehensive analysis of cost savings netted against lost benefits, it is important to note that the lost benefits not currently considered in SDG&E's analysis are substantial. For example, SDG&E's 2024 Annual Report projected a total estimated first-year bill savings for 2024 amount to $95.5 million across all customer segments, and estimated lifecycle bill savings of $1.2 billion. These bill savings projections are reflected in Graphic 2 below.

Graphic 2: Snapshot of Net Savings Presented in SDG&E's 2024 Annual Report[56]

5-2: Estimated Bill Savings

2024 [1]	Electric Average Rate [2] $/kWh	Gas Average Rate $/therm	Estimated First Year Bill Savings Electric ($)	Estimated Lifecycle Bill Savings Electric ($)	Estimated First Year Bill Savings Gas ($)	Estimated Lifecycle Bill Savings Gas ($)	Estimated First Year Bill Savings ($)	Estimated Lifecycle Bill Savings ($)
Estimated Rate Agriculture [3]	$0.2495	$0.0593	$493	$7,401	$5,585	$27,926	$6,079	$35,327
Estimated Rate Commercial [4]	$0.3450	$0.7056	-$1,466,546	-$12,077,528	$1,122,502	$15,898,097	-$344,044	$3,820,569
Estimated Rate Industrial [5]	$0.3202	$0.0593	$1,336,257	$6,681,287	$22,450	$121,423	$1,358,708	$6,802,709
Estimated Rate Public [5]	$0.3202	$0.0593	$146,738	$1,136,116	$4,538	$23,512	$151,276	$1,159,628
Estimated Rate Residential [6]	$0.3438	$0.5636	$9,478,749	$9,217,372	$1,340,451	$5,563,607	$10,819,200	$14,780,979
Estimated Cross-Cutting [7]	$0.3289	$0.4428	$82,430,920	$1,108,827,128	$1,123,805	$16,432,308	$83,554,726	$1,125,259,436
Total			$91,926,612	$1,113,791,776	$3,619,332	$38,066,873	$95,545,945	$1,151,858,648

[56] SDG&E 2024 Annual Report Tables and Spreadsheets at Tab T-5, Bill Impacts.

In a similar vein, SDG&E provided estimated bill savings associated with its portfolio in its 2024-2031 Business Plan Portfolio Application Excel Sheets. Specifically, SDG&E estimated a total of $893 million in total average annual bill savings between 2026-2031 and $11.2 billion in total average lifecycle bill savings. SDG&E's estimated bill savings as presented in its previous Business Plan Application are reflected in Graphic 3 below.

Graphic 3: Snapshot of Average Annual Bill Savings in SDG&E's Business Plan Application[57]

Table 1 -Bill Payer Impacts (based on program savings forecasted for the year)				
	Electric Average Rate (Res and Non-Res) $/kwh [1]	Gas Average Rate (Residential) $/therm [2]	Total Average Annual Bill Savings by Year ($)	Total Average Lifecycle Bill Savings ($)
Present Rates - System Average *				
2021	$ 0.2804	$ 1.9378	$ 161,557,120	$ 2,046,455,396
2022	$ 0.2816	$ 2.0596	$ 163,033,963	$ 2,064,301,546
2023	$ 0.2820	$ 2.0609	$ 173,990,364	$ 2,268,172,298
2024	$ 0.3095	$ 2.0995	$ 180,200,284	$ 2,324,837,546
2025	$ 0.3097	$ 2.1008	$ 170,346,061	$ 2,130,455,923
2026	$ 0.3096	$ 2.1004	$ 157,534,364	$ 1,973,233,816
2027	$ 0.3097	$ 2.1013	$ 147,219,053	$ 1,855,284,029
2028	$ 0.3097	$ 2.1013	$ 147,219,053	$ 1,855,284,029
2029	$ 0.3097	$ 2.1013	$ 147,219,053	$ 1,855,284,029
2030	$ 0.3097	$ 2.1013	$ 147,219,053	$ 1,855,284,029
2031	$ 0.3097	$ 2.1013	$ 147,219,053	$ 1,855,284,029

B. There are Remaining Opportunities for Cost-Effective and Innovative EE in the San Diego Region.

1. Known Limitations in the TRC Evaluation Methodology Misrepresent Program Benefits.

The Commission's recently adopted Potential and Goals Study, finds /4)J%/ economic and market adoption scenarios for cost-effective EE in the San Diego service area through 2037.[58] Beyond this assessment, there exists even further opportunity for

[57] A.22-03-005, #==8,?)',%*(%5(!)*(+,"-%(\)A(](:8"?'3,?(.%/=)*0(^P(SKJN4a('%(#@%='(JKJMNJKTL(:*"3-0(:55,?,"*?0(9%88,*-(1%3'5%8,%(6&A,*"AA(18)*(1&3A&)*'('%(+DJLNKUNKTL, Attachment A (Revised), Tab 1, Bill Payer Impacts - IOU Only (Mar. 4, 2022). Accessible at: https://www.sdge.com/node/22336.

[58] !""(-"*"3)880, Guidehouse, 2025 PG Study Viewer. Accessible at: https://public.tableau.com/app/profile/cpuc.pg.study.2025/viz/2025CPUCPGResultsViewer06-09Release/LandingPage.

innovative EE. In considering the feasibility of cost-effective EE in SDG&E's service territory, it is important to note that known limitations in the TRC as the primary cost-effectiveness metric bias current cost-effectiveness analyses towards portfolio underperformance.

As mentioned above, the TRC nets total program costs to the utility and participants against benefits in the form of avoided supply-side investments. The Avoided Cost Calculator ("ACC") utilizes a Commission-approved modeling scenario to determine the values used to calculate TRC benefits.[59] The current ACC considers avoided generation capacity, energy, ancillary services, GHG emissions, high global warming potential gases, transmission and distribution capacity, and natural gas infrastructure.[60] The ACC (and resulting TRC cost-benefit analysis) does not include NEBs and other harder-to-quantify participant or system benefits.[61]

In its 2024 Report, the California State Auditor specifically noted this shortcoming in the Commission's cost-effectiveness framework, finding that inclusion of all costs, but only a portion of the benefits, associated with EE programs skews the TRC analysis towards lower values. The State Auditor concluded that "[t]he absence of participant benefits in the CPUC's TRC calculation also produces lower TRC values for certain programs that provide efficiency benefits directly to program participants, such as programs that install equipment in ratepayer homes."[62] The State Auditor noted examples

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59 !""C("D-D, Resolution E-4942, p. 2 (Jul. 12, 2018) (describing the adoption and use of the ACC in EE cost-effectiveness analyses).

60 !"" Resolution E-5328 (Nov. 7, 2024) (adopting the most recent iteration of the ACC); A""()8A% California Public Utilities Commission, JKJM(+,A'3,$&'"@(:*"3-0(9"A%&3?"A(#>%,@"@(.%A'(.)8?&8)'%3(+%?& / "*')',%*, p. 1 (Oct. 2, 2024).

61 !"" 2024 California State Auditor Report at 3.

62 Q@.

of other states adding up to a 15% adder to the calculated benefits of EE programs to account for NEBs.[63] This finding is consistent with LBNL analysis, which determined that existing cost-benefit analyses, such as the TRC, do not adequately capture the grid reliability and resilience benefits of EE.[64] The LBNL Brief provided several technical approaches by which regulators could quantify these benefits for inclusion within cost-effectiveness analyses.

Finally, the Equity and Market Support segments capture broader ratepayer benefits through different indicators and metrics that are not reflected within the TRC calculation.[65] It is therefore important to consider which customer segments benefit from EE programs, as benefits that accrue to hard-to-reach or underserved customers and communities deliver high-value, equitable outcomes that cannot be ascertained from program TRC alone.

The Commission is slated to consider revisions to its current cost-effectiveness policy in the EE OIR,[66] and any modifications to current policy that account for these benefits are likely to result in significant improvements to EE cost-effectiveness more generally. These identified shortcomings, as well as planned re-evaluation, mean that regional EE cost-effectiveness is currently understated and likely to improve when cost-effectiveness policy and calculation methodologies are reformed to fully capture benefits. Absent reform, the systemic issues associated with the current cost-effectiveness framework will materially affect any PA that serves the region. The Commission should exercise caution in reaching any conclusions about the feasibility of cost-effective regional

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63 Q@.

64 !""(-"*"3)880, LBNL Technical Brief(Quantifying Grid Reliability and Resilience Impacts of Energy Efficiency.

65 !""(-"*"3)880, Resolution E-5351.

66 R.25-04-010, Y3@"3(Q*A','&',*-(9&8" /)<,*-, p. 6 (Apr. 29, 2025); R.25-04-010, Scoping Ruling at 4, 5.

EE based on SDG&E's cost-effectiveness assertions, as they are based on a flawed framework that is currently under review.

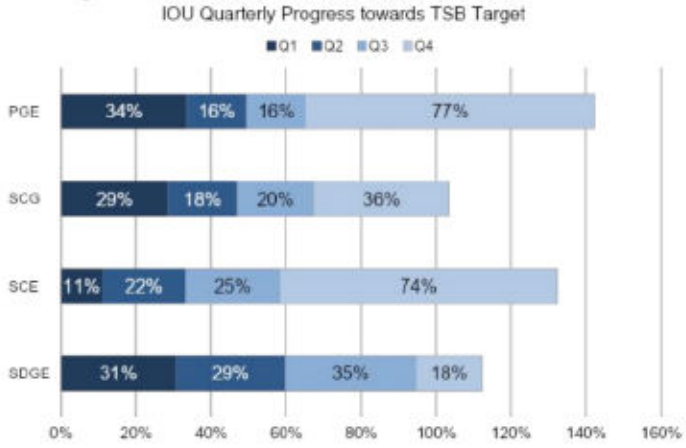
2. Even Utilizing the Current TRC as the Metric for Cost-Effectiveness, Historical Data Indicates Positive Regional EE Program Performance.

When evaluating the feasibility of SDG&E's (or any PA's) regional EE portfolio, it is important to specify the period over which performance is analyzed (**%KK**, year-to-year versus by program cycle). Comparative data shows SDG&E's 2024 performance aligns with that of Southern California Edison Company ("SCE"), and that its 2023 actual TSB delivered as compared to its Potential and Goals target exceeded that of other electric IOUs. Graphics 5 and 6 below, which are derived from the California Energy Efficiency Coordinating Committee ("CAEECC") 2024 Annual Performance Report Review, illustrate these data points.

Graphic 5: CAEECC Analysis of 2024 TSB Progress[67]

IOU	TSB (Million $)			
	PGS Target*	Achieved	2024%	2023%
PGE	$212	$302	142%	60%
SCE	$113	$149	132%	42%
SCG	$164	$170	104%	138%
SDGE	$45	$51	112%	80%

- **All IOUs surpassed TSB targets in 2024.**
- All IOUs, except for SDGE, achieved a significant portion of their TSB targets in Q4.
- Significant increase in achieved TSB compared to 2023 (Note: TSB was not a goal metric for 2023, and changes in avoided costs and measure package parameters such as EUL and measure cost can significantly impact TSB and/or C-E).



Excludes C&S, ESA, EM&V, ESPI
Sources:
TSB Target: Decision Adopting Energy Efficiency Goals For 2024-2035, D.23-08-005
Achieved: CEDARS 2024 record level claims, July 2025

California Public Utilities Commission 21

Graphic 6: CAEECC Analysis of 2024 EE Portfolio Cost-Effectiveness[68]

Cost Effectiveness

Excludes C&S, ESA, EM&V, ESPI

TRC Ratio by PA*			
PA		TRC (Forecast)	TRC (Claimed)
IOUs & CCA	PGE	1.81	1.90
	SCE	1.04	1.05
	SCG	1.95	1.76
	SDGE	1.15	0.98
	AVA	0.91	0.25
	MCE	1.01	0.35
	PCE	0.31	0.09
	SCP	0.73	Not Available
	SJCE	1.27	0.46
RENs**	BAY	0.23	0.36
	SCR	0.44	0.57

*Only for Resource Acquisition Program Segment
** Excludes RENs with no TRC targets (IREN, 3CREN, SDRN, CCR)

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[67] California Energy Efficiency Coordinating Committee ("CAEECC"), *Annual 2024 Portfolio Performance Report Review: Portfolio Performance Overview Presented by Energy Division*, p. 21 (Jul. 30, 2025) (all data pulled from CEDARS in Jul. 2025). Accessible at: https://www.caeecc.org/_files/ugd/849f65_ac7c5608475b47a888ddb601848bd7b7.pdf.

[68] *Id.* at 23.

The historical performance of SDG&E's regional portfolio weighs heavily against any assertion that opportunities for beneficial EE in the San Diego region are infeasible.[69] Moreover, SDG&E's Application provides no insights as to its efforts to implement corrective actions beyond seeking termination of programs to remediate more recent portfolio underperformance. Accordingly, the Commission should not consider the limited analysis of program performance set forth in SDG&E's Application as necessarily indicative of larger trends in the region.

3. Innovative Statewide and Regional Programs are Essential to Serve the Region in a Cost-Effective Manner.

SDG&E opines throughout its Application that much of its reported portfolio underperformance is due to emerging difficulty in developing cost-effective EE measures.[70] The Commission has previously acknowledged these challenges, stating: "[d]ue to the success of energy efficiency programs and advancing building codes/appliance standards, cost-effectiveness is becoming much more difficult to achieve…" and, "there is less cost-effective energy efficiency available, at least by the current and long-term definitions of cost-effectiveness, than has been historically available."[71] These challenges are not an absolute bar to cost-effective and beneficial EE in the region; rather, they present the need to innovate as new opportunities arise.

Regional EE will be a necessary factor in addressing emerging opportunities for energy savings, such as local efficiency needs resulting from electrification of vehicles and the transportation sector, commercial and residential building electrification, accelerated

[69] Note that SDG&E also launched several Commercial Sector programs in 2025, which are likely to deliver significant benefits in future years once reaching steady state. !"" AL 4747-E at 11-12.
[70] Bierman Direct at HB-4 – HB-5.
[71] D.21-05-031 at 20-21.

adoption of heat-pump technologies, and advancements in appliance efficiency.[72] With a 15% projected load growth in the SDG&E service area by 2031,[73] it is imperative to maintain a dependable portfolio of programs specifically authorized within the SDG&E service area. Regional EE is a key component of the statewide EE portfolio, as it provides increased flexibility and opportunities to leverage local relationships and networks that statewide programs may not.[74] Broadly speaking, statewide programs are more conducive to generic, one-size-fits-all approaches that are not tailored to the specific needs and efficiency opportunities of the region. Statewide programs also serve an important role, but are most effective when complemented with regional programming.

Moreover, the flexibility provided by regional programs may present more feasible opportunities to achieve the harder-to-reach energy savings remaining now that the "low-hanging fruit," or more traditional and conventional avenues for savings, have been captured.[75] In particular, efforts are underway across the state to develop innovative Integrated Demand-Side Management ("IDSM") strategies capable of achieving savings that have not yet been tapped. Regional programs are effective in removing or reducing barriers to integrate IDSM with EE for more load flexibility opportunities to better manage load growth. With the acceleration of electrification, each intervention is an opportunity to manage and control new electric load in ways that are beneficial to both customers and the

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[72] !""C("D-D, A.24-12-009, #==8,?)',%*(%5(1)?,5,?(\)A()*@(:8"?'3,?(.%/=)*0(^P(TS(4_(%*(6"7)85(%5('7"(.)8,5%3*,)(4)3<"'(E3)*A5%3/)',%*(#@/,*,A'3)'%3(^PNLTTSN:_(5%3('7"(#==3%>)8(%5('7"(Q*,',)8(E3)*?7"(%5(!')'"2,@"(:*"3-0(:55,?,"*?0(4)3<"'(E3)*A5%3/)',%*(Q*,',)',>"A (Dec. 20, 2024).

[73] California Energy Commission Docket No. 25-IEPR-03, !+\]:(.:+(JKJU(6)A"8,*"(R%)@(b%3"?)A', Form 1.2 (Jan. 2026). Accessible at: https://efiling.energy.ca.gov/GetDocument.aspx?tn=268179-7&DocumentContentId=105224.

[74] !"" D.01-11-066, pp. 15-16 (Dec. 3, 2001) (describing the benefits of local programs as compared to their statewide counterparts).

[75] !""(D.21-05-031 at 20 (explaining that the success of energy efficiency programs and building codes and standards has made cost-effective energy efficiency more difficult to achieve).

grid. Local customers and the local distribution grid require regional knowledge, data, and interventions that specifically address San Diego's locational energy management needs.

C. Key Takeaways

To ground this discussion, SDREN and CEA reiterate that they do not offer these critiques of the representations and conclusions in SDG&E's Application as opposition to the Application itself. Rather, SDREN and CEA offer these insights to make clear that EE serves an important role in the San Diego region, and that the Commission should not write off the feasibility of regional EE as a wholesale conclusion based on SDG&E's Application. Instead, the Commission should continue to foster EE at (or above) the level currently maintained, and should pursue policy pathways that enable non-IOU PAs to fill any gaps that are left in the event the Commission authorizes SDG&E to withdraw.

III. THE COMMISSION SHOULD FACILITATE OPPORTUNITIES FOR EXISTING AND FUTURE PAS TO HELP SERVE THE REGION.

As the Commission considers SDG&E's request to withdraw from regional portfolio administration, it is simultaneously important to consider the impacts SDG&E's withdrawal will have on customers and other PAs in the region. An evaluation of regional implications ensures the Commission has a holistic view of the remaining needs post-SDG&E withdrawal, and is positioned to quickly implement policy changes necessary to allow other PAs to step in. The following discussion in Section III of this testimony addresses Scoping Questions 8, 9, 10, 11, 12, 15, 16, and 24.

A. If Permitted, SDG&E's Withdrawal Would Leave Significant Programmatic Gaps in the Region.

If SDG&E discontinues its regional portfolio and SDREN does not equivalently expand, the entirety of SDG&E's discontinued portfolio would constitute a programmatic gap. It would also create regional disparities in equitable access to DSM services across

the state as well as energy planning areas. This is because SDREN was designed to fill gaps that were identified based on SDG&E's existing portfolio, and further because SDREN and SDG&E have coordinated extensively to prevent overlap in programming. Put another way, SDREN does not currently fulfill any part of the role occupied by SDG&E.

SDREN's coordination with SDG&E began early in the development of its 2024-2031 Business Plan Application. Through regular meetings, SDREN sought information necessary to intentionally design offerings that would complement, and not duplicate or overlap, SDG&E's portfolio.[76] These efforts included "sector-level meetings with the appropriate SDG&E EE team members to walk through each program and discuss any comparable offerings and initial coordination strategies."[77] SDG&E reviewed SDREN's proposals to prevent duplication and overlap, and the Commission acknowledged these efforts in its authorization of SDREN.[78] Specifically, the Commission found that SDREN's proposed portfolio would "provide ***. 1!@ 6*** value and contribute meaningfully to efforts to achieve the state's energy, climate and equity goals."[79]

Pursuant to the Commission's guidance,[80] SDREN and SDG&E subsequently submitted a Joint Cooperation Memorandum ("JCM") in late 2024, which provided a detailed description of the ongoing processes SDREN and SDG&E jointly employ to

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[76] !""(R.13-11-005, Motion for Approval of SDREN at Exhibit 1, p. 17 (describing SDREN's engagement and coordination with SDG&E). Note that SDREN, now entering its launch stage, has regular sector coordination meetings with SDG&E to ensure complementary offerings. (

[77] Q@.

[78] !"" D.24-08-003 at 10. Note that the Commission permits overlap in narrow instances where programs will seek to ensure that hard-to-reach customers are not left behind (A"" ,@. at 11).

[79] Q@. at 12, Conclusion of Law ("COL") 1.

[80] !"" D.18-05-041, p. 97 (Jun. 5, 2018); A""()8A%, D.24-08-003 at OP 3.

prevent overlapping or duplicative programs.[81] Together, these initial and ongoing efforts have effectively mitigated overlap in services. SDG&E has further not specifically identified any areas of alleged overlap in its Application. Accordingly, absent concurrent non-IOU PA expansion, SDG&E's withdrawal would necessarily leave significant gaps in regional accessibility to EE programming.

B. The Commission Should Facilitate Other PAs' Efforts to Fill Gaps in SDG&E's Absence.

1. SDG&E Withdrawal Will Necessitate Commensurate PA Expansion.

Given the gaps described above, SDREN would feel a moral duty to examine portfolio expansion in the event of SDG&E's withdrawal. SDREN's priority is ensuring that customers in the San Diego region are not left without valuable regional EE programming, and that the region more broadly is not negatively impacted by a significant decrease in available EE programming should the Commission approve SDG&E's Application.

SDREN may be well positioned to help meet programming gaps in the event of SDG&E's withdrawal, as the REN criteria includes areas that the IOUs cannot or do not intend to undertake.[82] Notwithstanding, the Commission cannot and should not ***4. LG?4.*** SDREN to take on responsibility for achieving SDG&E's EE goals[83] which cannot be disassociated with the Commission's statutory obligations related to energy efficiency. Further, relying solely upon SDREN to fill SDG&E's role may not be the only solution;

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[81] !""(-"*"3)880, SDREN and SDG&E 2024 Joint Cooperation Memo. Accessible at: https://sdcommunitypower.org/wp-content/uploads/2025/02/2024-SDREN-and-SDGE-Joint-Cooperation-Memo.pdf.

[82] D.11-12-015, p. 17 (Nov. 15, 2012).

[83] !"" A.25-04-014, Q*,',)8(63,"5(%5(!)*(+,"-%(.%/ /&*,'0(1%2"3(%*(6"7)85(%5('7"(!)*(+,"-%(9"-,%*)8(:*"3-0(;"'2%3<Q(.8")*(:*"3-0(#88,)*?"Q('7"(6)0(#3")(9"-,%*)8(:*"3-0(;"'2%3<Q('7"(E3,N.%&*'0(9"-,%*)8(:*"3-0(;"'2%3<Q()*@('7"(Q*8)*@(9"-,%*)8(:*"3-0(;"'2%3<, pp. 16-19 (Sept. 5, 2025).

there may be a shared role among multiple non-IOU PAs in sustaining the region's EE efforts and ensuring continuity of service.[84]

SDREN and CEA encourage the Commission to explore all potential pathways for filling the gaps if SDG&E is allowed to withdraw. In doing so, the Commission should be prepared to authorize regional EE funding at least up to the current level to support expansion of the PA or PAs that step in to fill this role. Maintaining continuity in the level of funding available ensures, to the greatest degree possible, that PAs are able to effectively take over the entirety of SDG&E's regional obligations.

2. The Commission Should Implement Policy Changes to Enable Other Potential PAs to Step in and Serve the Region.

As mission-driven local government entities, CCAs are particularly well-suited to administer EE programming. This is because CCAs share customer bases and data with IOUs, are governed by boards of elected officials who are directly accountable to the members of their community, and have overlapping affordability, sustainability, and equity objectives as those associated with EE programs.[85] Beyond formation of a REN, CCAs may implement EE programs through the ETA framework set forth in Section 381(e)-(f), or the Apply to Administer ("ATA") framework set forth in Section 381.1(a).

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[84] Note that SDREN's service territory does not include around 8% of SDG&E's electric customers who reside in South Orange County, however those customers have access to EE programming through statewide programs, and, as applicable, as customers of Southern California Gas Company.

[85] !""("D-D, Clean Energy Alliance: 6)?<-3%&*@( )*@(4,AA,%*(!')'"/"*', accessible at: https://thecleanenergyalliance.org/background/ (CEA's mission is to "empower local communities with the choice of sustainable and affordable energy for all customers, accelerating the transition to clean energy and fostering local economic growth, environmental responsibility, inclusivity and community well-being"); San Diego Community Power: ` 7%( ` "(#3", accessible at: https://sdcommunitypower.org/about/ (SDCP's mission is "[t]o provide affordable clean energy and invest in the community to create an equitable and sustainable future for the San Diego region").

The ETA framework is intended to provide CCAs with a simpler route to administer EE programs than the alternative ATA pathway.[86] However, the Commission and stakeholders have recently highlighted specific funding challenges associated with the ETA pathway that effectively form a barrier for CCAs seeking to implement ETA programs. CEA recently began exploring the development of a portfolio of EE programs under the ETA framework, but encountered obstacles in obtaining the level of funding required to implement EE programming.

The funding for ETA programs is derived from a portion of the IOUs' collections of EE revenues from the CCA's customers.[87] In D.24-04-007, the Commission refined its initial ETA maximum funding calculation as follows:[88]

> CCA maximum funding = Total electricity energy efficiency nonbypassable charge collections from the CCA's customers – (total electricity energy efficiency nonbypassable charge collections from the CCA's customers * % of the applicable IOU portfolio budget that was dedicated to statewide and regional programs in the most recently authorized program cycle). If the percentage of the applicable IOU portfolio budget dedicated to statewide and regional programs in the most recently authorized program cycle exceeds 96 percent, then the percentage shall be fixed at that 96 percent level and will not be allowed to exceed it, for purposes of this formula only.

As reflected in the calculation methodology described above, a key input in determining the maximum funding CCAs may request for ETA energy efficiency programs is the "total electricity energy efficiency nonbypassable charge collections from the CCA's

[86] D.14-01-033, p. 21 (Jan. 16, 2014) (explaining that the recently enacted ETA statutory framework "underscores the two distinct options available to a CCA seeking to administer EE funds and highlights the Legislature's desire to greatly simplify the process by which CCAs can administer EE programs for their own customers").

[87] !""(Cal. Pub. Util. Code § 381.1(e); A""()8A% D.14-01-033 at 22-24 (describing funding collections from CCA customers).

[88] D.20-04-007, OP 2 (Apr. 18, 2024).

customers."[89] SDG&E collects the relevant energy efficiency charges from CEA's customers through the PPP nonbypassable charge ("NBC").[90]

In evaluating the feasibility of an ETA portfolio, CEA utilized the calculation methodology set forth in D.14-01-033, as well as SDG&E's current EE PPP collections from CEA customers, to determine the maximum possible ETA funding available under the status quo (**%KK**with SDG&E continuing to serve as a regional PA). CEA's calculations revealed that under the Commission's current ETA funding guidance and SDG&E's current EE PPP collections, CEA's maximum ETA funding for the entire three-year program period was $588,230. This figure is based on the 4% budgetary "floor" established in D.20-04-007.

This existing challenge will be further exacerbated should SDG&E withdraw from regional EE portfolio administration. Specifically, SDG&E's Application requests an approximately $300 million reduction in the PPP rates to support its energy efficiency portfolio.[91] Under the current ETA framework and funding calculation, such a reduction would leave CEA (or any CCA in the San Diego region) with a miniscule fraction of funding from an already small pool of available ETA funds. It is further important to note that the substitution of a non-IOU PA to serve as the primary regional PA will not solve for this problem, as the ETA funding calculation is currently based on the IOUs' EE portfolio budgets.

The Commission recently acknowledged that it is "aware that the budget formula for CCAs that elect to administer energy efficiency programs may need to be modified or

89 !""(,@.

90 !"" A.25-04-014, 13"=)3"@(+,3"?'(E"A', / %*0(%5(#8'%*(c 2%<, pp. AK-20 – AK-21 (Apr. 25, 2025).

91 Application at 4.

refined,"[92] and is slated to consider such changes in early 2026.[93] As the Commission plans to consider modifications to the ETA funding calculation in the EE OIR, SDREN and CEA do not offer specific recommendations as to the appropriate changes in this proceeding. However, when the Commission considers changes to the ETA funding calculation, it should consider the unique circumstances presented by SDG&E's requested withdrawal. In particular, the Commission may need to develop a San Diego-specific approach to ETA funding, or to tie ETA funding to a factor other than IOU portfolio budgets. Developing a solution that solves for the current ETA funding challenges and also SDG&E's potential withdrawal will better position CCAs in the San Diego region to step in and serve the region's EE needs.

This concludes our testimony.

[92] R.25-04-010 at 4; A""()8A%, R.25-04-010, Scoping Ruling at 3.
[93] !"" R.25-04-010, Scoping Ruling at 11-12.

ATTACHMENT A

CRAIG PERKINS

President and Executive Director

Education

Cal State University Dominguez Hills, 1983
Master of Public Administration

University of California Los Angeles, 1980
Master of Arts, Latin American Studies;
Master of Arts, Political Science

University of California Berkeley, 1975
Bachelor of Arts, Sociology

Publications

Author and co-author of articles on solar electric projects, alternative fuel vehicles, water and energy efficiency, and urban runoff management practices.

Awards

- J. Robert Fluor Award, 2002
- Heal the Bay Super-Healer Award, 2004
- American Public Works Association Achievement Award, 2006

Professional Experience

The Energy Coalition — Irvine, CA

President and Executive Director — 2008 - Present

The Energy Coalition has been developing sustainable energy solutions for public agencies, communities, and utilities for over fifty years. Our mission is to change the way that people think about and use energy through the design and implementation of innovative programs and initiatives to reduce energy use and decrease greenhouse gas emissions.

City of Santa Monica — Santa Monica, CA

Director of Environment & Public Works Department — 1993 - 2008

Directed operations, maintenance, and capital improvement programs for the City's water, wastewater, stormwater, and solid waste utilities; managed the design, engineering, construction, and maintenance of City buildings and infrastructure; managed environmental protection, resource efficiency, alternative fuels, and renewable energy programs; directed development and implementation of the Sustainable City and Climate Action Plans.

Environmental Programs Manager — 1991 - 1993

Developed and managed programs for water and energy efficiency, pollution prevention, hazardous materials management, recycling, and stormwater/watershed management. Proposed and implemented new utility rate structures to increase customer equity, improve service levels, and fund environmental initiatives. Led the creation of the Santa Monica Sustainable City Plan.

Budget Director; Senior Management Analyst — 1983 - 1991

Oversaw development of the City's operating and capital improvement budgets, performed fiscal and policy analyses for the City Manager and City Council, managed organization development processes, and led efforts to improve the efficiency and cost-effectiveness of City operations.

UCLA Latin American Center — Los Angeles, CA

Research Associate — 1981 - 1983

Conducted research on Latin American policy issues and edited specialized publications for the Latin American Center at the University of California, Los Angeles.

Voluntary & Civic Service

- Mayor's Appointee, City of Los Angeles Stormwater Bond Oversight Committee
- SCAG Global Land Use and Economics (GLUE) Advisory Council member
- Board & Executive Committee member, Heal the Bay
- Board & Executive Committee member, The Bay Foundation
- Leadership Council member, Los Angeles Regional Climate Collaborative (LARC)
- Board member & Treasurer, Microgrid Resources Coalition
- Advisory Board member, Bay Area RAPID: Regional Climate Accelerator

the Energy Coalition
energycoalition.org

LAUREL ROTHSCHILD
Vice President

Education

University of California Santa Barbara, 2003
Bachelor of Arts, Business Economics

Certifications

- LEED Accredited Professional in Existing Buildings: Operations + Maintenance, GBCI, 2009
- Certified Energy Auditor, Association of Energy Engineers, 2010
- ENERGY STAR Portfolio Manager Trainer

Affiliations

- California Energy Efficiency Coordinating Committee (CAEECC) - 2025 co-chair and active participant in the following working groups and trainings:
  - Evolving CAEECC Working Group
  - CAEECC Diversity, Equity, and Inclusion (DEI) Training
  - Equity Metrics Working Group
  - EE Portfolio Filing Process Working Group
  - Underserved Working Group
- California Efficiency + Demand Management Council (CEDMC) - Board Member
- Association of Women Water Energy & Environment - Board Member & Membership Committee Chair
- Switch is On Ambassador
- San Clemente Green Ribbon Panel - Energy Conservation Chair

the Energy Coalition
energycoalition.org

Professional Experience

The Energy Coalition — Irvine, CA

Vice President — **Jan. 2019 - Present**

- Oversees program operations and implementation for over twenty contracts, totaling over $20 million annually
- Supports business development, partnership and client management, and program management organization-wide
- Effectively leads teams to deliver on all contracts while striving for continued innovations and streamlining of operations for cost-effective delivery
- Facilitate stakeholder conversations and partnerships to advance local engagement
- Initiated initial coordination discussions that led to the formation of SoCalREN Regional Partners efforts and CalREN, a collaboration of statewide RENs; Continues to support facilitation and coordination activities for CalREN
- Lead advisor to support the development of the San Diego Regional Energy Network 2024 - 2031 Portfolio Application and Orange County Power Authority's Elect to Administer application; both applications engaged in community and stakeholder engagement and robust local support that contributed to program design

Director of Energy Programs — **Dec. 2016 - Dec. 2018**

- Oversaw implementation and management of the Southern California Regional Energy Network Public Agency Program (SoCalREN)
- Led SoCalREN program to deliver over 30 million kWh in annual savings in 2017
- Oversaw implementation of eleven contracts totaling approximately $10 million annually

Director of Engagement and Education, Program Manager — **Nov. 2010 - Nov. 2016**

- Designed and supervised engagement activities for the SoCalREN Public Agency program
- Maintained a 100% realization rate for enrollment
- Organized Advisory Committee activities for the SoCalREN program on behalf of the client
- Established successful coordination of program offerings with the IOUs and other stakeholders for the SoCalREN program
- Managed ongoing coordination and communication among stakeholders
- Provided oversight of TEC's local government partnerships (LGP) and Education portfolios
- Directed the completion and closeout of the Palm Desert Demonstration Project
- Successfully designed, marketed, and co-delivered hands-on ENERGY STAR Portfolio Manager Workshops in partnership with local and federal agencies
- Assisted municipalities with energy management planning for municipal facilities, including benchmarking and climate action planning
- Initiated Peer to Peer LGP Implementers group

Project Analyst, Manager, Coordinator — **Jan. 2007 - Oct. 2010**

- Implemented municipal project tracking system recognized as a best practice among LGPs
- Managed implementation of PEAK Plus Demand Response pilot and supported program evaluation
- Coordinated program activities, including community outreach events, promotion of in-house Direct Install program to residential and small businesses

Publications

- Beyond the Audit: Making Energy Efficiency Easy and Enticing by Addressing Project Procurement
- Driving Energy Efficiency in the Public Sector - A Model for Success

MARC COSTA, LEED AP BD+C, CGBP, BOC II, CPHC, CPHT

Director of Policy & Planning

Education

California State University, Long Beach
Bachelor of Science in Construction Engineering Management

University of California, San Diego
Bachelor of Science in Management Science

Publications, Presentations & Awards

- UNEP - Outstanding Service to the Buildings Action Coalition
- ACEEE - From Loading Order to Loading Lanes: Rethinking the Energy Transition and Unlocking Smart Local Energy Markets for Communities of Concern (2024)
- Sustainable Cities and Nature - Net GHG emissions and air quality outcomes from different residential building electrification pathways within a California disadvantaged community - 2022
- ACEEE - Using Big Data to Assess Energy System Transitions in Under-resourced Communities - 2022 Summer Study
- ACEEE - Next Generation Benchmarking: Leveraging Benchmarking Ordinances for Decarbonization Planning, 2020 Summer Study
- ACEEE - A National Framework for Energy Audit Ordinances, 2016 Summer Study
- ACEEE - Unlocking the Power of Energy Consumption and Asset Data for Program and Policy Design, 2014 Summer Study

Accreditations, Credentials, and Memberships

- LGSEC - Board of Directors - Board Chair
- IEA - Global Observatory on Peer to Peer Markets
- United Nations - Building Action Coalition Member
- CalTF - Policy Advisory Committee
- Building Decarbonization Coalition - Advisory Board
- Passive House Network - Member
- CAEECC - Member; Market Transformation Working Group
- CEC – Benchmarking Data Alignment Work Group
- Linux Foundation Energy - Founding Member
- LBNL – SEED/BEDES Development TF
- NREL - URBANopt Technical Advisory Member
- ASHRAE TC7.6 Subcommittee on Data Exchange
- DOE Asset Score – Data Intake Work Group
- CABEC – Member

the Energy Coalition
energycoalition.org

Professional Experience

Open Studio Coalition — Apr. 2020 - Present
Co-Founder — **Irvine, CA**

- Co-founded a DBA under The Energy Coalition with partners in Vermont, New York and France to commercialize the DOE's flagship energy modeling software user interface, OpenStudio
- Conducted strategic planning and business plan development to enhance the user interface, expand product features, rebrand, implement language localization and expand the international user base of 70,000 users in 70 countries

The Energy Coalition — Jul. 2017 - Present
Director of Policy and Planning — **Irvine, CA**

- Develops regulatory and policy guidance for California-specific matters related to decarbonization, energy efficiency, demand flexibility, renewables, storage, electric vehicles, solar water heating, GHG reductions, and integrated grid resource planning
- Leads the California Energy Commission Statewide Building Energy Benchmarking Program contract and serves as a technical strategist on data-driven outreach and compliance monitoring
- Serves as a subject matter expert to the Department of Energy, Building Technologies Office, Solar Energy Technology Office, and various national labs on strategic roadmap development, grant funding selection, and commercialization of software and standards related to building energy modeling (BEM), Grid-Interconnected Efficient Buildings (GEBs), Model Predictive Controls (MPCs), and Automated Fault Detection and Diagnosis (AFDD).
- Creates and implements data analysis techniques across the company related to data acquisition, cleansing, analysis, spatial statistics, visualization, and forecasting for energy programs
- Leads the implementation of CEC EPIC grants related to energy master planning and renewable energy system sizing and program design for Disadvantaged Communities and Indoor Air Quality contracts
- Represents TEC on various industry groups for policy development and regulatory representation, including CAEECC, NMEC, LGSEC, CalTF, CEDMC, and ASHRAE
- Leads local government projects related to benchmarking and audit ordinance development and implementation, currently for Brisbane, California
- Authors peer-reviewed papers, conference proceedings, and presentations on energy master planning
- Founder of the Linux Foundation Energy group on energy education and open-source energy modeling software

Program Manager — **Irvine, CA**

- Policy Team: Generated, commented, submitted, and filed regulatory and legislative comments in CPUC and CEC Proceedings.
- CEEPMS: Managed overall design and implementation of software that matches building permits and rebates
- CAP: Managed budget and technical input on Energy Atlas Tool, database fields, and metrics for analysis
- Project Delivery Team: Assigned Project Manager to San Bernardino to develop streetlighting and mechanical retrofits
- LGSEC To Code Committee: Contributed comments to regulatory proceedings on data, C&S, and Regulatory Matters
- Benchmarking and Ordinances: Served as a subject matter expert to REN cities on Federal resources on policy and tools
- DOE Grant: OpenEfficiency Initiative: With PSD, NREL, Cadmus, Xcel Energy, and SoCalREN to create and deploy data infrastructure for energy management resources

Expertise

An internationally recognized subject matter expert on energy policy, federal energy analysis tools, and data standards. Serves as an in-house and industry-wide resource on how data informs decarbonization policy and on-the-ground market transformation.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation.	Rulemaking 25-04-010 (Filed April 24, 2025)

BAY AREA REGIONAL ENERGY NETWORK, INLAND REGIONAL ENERGY NETWORK, NORTHERN RURAL ENERGY NETWORK, SAN DIEGO REGIONAL ENERGY NETWORK, SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK AND TRI-COUNTY REGIONAL ENERGY NETWORK REPLY COMMENTS ON STAFF PROPOSAL

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January 23, 2026

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation.	Rulemaking 25-04-010 (Filed April 24, 2025)

BAY AREA REGIONAL ENERGY NETWORK, INLAND REGIONAL ENERGY NETWORK, NORTHERN RURAL ENERGY NETWORK, SAN DIEGO REGIONAL ENERGY NETWORK, SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK AND TRI-COUNTY REGIONAL ENERGY NETWORK REPLY COMMENTS ON STAFF PROPOSAL

Pursuant to the December 1, 2025 Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives ("Ruling"), and the December 19, 2025 Email Ruling Granting Extension of Time to File Comments to December 1, 2025 Ruling, the Bay Area Regional Energy Network ("BayREN"),[1] Inland Regional Energy Network ("I-REN"),[2] Northern Rural Energy Network ("NREN"),[3] San Diego Regional Energy Network ("SDREN"),[4] Southern California Regional

[1] BayREN serves customers in the nine-county Bay Area region, a region that serves over 7.5 million residents and incorporates urban, suburban and rural populations. BayREN delivers its regional programs solely within Pacific Gas and Electric Company's ("PG&E") service area. BayREN administers regional, equity-based and equity focused programs within the resource acquisition and market support segments as well as one statewide program. BayREN's programs cover the residential, commercial and public sectors as well as codes and standards.

[2] I-REN is a coalition of three councils of government – Western Riverside Council of Governments, the Coachella Valley Association of Governments, and the San Bernardino Council of Governments - encompassing Riverside and San Bernardino Counties, and all their respective jurisdictions within the region. These organizations have joined to establish locally administered, designed, and delivered energy efficiency programs in alignment with the Commission's goals and objectives.

[3] The Northern California Rural Regional Energy Network (also known as Northern Rural Energy Network or NREN) is a partnership between the Lake Area Planning Council, the Mendocino Council of Governments, the Redwood Coast Energy Authority, and Sierra Business Council and provides energy efficiency and electrification programs to 17 counties in Northern California and the Sierra Nevada. NREN's programs are designed to serve hard-to-reach and underserved rural customers using local resources within the region to achieve California's energy efficiency and decarbonization goals.

[4] SDREN is a program of San Diego Community Power, a Community Choice Aggregator ("CCA") and the County of San Diego and operates solely within San Diego Gas & Electric's ("SDG&E") service area.

Energy Network ("SoCalREN")[5] and Tri-County Regional Energy Network ("3C-REN"[6] and, together, the "Joint RENs") respectfully submit the following reply comments on the draft Energy Efficiency Natural Gas Incentive Phase-Out Staff Proposal, attached as Attachment 1 to the Ruling (the "Staff Proposal").

I. EXECUTIVE SUMMARY

As stated in opening comments, the Joint RENs support the policy goal animating the draft Viable Electric Alternative ("VEA") Staff Proposal to shift ratepayer funding away from gas efficiency measures and focus incentives on California's electrification goals. The intention behind the proposal is aligned with state law requiring greenhouse gas emission reduction and the state's recognition of the significant public health benefits of electrification.[7] Yet, the Joint RENs share in the concerns raised by numerous parties regarding the challenges of applying the VEA framework set forth in the Staff Proposal in the context of the Equity segment, equity customers and Hard-to-Reach ("HTR") customers and sites. Further refinement is needed in this regard.

Along with the Joint RENs, numerous parties raised concerns in their opening comments regarding Staff's proposed adoption of the Participant Cost Test ("PCT"), and, in the alternative,

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[5] SoCalREN is a CPUC authorized energy efficiency Program Administrator which serves 13 counties across central and southern California. As a regional energy network, SoCalREN provides a wide variety of energy efficiency services to support energy savings for residential, businesses, agriculture, and public agency customers.

[6] 3C-REN serves customers in the Counties of San Luis Obispo, Santa Barbara, and Ventura; 3C-REN's customers receive utility service from PG&E, Southern California Edison Company ("SCE"), and Southern California Gas Company ("SoCalGas"). 3C-REN serves regional needs that were previously not met given the overlapping service territories of the investor-owned utilities ("IOUs") in its region.

[7] Staff Proposal at 3 (citing Assembly Bill 3232 (Stats. 2018, Ch. 373)); Senate Bill 1279 (Muratsuchi, 2022); Sierra Club Opening Comments on Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) at 5 ("Sierra Club Opening Comments") (citing California Public Utilities Commission ("Commission" or "CPUC"), California Air Resources Board ("CARB") and California Energy Commission ("CEC") 2024 Joint Agency Report at 17; CARB Resolution 20-32 (Nov. 19, 2020) at 1-3, !"!#$!%$&'!(https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2020/res20-32.pdf).

the utilization of the Total Resource Cost ("TRC") test, as the means of determining cost-effectiveness when identifying whether a Viable Electric Alternative ("VEA") exists for a gas energy efficiency ("EE") measure. Many parties advocated for improved incorporation of non-energy benefits ("NEB") and social costs, and the broader term known as non-energy impacts ("NEI"), into the cost-effectiveness tests.[8] SoCalGas stood alone in its opposition to the inclusion of the adverse impacts of indoor air pollution from gas appliances in the VEA cost-effectiveness determination.

Several parties proposed means of addressing the one-time infrastructure and installation costs of electrification enabling or readiness measures that support several future fuel substitution measures within a building, such as service upgrades, panel upgrades, electrical rewiring costs and additional permitting costs. As stated in their opening comments, the Joint RENs strongly recommend excluding these costs from the VEA cost-effectiveness test altogether for the Equity segment and equity customers.

With respect to the refrigerant leakage detection, reclamation and recycling pilots proposed in the Staff Proposal, numerous parties' opening comments supported the Joint RENs' position that EE Program Administrators ("PA") are well-positioned as implementers of such refrigerant

[8] Sierra Club Opening Comments at 11-16, 26-30; Opening Comments of Peninsula Clean Energy Authority on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("PCE Opening Comments") at 4; Central California Rural Regional Energy Network Opening Comments on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("CCR REN Opening Comments") at 3-4; Opening Comments of Cohen Ventures, Inc. Dba Energy Solutions on Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) on behalf of the TECH Initiative Team ("TECH Initiative Team Opening Comments") at 7-8.

programs.[9] The Joint RENs disagree with and respond to SoCalGas and SDG&E's opposition to the role of PAs in implementing such pilots, below. Several parties noted that there may not be a need for new refrigerant management pilots in light of existing programs in California. In response, the Joint RENs suggest that a pilot phase may not be needed within some PAs, as existing refrigerant programs are already carrying out refrigerant leakage reduction, recovery, training, responsible disposal. At the same time, some PAs may determine to pilot aspects of refrigerant management based on the status of such programs in their service areas. A refrigerant management pilot phase should not be required, but neither should it be precluded, as determined by the applicable PA.

The Joint RENs replies to other parties' opening comments are set forth in Section II below, organized in response to the specific questions posed in Section 4 of the Staff Proposal.

II. REPLIES TO RESPONSES TO QUESTIONS FOR STAKEHOLDERS

A. Equity

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The Joint RENs concur with many of the opening comments recognizing the challenges to electrification in the Equity segment and for equity customers, as well as the additional benefits of electrification that particularly flow to disadvantaged communities ("DAC") that are inadequately quantified in the current cost effectiveness tests. For example, MCE discussed the disproportionate

[9] Comments of Southern California Edison Company (U 338-E) on Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("SCE Opening Comments") at 17-18; Opening Comments of Small Business Utility Advocates on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("SBUA Opening Comments") at 6-7; Opening Comments of Marin Clean Energy on Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("MCE Opening Comments") at 7-9; CCR REN Opening Comments at 5-6.

health impacts from natural gas appliances, significantly higher energy burdens, greater barriers to electrification and historic underservice in EE programs faced by equity customers.[10] Aligned with and in response to these comments, the Joint RENs reiterate that the Commission should refine both the PCT and the TRC to account for such benefits, exclude the one-time costs of electrification enabling infrastructure from VEA cost effectiveness tests and authorize new incentives to address the specific needs and challenges for the Equity segment and equity and HTR customers. This adjustment is consistent with Section 2.1.4.2 of the Order Instituting Rulemaking in this proceeding, which addresses a "continual improvement" process for cost-effectiveness policies and the application of such policies to energy efficiency portfolios.[11]

a. The Commission Should Refine the PCT and TRC Tests to Account for Non-Energy Benefits and Needs of Equity and HTR Customers.

As the Joint RENs argued in opening comments, barriers to electrification in equity communities should be taken into account for VEA measure screening, and neither the PCT nor the TRC do so adequately.[12] The TECH Initiative Team described several of the co-benefits of electrification and fuel substitution for equity customers, such as extreme heat resilience offered by heat pumps and indoor air quality impacts, that are not fully valued in the PCT.[13] The CEC's Order Instituting Informational Proceeding on Non-energy Benefits and Social Costs (Docket No. 24-OIIP-03) is seeking to more comprehensively assess costs and benefits of distributed energy

[10] MCE Opening Comments at 3 (citations omitted).

[11] Order Instituting Rulemaking (Apr. 29, 2025) at 6 ("As part of a process of continual improvement of energy efficiency programs, adjustments may be needed to cost-effectiveness policies and their application within energy efficiency portfolios and programs.").

[12] Joint RENs Opening Comments at 4-11, 15-16, 26-32.

[13] TECH Initiative Team Opening Comments at 4.

resources and EE, with a focus on equity.[14] The CEC's NEI study in that proceeding will eventually enable the quantification of NEIs in Commission EE cost-effectiveness determinations. In the meantime, the Sierra Club's recommendation for adders to the PCT or TRC to address NEBs[15] would be an administratively-efficient stop-gap measure, which the Joint RENs support. Any such NEB adders should be compatible with PA reporting mechanisms, so that they can be accounted for in the TSB test as well.

b. The Commission Should Exclude One-Time Costs of Electrification Enabling Infrastructure from VEA Cost-Effectiveness Tests for the Equity Segment and Equity Customers.

Numerous parties addressed the issue of electrification-enabling infrastructure upgrade costs in opening comments. The Joint RENs' opening comments provided examples of such "one-time" costs of electrification, such as service upgrades, panel upgrades, electrical rewiring costs, and additional permitting costs at the building-level that enable numerous present and future electric load.[16] The Joint RENs agree with TURN that the Commission should establish additional policies to reduce barriers to electrification for low-income Californians, including up-front costs,[17] and also concur in MCE's comment on the need to support "electrification readiness" measures across portfolios.[18]

SoCalGas criticized the Staff Proposal's proposed use of weighted averages to address panel upgrades and electrification-enabling infrastructure costs, arguing that customers with older

[14] Joint RENs Opening Comments at 9.

[15] Sierra Club Opening Comments at 29;)&&'!$)* CCR REN Opening Comments at 7-8 (recommending an NEB adder to the TRC and TSB).

[16] Joint RENs Opening Comments at 10.

[17] TURN Opening Comments at 15.

[18] MCE Opening Comments at 3-7; 6-7.

homes and low-income customers would be disproportionately impacted.[19] Instead, to better address the particular needs of equity customers with respect to electrification readiness, the Joint RENs reiterate our point in opening comments that the one-time electrification enabling infrastructure upgrade costs should be *"#$%& "'* from VEA cost-effectiveness tests for the Equity segment and equity customers.[20] CCR REN similarly asserted that "Electric Ready Infrastructure" should be "exempted from accruing to the TRC."[21] The Joint RENs also agree with SDG&E that EE programs should assist customers in *()*+ ,-* panel upgrades and service upsizing through power-efficient appliances, smart panels and circuit splitters and pausers, but strongly *'+(-/""* that the costs of such measures should be included in cost-effectiveness calculations for individual measures for VEA screening purposes.[22]

B. Fuel Substitution Infrastructure Costs

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The Joint RENs agree with the Sierra Club that the Commission should incorporate the CEC's electric and gas end-use rate forecasts to assess avoided costs of not using a gas measure into VEA assessment.[23] The Joint RENs strongly agree that the significant future increases in gas

[19] Southern California Gas Company's (U 904 G) Comments to Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("SoCalGas Opening Comments") at 8 (citing Section 3.3 of the Staff Proposal).

[20] Joint RENs Opening Comments at 9-11, 15-16.

[21] CCR REN Opening Comments at 3.

[22] +&& Opening Comments of San Diego Gas & Electric Company (U 902 M) on Staff Proposal (Jan. 13, 2026) ("SDG&E Opening Comments") at 4. The Joint RENs are not opposed to including the costs of meter socket adapters in individual measure VEA cost-effectiveness calculations, however.

[23] Sierra Club Opening Comments at 24.

(and electric) rates must be considered in these determinations.[24] As the Joint RENs pointed out in their opening comments, such steep increases are particularly significant in the context of equity customers facing systematically higher energy burdens and greater exposure to future rate volatility.[25]

C. Fuel Substitution Potential Estimated Bill Impacts

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The Joint RENs also agree with Sierra Club that the analysis of potential bill impacts relating to fuel substitution should incorporate CEC gas (and electric) rate forecasts.[26] In addition, the Joint RENs reiterate their point in opening comments that before the Commission can begin to consider the level of granularity of data to analyze bill impacts of fuel substitution measures, an accurate mechanism for the calculation of such bill impacts is first required.[27] RENs currently lack access to the data necessary to such bill impacts, and any data that is provided by IOUs is not done in a timely manner.[28] Once all PAs have the capability to estimate bill impacts in the California Energy Data and Reporting System ("CEDARS") the Commission should then tackle questions of the proper granularity of such data.

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[24] Joint RENs Opening Comments at 11, Figure 1 (CEC Fossil Gas End-Use Rate Forecast through 2049) and 12, Figure 2 (PG&E Program Year 2024 ESA Annual Report – Energy Price Forecasts through 2048).

[25] ,-. at 13-14.

[26] Sierra Club Opening Comments at 26;)&&'!$)* Opening Comments of Pacific Gas and Electric Company (U 39 M) on Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("PG&E Opening Comments") at 9 (arguing that Energy Division Staff should provide the underlying analyses and assumptions, including gas rate forecast details, for the PCT).

[27] Joint RENs Opening Comments at 17.

[28] ,-. at 17-18.

D. Refrigerant Leakage Detection and Mitigation, and Low-GWP Refrigerant Programs

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a. PAs are the Appropriate Implementers of Refrigerant Programs Proposed the Staff Proposal.

Numerous parties agree with the Joint RENs that PAs are the appropriate implementers of refrigerant leakage detection, reclamation and recycling programs in California. As SCE aptly pointed out, "PAs are well-positioned to implement these efforts given synergies with existing programs that already facilitate equipment exchanges."[29] MCE observed that "PAs of EE programs with low-[Global Warming Potential ("GWP")] and refrigerant related measures are well positioned to document refrigerant leaks, reclamation and recycling."[30] The Joint RENs disagree with points raised by SDG&E and SoCalGas opposing the role of PAs as implementers of such programs.[31]

As described in the Joint RENs' opening comments, several PAs are already implementing refrigerant management programs that are highly relevant to the Staff Proposal's proposed pilots, and already have significant expertise.[32] The Joint RENs described in detail the BayREN Refrigerant Replacement ("BRRR") Program's innovative and equity-focused work providing financial and technical assistance to small and HTR businesses, including incentives for

[29] SCE Opening Comments at 17;)&&'!$)* SBUA Opening Comments at 6; CCR REN Opening Comments at 5.

[30] MCE Opening Comments at 8.

[31] +&& SDG&E Opening Comments at 6-8; SoCalGas Opening Comments at 11.

[32] +&& PG&E Opening Comments at 7-8 (arguing that PAs should implement such pilots if relevant to EE PA programs and PAs can ensure that implementers have the appropriate expertise); Joint RENs Opening Comments at 19-26; MCE Opening Comments at 7-8.

identification and repair of refrigerant leaks, high GWP replacement, gas exchanges and tune-ups.[33] BRRR also provides financial support for transportation and recycling/reclamation of refrigerants.[34] As the Joint RENs argued:

> With BRRR's experience and existing implementation infrastructure in place, expanding refrigerant management efforts to include enhanced leak detection and increased awareness of the importance of refrigerant recycling is both practical and efficient. This integrated approach would increase public benefits, streamline program deployment, and maximize the overall impact of proactive refrigerant management.[35]

In fact, SBUA pointed to BayREN's existing BRRR program for high-GWP refrigerant replacement as helpful and useful.[36] Similarly, MCE described how it is incorporating low-GWP refrigerants in its EE portfolio, and its interest in incorporating refrigerant leak, reclamation and recycling measures in its 2028 EE Business Plan application.[37]

In response to SDG&E's rationale for opposing this role for PAs, the Joint RENs assert that, for PAs already running refrigerant programs, there would not be "a significant amount of prework"[38] and these existing programs could readily be leveraged. SDG&E's comment that PAs should not administer these pilots because it would be a challenge for the Commission to leverage the Commission's Refrigerant Avoided Cost Calculator ("RACC")[39] is also inapt: BayREN's BRRR program is already utilizing the RACC to estimate first-year and lifecycle greenhouse gas ("GHG") emissions avoided (metric tons of carbon dioxide equivalent or $MTCO_2e$) as a result of

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[33] Joint RENs Opening Comments at 19-20.

[34] ,-. at 20.

[35] ,-. at 22.

[36] SBUA Opening Comments at 6.

[37] MCE Opening Comments at 7, 8 (citing MCE's 2024 EE Business Plan and Portfolio Plan Application, Exhibit 2, p. 1-16).

[38] ./. SDG&E Opening Comments at 8.

[39] ,-.

refrigerant leak repair and components replacement. For modeling purposes, the latest RACC assumes an annual refrigerant leakage rate of approximately 5.3%. BayREN's BRRR uses this default assumption to estimate annual refrigerant losses from leaks, which are then multiplied by the system's refrigerant charge and its GWP to calculate lifecycle emissions and associated costs.

As SoCalGas correctly conceded, PAs may be suitable implementors because they "have existing relationships with contractors and installers."[40] The Joint RENs described BayREN BRRR's relationships with licensed refrigeration contractors, which it leverages to assist small businesses such as corner stores and community kitchens.[41] The Joint RENs opening comments also described BayREN BRRR's assignment of an environmental specialist to each participating business to provide a hands-on approach, its relationships with community organizations, and the ways in which BRRR staff provide education to participating businesses to promote long-term refrigerant management practices.[42]

In short, PAs, particularly those with existing refrigerant programs, are ideally suited to administer the refrigerant pilots proposed in the Staff Proposal.

b. The Need for a Pilot Phase for Refrigerant Management Programs Should Be Determined by the Applicable PA.

A number of parties' opening comments on the Staff Proposal questioned whether new refrigerant management pilots are needed, in light of such existing REN refrigerant programs. PAO argued that doing so would be duplicative of existing programs and that, instead, the

[40] SoCalGas Opening Comments at 11.

[41] Joint RENs Opening Comments at 21.

[42] ,-.

Commission should incorporate refrigerant training in existing programs that implement EE measures with refrigerants.[43]

The Joint RENs generally agree with SBUA that each PA has the option to determine whether it would be efficient and effective for it to implement a pilot or carry out the refrigerant management activities in the Staff Proposal through a program.[44] The Joint RENs note that, as a general rule, PAs already have the choice as to which programs or pilots to offer. A pilot phase may not be needed within some PAs, as existing refrigerant programs, such as BayREN's BRRR Program, are already carrying out refrigerant leakage reduction, recovery, training, responsible disposal. At the same time, other PAs may determine to pilot aspects of refrigerant management. A pilot phase should not be required, but neither should it be precluded, as determined by the applicable PA and their communities' needs.

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The Joint RENs are aligned with SCE's support for "leveraging synergies between existing EE programs and refrigerant recycling initiatives."[45] For example, SCE suggests that EE incentives for commercial grocery refrigeration could be increased when reclamation is also implemented.[46] In fact, BayREN's existing BRRR Program already requires at least one EE measure alongside refrigerant management projects (*"0-0,* improved door gaskets and closers, high-efficiency fan

[43] Comments of the Public Advocates Office on Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("PAO Opening Comments") at 9.

[44] +&& SBUA Opening Comments at 6.

[45] SCE Opening Comments at 18.

[46] ,-.

motors and demand response capabilities).[47] BRRR encourages refrigerant recycling by allowing reclamation as an incentive-eligible measure.[48] From its experience working directly with businesses, the BRRR Program has observed how incentivizing low- and no-GWP refrigerants has secondary benefits that can "unlock broader efficiency opportunities and maximize the overall value of public investments."[49]***!***

But, the Joint RENs disagree with SDG&E and SoCalGas that the Staff Proposal's proposed refrigerant management pilots should not be ratepayer funded. In response to SoCalGas's argument that, because contractors are required by law to collect and recycle refrigerants, enforcement, rather than incentives, should be emphasized by the Staff Proposal,[50] the Joint RENs highlight that compliance with the law should not be assumed. As an analogue, regional Codes and Standards programs are offered by PAs throughout the state (including SDREN and BayREN). These regional programs play an important role in closing the compliance gap. As the Joint RENs noted in opening comments, code compliance rates are as low as 10-30%.[51] The Joint RENs are not aware of a gap analysis that pertains specifically to contractor compliance with refrigerant recycling; however, it would be prudent for the Commission to conduct a study to determine compliance prior to precluding incentives.

In opening comments, PCE explained its support for additional incentives for deployment of low-GWP measures:

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[47] Joint RENs Opening Comments at 25.

[48] ,-. at 23.

[49] ,-. at 25.

[50] SoCalGas Opening Comments at 11.

[51] Joint RENs Opening Comments at 27 (citing CEC Docket 24-BDST-05, 2025 Energy Code Compliance Initiatives Staff Workshop 1 Slides (Jan. 27, 2025) at slide 13, !"!#$!%$&' !(: https://efiling.energy.ca.gov/GetDocument.aspx?tn=261312&DocumentContentId=97689).

> Many low-GWP refrigerant measures deliver significant greenhouse gas reduction benefits but may not produce incremental energy or peak demand savings and therefore face structural barriers under existing cost-effectiveness requirements. Allowing incentives for low-GWP refrigerant measures independent of energy savings, for instance, would complement the refrigerant pilots conceived in the Staff Proposal by addressing refrigerant emissions across the full equipment lifecycle.[52]

The Joint RENs also discussed compliance barriers faced by small and HTR businesses, such as lack of awareness on the part of decision-makers, costs, engineering requirements and lack of capital.[53] "Without generous incentives, typically covering over 70% of project costs, small and hard-to-reach businesses will continue to face knowledge, space, and cost barriers that limit adoption of environmentally friendly refrigerants, even if regulations require them to0'[54]!In sum, incentives can be a critical component of effective refrigerant management policy to reduce GHG emissions.

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In opening comments, parties disagreed with respect to whether incentives should be provided specifically for the documentation of refrigerant reclamations. In reply, the Joint RENs propose that each PA should retain flexibility with respect to pilot or program structure, as it deems appropriate for its specific customer base and program.

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[52] PCE Opening Comments at 10.

[53] Joint RENs Opening Comments at 24-25.

[54] ,-. at 24.

E. VEA Cost Effectiveness

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Numerous parties' opening comments, including those of the Joint RENs, critiqued both the PCT and TRC for their failure to adequately capture the NEBs of electrification measures, such as reducing indoor air pollution, and supported the inclusion of such benefits in the VEA cost-effectiveness analysis. PCE noted that the TRC imposes structural biases against electrification by imbedding all costs, but not including NEBs.[55] The TECH Initiative team described co-benefits such as additional cooling for DAC customers disproportionately residing in hot/dry climates and indoor air quality which are not incorporated into the PCT.[56] The Sierra Club also discussed "meaningful" participant benefits not currently accounted for in the PCT, such as indoor air quality and safety benefits associated with fuel substitution.[57] SoCalGas alone opposed the inclusion of indoor air quality as part of cost effectiveness assessment.[58] The Joint RENs disagree with SDG&E, PG&E and PAO that either the PCT or the TRC should be used without significant further refinement with respect to the Equity segment and HTR customers.[59] This further refinement provides an opportunity to test and inform strategies in the scope of this proceeding

[55] PCE Opening Comments at 3-4.

[56] TECH Initiative Team Comments at 4, 14.

[57] Sierra Club Opening Comments at 29.

[58] SoCalGas Opening Comments at 22-26.

[59] +&& SDG&E Opening Comments at 5, 10 (supporting TRC); PG&E Opening Comments at 9 (supporting PCT in this context); PAO Opening Comments at 2-3.

with respect to the application of cost-effectiveness to the EE portfolio, and the ability to increase benefits and investment in equity and HTR populations where VEAs can advance affordability.

As some parties noted, the Staff Proposal recommends that the Commission "consider the health benefits for participants of reduced indoor air pollution due to electrifying gas stoves as a part of assessing ratepayer benefit comparison for VEA (Section 3.7) for gas and induction stoves."[60] But the proposal is incomplete and doesn't sufficiently address such benefits, given the limitations of the PCT (and the TRC).

In response to PG&E's argument that, while it supports PCT for the VEA determination context, the TRC is the primary test for the Resource Acquisition segment, inclusive of fuel substitution measures, and R.22-11-013 is the primary forum for discussions of cost effectiveness tests for EE portfolios overall,[61] the Joint RENs wish to clarify that Total System Benefit ("TSB") is actually the "North Star" applicable to REN authorizations and evaluation of the Potential and Goals Study. RENs are not subject to the TRC.[62]

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Relevant to these equity-related critiques of the Staff Proposal's use of the PCT (or TRC) to determine cost effectiveness for VEA determination, parties proposed several other criteria to be considered. SBUA suggested the Societal Cost Test ("SCT"), including a social discount rate, be considered for informational purposes to supplement the PCT.[63] The Joint RENs agree that the

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[60] Staff Proposal at 19.

[61] PG&E Opening Comments at 9 (citing D.21-05-031 Ordering Paragraph ("OP") 3).

[62] D.21-05-031, Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process (May 20, 2021) at 21, Conclusion of Law 8, OPs 1, 2;)&&'!$)* R.22-11-013, Association of Bay Area Governments and County of Ventura Comments on ALJ Ruling (May 12, 2025) at 8-9.

[63] SBUA Opening Comments at 7-8.

SCT has value for informational purposes because it is more comprehensive, equitable and inclusive. But, as pointed out in the Joint RENs' opening comments, the SCT also is still in need of refinements.[64]

As noted above, the Sierra Club recommended an adder to the PCT to better address NEBs. The Joint RENs support this approach as an interim step before a more comprehensive means of addressing such benefits and social costs of gas and electrification emerges through the work of the CEC's Order Instituting Informational Proceeding on Non-energy Benefits and Social Costs (Docket No. 24-OIIP-03).[65] It is critical for the Commission to develop an equity-appropriate refinement or companion metric that adequately adjusts for known code-compliance gaps, non-energy barriers, and structural inequities that materially influence customer costs and benefits for the Equity segment, equity customers and HTR customers. By acknowledging the barriers and increased PA effort needed to provide EE programs to equity and HTR customers, and then creating prohibitive policies that reduce access to VEAs would be counterproductive to the objective of serving such populations.

Finally, the Joint RENs agree that, at a very bare minimum, NEIs should be tracked in eTRM.[66] Fuel substitution measure packages should be enabled to track such costs and benefits by working with CalTF to create a field in the eTRM for tracking equity and HTR VEAs. The Joint RENs recommend the addition of placeholder fields in the eTRM and CEDARS as outlined in Section 3.4 of the Staff Proposal, and an update to Section 3.8 of the Staff Proposal to direct the eTRM to include a measure permutation field for non-energy impacts.[67]

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[64] Joint RENs Opening Comments at 30.

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[66] +&& Staff Proposal at 32.

[67] Joint RENs Opening Comments at 29.

III. CONCLUSION

The Joint RENs thank the Commission for the opportunity to reply to opening comments on the Staff Proposal. The Joint RENs urge the Commission to revise the Staff Proposal to align with California law and policy supporting and prioritizing decarbonization in disadvantaged communities, and taking into the account the costs and needs of such action in an equitable and inclusive manner. The Joint RENs also strongly support the implementation of refrigerant management by PAs, including RENs.

Respectfully submitted,

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For the Tri-County Regional Energy Network ("3C-REN")

January 23, 2026

SAN DIEGO COMMUNITY POWER
Staff Report - Item 9

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Lucas Utouh, Senior Director of Data Analytics & Customer Operations Tim Manglicmot, Director of Finance Aaron Lu, Rates and Strategy Manager Diana Gonzalez, Risk Manager Pete Polonsky, Senior Rates Analyst
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on 2026 Rates Adjustment
Date:	February 12, 2026

Recommendation

Receive and file an update on 2026 rates adjustment.

Background

Prior to Community Power's launch and initial enrollment of customers in March 2021, customers received bundled electric service (both generation and delivery) from SDG&E under a wide variety of rate schedules. When customers transitioned to Community Power service, they became "unbundled" – effectively splitting their charges between SDG&E for transmission/delivery services, and Community Power for generation services while still receiving one single, consolidated bill.

Consistent with its Board approved Rate Development policy, Community Power's rate setting strategy uses a hybrid approach based on cost of service and the Investor-Owned Utility (IOU) discount-focused rate setting models. First, Community Power determines the cost recovery required to meet expected procurement and operational expenses and sets rates to at least meet that amount. Next, Community Power adds ranges that target goals for financial stability, such as reserves contributions, and discretionary spending, such as programs or operational growth opportunities. Finally, Community Power targets a competitiveness metric with SDG&E to determine where rates should be within that range and modify the discretionary spending, accordingly, aiming for a discount when possible.

Community Power has always aimed to provide electricity for its customers at competitive rates and simplify the rates adjustment process by making changes on average only once a year, which creates certainty and stability for customers. This is accomplished by establishing Community Power rates after SDG&E submits a Consolidated Rates filing, which contains SDG&E's Electric Energy Commodity Cost (EECC) and the Power Charge Indifference Adjustment (PCIA) rates. In contrast, SDG&E has historically made multiple adjustments to their rates. For additional context on this, SDG&E adjusted their electricity generation rates five times in 2021, per effective date changes observed in their historical Schedule EECC and are projected to adjust their rates at least two more times in 2026.

Community Power's rates and the resulting ratepayer revenue have a direct impact on Community Power's net operating revenues, its resulting net position, and ultimately its total reserves. Ratepayer revenue is Community Power's primary source of operating revenue.

Community Power's Financial Reserves Policy was adopted by the Board of Directors on June 24, 2021, and revised on June 27, 2024, October 23, 2025, and December 11, 2025. Community Power's financial reserve policy sets a Minimum Reserve Balance of 180 days cash on hand, a Target Reserve Balance of 225 days cash on hand, and a Maximum Reserve Balance of 270 days cash on hand with a goal of maintaining balances between the Target Reserve Balance and Maximum Reserve Balance.

The Financial Reserves Policy additionally states that contribution to reserves is determined through Community Power's annual budget process as defined in the agency's Budget Policy and/or Community Power's rate setting process as defined in the agency's Rate Development Policy. Further, to the extent Community Power is able to meet operational expenses and maintain competitive rates, Community Power will establish rates and adopt budgets with the goal of building and maintaining Reserves at or above the 225-days of cash on hand to no more than the 270-days of cash on hand target level.

Through October 31, 2025, Community Power's reserves were $533.6 million, including $437.4 million in unrestricted cash and $96.2 million in investment holdings. Through Fiscal Year (FY) 2025-26, Community Power has not yet achieved its Target Reserve Balance of 225 days cash on hand projected to be $623.2 million or its Maximum Reserve Balance of 270 days cash on hand projected to be $747.8 million. The range provides Community Power with flexibility and resiliency as a variety of market conditions cause costs to fluctuate throughout the year.

Reserves are critical to Community Power's ability to earn and maintain a public credit rating that will allow it to purchase power at relatively lower costs, moderate future rate fluctuations for its ratepayers, and provide adequate contingencies to mitigate power supply shocks and economic downturns. Therefore, balancing the need for affordability for our customers while maintaining and stabilizing reserves are key factors that inform the proposed rate scenarios and adopted rates adjustment analyzed by staff.

Understanding the broad economic pressures San Diego region residents and businesses faced in 2025 and will continue to confront in 2026, Community Power staff analyzed multiple rate options. Staff analyzed the following three rates adjustment options, to be retroactively effective as of January 1, 2026:

- Scenario 1: Conservative - Community Power's default PowerOn service electricity generation rates that are 3% cheaper compared to San Diego Gas and Electric's (SDG&E) generation rates and PowerBase service electricity generation rates that are 10% cheaper compared to SDG&E's generation rates.

- Scenario 2: Balanced (Board adopted) - Community Power's default PowerOn service electricity generation rates that are 4% cheaper compared to San Diego Gas and Electric's (SDG&E) generation rates and PowerBase service electricity generation rates that are 10% cheaper compared to SDG&E's generation rates.

- Scenario 3: Uncertain - Community Power's default PowerOn service electricity generation rates that are 5% cheaper compared to San Diego Gas and Electric's (SDG&E) generation rates and PowerBase service electricity generation rates that are 10% cheaper compared to SDG&E's generation rates.

Power100 and Power100 Green-e Certified will maintain premiums of $0.01/kWh and $0.02/kWh, respectively, compared to the PowerOn rate. Community Power staff's recommendation to the Board of Directors was to adopt Scenario 2, the balanced option. With this approach, Community Power provides relief to our customers now, while taking a fiscally responsible approach that ensures long-term viability to serve our community while creating competition in the local energy market, while also offering energy programs tailored to meet the needs of our region for years to come.

Staff analysis concluded that the rates adjustment with PowerOn generation rates that are 4% cheaper compared to SDG&E's rates creates an opportunity to balance the need for affordability for our customers while also stabilizing Community Power's reserves, considering financial metrics required for investment-grade credit ratings and meeting required financial covenants. When reviewing the rate-setting period wholly within Calendar Year 2026, the balanced option nominally provides $25.2 million in Net Operating Margin during the period, a measure of core business operations that excludes interest and investment income. This rates adjustment therefore allows Community Power to maintain reserves between its Target Reserve Balance and Maximum Reserve Balance of 225- to 270-days cash on hand for Calendar Year 2026, preparing Community Power to manage market volatility and to earn and maintain an investment-grade public credit rating. This will translate to Community Power being in a better position to negotiate more favorable terms in our power purchase

agreements that can help bring down electricity rates for customers in the long term, while also protecting the long-term solvency of Community Power. The adopted rates adjustment also provides much-needed relief for customers who already face increased costs due to higher SDG&E transmission, delivery, and natural gas charges and supports Community Power's trajectory to establish and fund a Rate Stabilization Reserve.

On January 15, 2026, the Community Power Board of Directors adopted staff recommended rates adjustment with PowerOn generation rates that are 4% cheaper compared to SDG&E's rates and PowerBase generation rates that are 10% cheaper than SDG&E's rates. The adopted rates are the deepest discount compared to SDG&E offered by Community Power since starting to serve customers in 2021.

In contrast, a rates adjustment that maintains Community Power's prior PowerOn generation rate discount of 3% less compared to SDG&E's, such as in conservative Scenario 1, would better insulate Community Power from market and PCIA fluctuations through an accelerated reserve build up. However, this option would not be the most affordable option Community Power can offer to its customers. A rates adjustment that decreases Community Power's PowerOn generation rate discount to 5% less compared to SDG&E's, such as the slightly more affordable Scenario 3, puts Community Power at increased financial risk precisely at a time when volatility is exceptionally high. Additionally, new rate structures by SDG&E are introducing unknown risks pertinent to customer usage behavior changes that can materially impact Community Power's net position and could jeopardize Community Power's long-term viability and strategic objectives set forth by the Board. Thus, Community Power's Board of Directors adopted the balanced approach, Scenario 2.

The rate adjustment for PowerBase service electricity generation rates that are 10% cheaper compared to SDG&E's generation rates will provide additional relief to Community Power customers in the face of an affordability crisis. When PowerBase was established in 2024, a total load participation cap of 15% was placed on the rate. Staff further committed to report to the Board once 10% participation by load is reached for any further recommended changes to the product. The Board, on January 15, also adopted the staff recommendation for a lower reporting threshold of 5% of total load participation in PowerBase. If and when this threshold is reached, staff will return to the Board to report our observations in uptake and make a data-driven recommendation on next steps.

The Board of Directors' review and approval of the recommended rates adjustment is consistent with best ratemaking practices. These new rates will address customer affordability and will meet Community Power's annual revenue requirements, including the need for any reserves or coverage requirements set forth in policy and/or loan covenants, as well as debt service to operate a viable organization, as required in our Financial Reserves Policy.

Analysis and Discussion

Community Power 2026 Rate Setting Mechanics

Community Power utilized its latest financial projections for rate-setting analysis purposes, meaning that the proposed approach for developing the Board adopted rates is reasonable and appropriate to cover operational expenses and recover revenues consistent with estimated FY 2025-2026 and FY 2026-2027 sales and expenditures. Consistent with its Board approved Rate Development Policy, Community Power's rate setting strategy uses a hybrid approach based on cost of service and the Investor-Owned Utility (IOU) discount-focused rate setting models. First, Community Power determines the cost recovery required to meet expected procurement and operational expenses and sets rates to at least meet that amount. Next, Community Power adds ranges that target goals for financial stability, such as reserves contributions, and discretionary spending, such as programs or operational growth opportunities. Finally, Community Power targets a competitiveness metric with SDG&E to determine where rates should be within that range and modify the discretionary spending, accordingly, aiming for a discount when possible.

The adopted rates were carefully designed to meet customer affordability and still yield revenues sufficient to collect Community Power's projected annual power supply costs, to pay for other operating costs and debt service costs, to make community investments, and to contribute to a nominal planned reserve margin contribution, while having a balanced budget. Additionally, the Board adopted rate adjustment allows Community Power to balance customer affordability while maintaining its reserves and progress towards its 225- to 270-days cash on hand reserve goal and Rate Stabilization Reserve strategic goal, which cannot be achieved with additional rate discounts beyond the adopted rates.

Furthermore, the adopted rates and reserve targets should ensure that Community Power meets certain key metrics that are required for an investment-grade credit rating, which is important for rate competitiveness because it facilitates better terms for power procurement and other credit-related activities. Finally, the adopted rates allow Community Power to be in compliance with its financial covenants outlined in its Revolving Credit Agreement with JP Morgan Chase Bank, its covenants and distribution requirements outlined in its Security Agreement with River City Bank, and covenants with certain power-purchase agreements.

Critically, Board adopted rates are designed to serve the needs of our customers now by being lower than SDG&E's and in the long run by aiding in the maintenance and sustainability of reserves to meet our reserve policy goal of 225- to 270-days cash on hand. At a time when volatility is very high from market, PCIA, rate change, and regulatory and legislative uncertainty, the Board adopted rates adjustment has an ultimate goal that balances customer affordability, fiscal prudence, and stabilizing reserves.

Financial Considerations

Reserves

Reserves will give Community Power the ability to better stabilize its rates for customers to mitigate unplanned events, such as 2022's unprecedented heat wave, PCIA uncertainty, uncertainty from rate design changes, or the anticipated uncertainty around federal regulatory climate and global tariff instability which could disrupt supply chains, causing procurement costs to spike.

Based on Board adopted rates, Community Power would maintain the reserves it built in FY 2025-2026 and sustain those reserves, setting Community Power on its path towards achieving its 225- to 270-days cash on hand goal and establishing a Rate Stabilization Reserve.

Credit Rating Metrics

Credit rating agencies establish criteria that outline key financial and operational metrics necessary for achieving an investment-grade credit rating for a community choice aggregator such as Community Power. Specifically, S&P Global Ratings review metrics such as customer retention, demographics, rate affordability, rate competitiveness, counterparty credit quality, liquidity, and fixed charge coverage in their analysis. Community Power has carefully considered these metrics in its rates adjustment. As stated previously, the adopted rates would give the agency the ability to move towards achieving its 225- to 270-days cash on hand goal which directly impacts Community Power's liquidity and the ability for Community Power to meet its financial obligations.

Fixed charge coverage (FCC), similar to a more common debt service coverage metric, is S&P Global Ratings' internally adjusted coverage ratio that treats a portion of power purchases as debt service rather than as an operating expense because these payments fund suppliers' recovery of capital investments in generation dedicated to the community choice aggregator. S&P Global Ratings considers a community choice aggregators' three-year average FCC ratio, and a ratio of 1.20x or above is considered very favorable within the financial profile component of the ratings criteria. In review of the adopted rates, Community Power is expected to maintain a favorable FCC ratio consistent with obtaining an investment-grade public credit rating.

Compliance

On February 17, 2023, Community Power entered into a Revolving Credit Agreement with JP Morgan Chase Bank which was subsequently amended on October 31, 2024. Section 5.11 of the Revolving Credit Agreement requires that Community Power meet a debt service coverage ratio (DSCR) that shall be not be less than 1.10 to 1.00 as of the last day of the fiscal quarter most recently ended, commencing with the last fiscal quarter ended March 31, 2023;

provided, however, in the event the DSCR for any fiscal quarter is less than 1.10 to 1.00 but the days liquidity on hand for such fiscal quarter equals or exceeds ninety (90) days, then the Borrower shall be deemed to be in compliance. In consideration and review of the adopted rates, Community Power meets the required covenants in Section 5.11 of the Revolving Credit Agreement.

Additionally, on March 1, 2021, Community Power entered into a Security Agreement with River City Bank acting as collateral agent for the benefit of power purchase agreement providers as secured creditors. This Security Agreement requires certain covenants and distribution requirements to be considered when setting rates to meet Community Power's monthly lockbox distribution requirements.

Finally, many of Community Power's power purchase agreement providers require that Community Power meet specific financial covenants to the provider. Generally, these power purchase agreement providers have long-term energy assets in which the off taker or counterparty purchasing the energy asset must be reliable and financially stable to ensure the long-term viability of the power purchase agreement provider. Absent an investment-grade credit rating, which measures the financial reliability of an agency, a power purchase agreement provider instead may sometimes require that Community Power meet certain financial covenants. In review of the adopted rates, staff have confirmed that this rates adjustment meets these financial covenants.

Risk Factors

Staff considered several risk factors in the rates adjustment. Given the significant fluctuations from the risk factors below, staff concluded that the adopted rates would most likely maintain Community Power's reserve targets in Calendar Year 2026 to provide sufficient revenue to mitigate these risks without jeopardizing financial stability for the agency.

- Market Price Benchmark (MPB) Volatility: MPBs fluctuate significantly on an annual basis, which impacts the PCIA that Community Power customers pay to SDG&E and the generation rates that Community Power can offer customers.

- Energy Cost Volatility: The energy market has experienced and continues to experience significant volatility. Wholesale, load, and open position volatility could impose additional energy costs in an unanticipated scenario. Load fluctuations are also a factor that may significantly impact energy costs. For example, an unexpected heat wave may cause spikes in real-time or day-ahead prices, increasing energy costs. Lower than expected load, such as due to a mild summer, may also reduce revenues without materially changing energy costs that have previously been procured.

- Participation Rates: Community Power's participation rates are reported at 95.5%. The 5-year forecast assumes a 95% participation rate. In an October 2023 study by Calpine Energy Solutions entitled Why Community Choice Aggregation (CCA) Customers Opt Out, participation rates among Calpine's CCA customers ranged between 86% and 98%. Community Power's participation rate dropping to 86% could reduce net income substantially.

- SDG&E Rate Changes: SDG&E remains a direct competitor to Community Power as it relates to the electric commodity generation service. Their rates adjustment can significantly influence Community Power's financial position. Community Power anticipates at least two additional rate changes from SDG&E in 2026, on April 1st and August 1st.

- Regulatory and Legislative Uncertainty: New federal administration has initiated the rollback of green energy initiatives, incentives, programs, and support. Uncertainty around the future of the energy landscape, such as the rollback of the Investment Tax Credit (ITC), may negatively impact Community Power's net income.

- 2027–2030 Market View: The five-year market view has significant implications for energy costs and Community Power strategy in 2026. There is substantial risk that a PCIA snapback continues to occur in 2027, which would raise competitiveness pressure on Community Power with thinner and/or declining reserves in 2028 to 2030. A stability-first posture in 2026 best positions Community Power for this cycle going forward.

Adopted Rates Adjustment

The Board adopted rates project reserves of $270.2 million in FY 2025-26, which maintains the reserve levels adopted in the FY 2025-26 budget on June 27, 2025, and provides projected reserves of $32.8 million in FY 2026-27, meeting Community Power's strategic goal targets. The rates adjustment is reasonable and appropriate and considers projected operating costs based on contracts Community Power has executed to date and the projected costs of procuring additional energy and other wholesale services needed to supply Community Power's customers. Community Power has a default resource mix of 53% renewable and 2% carbon-free energy in our PowerOn service and 100% renewable energy in our Power100 and Power100 Green-e Certified services.

Community Power's Board of Directors adopted Power100 Green-e Certified and PowerBase services, that came into effect on July 1, 2024. Power100 Green-e Certified is a product offering for businesses in the San Diego region looking to meet Leadership in Energy and Environmental Design (LEED) standards. PowerBase is Community Power's most affordable

service offering with a resource mix of at least 45% renewable energy and will be 10% cheaper compared to SDG&E's generation rates effective as of January 1, 2026.

Since its inception in 2024, PowerBase service has been available to no more than 15% of Community Power's customer load and will not be available as a member agency-wide default service product. At the May 2024 Board meeting where the Board of Directors approved PowerBase and Power100 Green Plus as new service offerings, staff then had informed the Board that when enrollment subscription into PowerBase service reached 10% participation by load that staff would return to the Board in a public meeting with a report regarding observations, customer feedback, and any potential recommended changes at that time. With customer affordability concerns being top of mind, the Board also adopted staff's recommendation that the agency return to the Board when PowerBase enrollment reaches 5% participation by load with potential recommended changes for maximum intended customer benefit for the remaining 10% load capacity in this service offering.[1]

Community Power rates for its PowerOn and PowerBase products mirror SDG&E's rates in terms of rate schedules, time-of-use periods, as well as demand charges. This rate design approach is typical for community choice aggregation programs ensuring ease of comparison for customers with SDG&E's rates and allows for a seamless competitive environment.

By maintaining the $0.01/kWh premium for Power100, Community Power's Power100 service would add approximately 2.1% net impact to a residential customer's total monthly electric bill (including Community Power generation charges and SDG&E delivery charges) in the Board adopted rates – an increased cost of $3.41 more per month for the average resident compared to the PowerOn product.[2]

In parallel, by maintaining the $0.02/kWh premium for Power100 Green-e Plus, Community Power's Power100 Green-e Certified service would add approximately 4.83% net impact to a small commercial customer's total monthly electric bill (including Community Power generation charges and SDG&E delivery charges) in the Board adopted rates – an increased cost of $23.34 more per month for an average small business compared to the PowerOn product.[3]

Similar to observations made during our last rate setting cycle in 2025, there is a material difference between PCIA rates from 2025 and 2026 associated with when customers

[1] As of January 20, 2026, 5,173 accounts are enrolled in PowerBase, representing 1.4% of Community Power's customer load.
[2] This analysis assumes a customer on the most populous residential rate, TOU-DR-1, uses approximately 341 kWh of electricity per month.
[3] This analysis assumes a customer on the most populous small commercial rate, TOU-A, uses approximately 1,167 kWh of electricity per month.

transitioned from SDG&E's bundled service and into Community Power's service. The PCIA rate is the above-market cost of power associated with SDG&E's portfolio that both SDG&E's bundled customers as well as Community Power customers who have departed SDG&E generation service pay. A customer is assigned a PCIA "vintage" based on the year they depart service from SDG&E. The adopted rates are trifurcated across our Phase 1 and 2 customers enrolled in 2021, Phase 3 customers enrolled in 2022, and Phase 4 customers in National City and Unincorporated areas of County of San Diego enrolled in 2023. Consistent with our Board-approved Rate Development Policy, this trifurcation will ensure a fair, equitable, and balanced rate structure across our customers with differing vintage years that maintains the intended cost savings for all customers.

Additional Rate Structure Changes for 2026

Staff considered additional rate changes in their rate options analysis. However, many of these rate changes in 2026 may impact customer behavior changes that cannot be modeled without data after the rate changes have been implemented. The following highlights a few major rate changes that are scheduled for 2026 that may increase uncertainty and volatility.

Residential Seasonality Adjustment

Per the approval of rate design changes in Phase 2 of SDG&E's 2024 General Rate Case, SDG&E is implementing an adjustment to the calculation of seasonal rates for tiered, residential rates, which includes the most populous residential rate for Community Power, TOU-DR-1. There are currently seasonal adjustments on both the delivery side and generation side, which will both be removed so that there is a smaller differential between summer and winter rates, both on the generation side and on the total rate. On the generation side, this will result in significant decreases to summer rates alongside modest increases in winter rates, which will reduce overall revenue for Community Power. If customers significantly increase their summer energy usage due to this rate structure change, there may be additional negative impacts to Community Power's net position.

Time-of-Use Super Off-Peak Expansion

An additional adjustment related to SDG&E's General Rate Case Phase 2 is the expansion of the Super Off-Peak period in the three-period TOU schedule to the mid-day, weekday period for the entire year. This period, 10 a.m. – 2 p.m. on weekdays, is currently classified as Off-Peak for May through February and as Super Off-Peak for March and April. Beginning on April 1st, this period will be classified as Super Off-Peak for the entire year, effectively lowering the cost of electricity during this period for all customers on this TOU schedule, which is the majority of customers. This change will have a negative impact on Community Power's net position as well, which may be even greater if customers shift their behavior and use more energy in the Super Off-Peak period.

New Medium Commercial Customer Class
The third adjustment related to SDG&E's General Rate Case Phase 2 is the establishment of a new Medium Commercial customer class. This new customer class will mirror existing rates from existing customer classes as well as include new rates specifically created for the new customer class. At this time, no detailed information on the rates and/or rate structures has been published. This adjustment will certainly bring additional volatility to an already uncertain rate development environment.

Summary

Overall, Board adopted the following rates adjustment on January 15, 2026:

- Community Power default PowerOn service electricity generation rates are 4% cheaper compared to San Diego Gas and Electric's (SDG&E) rates, to be retroactively effective as of January 1, 2026.
- Community Power PowerBase service electricity generation rates are 10% cheaper than San Diego Gas and Electric's rates, to be retroactively effective as of January 1, 2026.
- Power100 and Power100 Green-e Certified maintain premiums of $0.01/kWh and $0.02/kWh, respectively, compared to PowerOn.
- Higher renewable content (PowerOn product at 53% renewable and 2% carbon-free with Community Power, compared to the default SDG&E product at 41% renewable content as of the most recent 2024 Power Content Label, published in November 2025).
- Return to the Board with PowerBase enrollment data and recommendations after 5% of the total customer load is reached through participation in the product.

This rates adjustment provides the following benefits to Community Power customers and the organization:

- Allows Community Power to maintain its current reserve levels and work towards a 225- to 270-days cash on hand reserve target which will provide financial stability.
- Meets liquidity and FCC metrics that support and maintain an investment-grade credit rating.
- Satisfies credit obligations with lenders and power purchase agreements.
- Prepares Community Power for future energy market fluctuations and regulatory uncertainty.
- Focuses on customer affordability with the greatest rate discount Community Power has ever had compared to SDG&E for both PowerOn and PowerBase services.

Fiscal Impact

The adopted rates were carefully designed to meet customer affordability concerns and still yield revenues sufficient to collect Community Power's projected annual power supply costs and pay for other operating costs, debt service costs, community investments, a projected nominal planned reserve margin contribution of $32.8 million in FY 2026-27 and have a balanced budget under the balanced option.

Staff also analyzed the scenarios from a net operating margin perspective which measures core business operations and excludes items such as investment income which may fluctuate and are not certain, if, for example, the agency needs to access reserves to mitigate against risks such as PCIA volatility. The balanced option provides net operating margin of $133.1 million in FY 2025-26, and only $4.5 million in FY 2026-27. The balanced option preserves affordability while maintaining what staff consider a zero-based budget in FY 2026-27 given the small net operating margin. At a time when volatility is exceptionally high from market, PCIA, rate change, and regulatory and legislative uncertainty, the staff recommended scenario has an ultimate goal that balances customer affordability, fiscal prudence, and stabilizing reserves.

The Board adopted rates adjustment allows Community Power to balance customer affordability concerns while maintaining its reserves and progress towards its 225- to 270-days cash on hand reserve goal and Rate Stabilization Reserve strategic goal, which cannot be achieved with additional rate discounts beyond the adopted rates. Furthermore, through the adopted rates and subsequent reserve targets, Community Power should meet certain key financial metrics required for an investment-grade credit rating. Finally, the adopted rates allow Community Power to be in compliance with its financial covenants outlined in its Revolving Credit Agreement with JP Morgan Chase Bank, its covenants and distribution requirements outlined in its Security Agreement with River City Bank, and covenants with certain power-purchase agreements.

Strategic Plan

This activity supports the strategic plan goals of (1) evolving rate strategy to ensure competitiveness, affordability, and fiscal sustainability, and (2) developing customer strategies to increase retention and engagement.

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report - Item 10

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Colin Santulli, Senior Director of Programs Sheena Tran, Associate Director of Programs
Via:	Karin Burns, Chief Executive Officer
Subject:	San Diego Regional Energy Network (SDREN) Update
Date:	February 12, 2026

Recommendation

Receive and file update on San Diego Regional Energy Network (SDREN) progress.

Background

On January 5, 2024, San Diego Community Power (Community Power), in partnership with the County of San Diego, submitted the SDREN Business Plan Application to the California Public Utilities Commission (CPUC). On August 1, 2024, the CPUC approved SDREN, authorizing funding of $124 million for program years 2024-2027 for ten energy efficiency programs serving underserved and hard-to-reach residents, businesses, public agencies, and Tribal governments across the region. In compliance with CPUC's process for portfolio administrators to request continued funding, SDREN will submit a subsequent application in March 2026.

Included in SDREN's Business Plan Application is a description of its governance structure (outlined in Figure 1 below). SDREN is led by the Oversight and Administration Team (Community Power and the County of San Diego). Community Power serves as the Lead Portfolio Administrator, overseeing fiscal, regulatory, procurement, and program functions. The Program Operations Teams is made up of Community Power staff and third-party implementers and they manage day-to-day program operations.

In May 2024, the Oversight and Administration Team convened an inaugural Advisory Committee of regional entities to help inform the design of a future expanded Advisory Committee anticipated to launch in 2026. The standing committee will include local and

regional governments, community-based organizations, and other stakeholders to advise on program outreach and implementation.

Figure 1: SDREN Governance Structure

Analysis and Discussion

Solicitation Progress Update

In 2025, Staff focused on the procurement of third-party implementers. Solicitations were released in the following three phases:

- Phase 1 (February 4 – March 24, 2025): Administrative, Technical, and Compliance Support; Cross-Cutting Sector Programs.
- Phase 2 (March 6 – April 24, 2025): Public and Residential Sector Programs.
- Phase 3 (May 8 – June 26, 2025): Commercial Sector Programs.

Phase 1 contracts were executed with the selected vendors in August and September 2025. Phase 2 contracts were executed with the selected vendors in November and December 2025. Phase 3 contracts are expected to be executed with the selected vendors by February 2026 with amounts not exceeding the budgets stated in the solicitations. Staff anticipate releasing one RFP in 2026 to procure a vendor to conduct SDREN evaluation, measurement and verification (EM&V) activities.

These contracts comply with Resolution No. 2025-01 which was adopted by Community Power's Board of Directors on January 23, 2025 authorizing the Chief Executive Officer to 'negotiate and execute contracts with third parties to implement the agreement or use of [SDREN] funds'.

Anticipated Program Launch

SDREN's energy efficiency program portfolio includes ten programs that serve commercial, residential, public, and cross-cutting sectors. The cross-cutting sector consists of two program types: Workforce, Education and Training and Codes and Standards. SDREN anticipates launching programs beginning in early 2026. Below is a description of each program and the programs' anticipated launch.

Cross-Cutting Sector Programs

SDREN's cross-cutting sector includes two Workforce, Education and Training programs and one Codes and Standards program.

1. Energy Pathways Program
    - Description: SDREN's Energy Pathways Program will introduce high school students to energy careers, offering no-cost career technical education, mentorship, and direct ties to local employers.
    - Anticipated Launch: Q1 2026
2. Workforce Training and Capacity Building Program
    - Description: SDREN's Workforce Training and Capacity Building Program will focus on strengthening workforce skills in electrification, renewable integration, and energy efficiency, benefiting both new entrants and incumbent workers.
    - Anticipated Launch: Q1 2026
3. Codes and Standards Program
    - Description: SDREN's Codes and Standards Program aims to enhance compliance with existing codes and standards, assist local governments in developing ordinances that surpass statewide minimum requirements and maximize participant benefits through close coordination with other programs.
    - Anticipated Launch: Q1 2026

Public Sector Programs

SDREN's public sector includes one program focused on supporting public agencies and one program focused on supporting Tribal communities.

1. Climate Resilience Leadership Program
    - Description: SDREN's Climate Resilience Leadership Program will help public agencies obtain technical assistance, financing, and guidance to implement energy efficiency measures.
    - Anticipated Launch: Q2 2026

2. Tribal Engagement Program

   - Description: SDREN's Tribal Engagement Program will provide culturally responsive outreach and technical support for 18 Tribal governments seeking improved energy infrastructure and sovereignty.
   - Anticipated Launch: Q2 2026

Residential Sector Programs

SDREN's residential sector includes two programs, one serving single-family properties and a second serving multifamily properties.

1. Single-Family Program

   - Description: SDREN's Single-Family Program will assist owners and renters with energy education, energy efficiency starter kits, direct equipment installations, and stacked rebates provided by a concierge-style service designed to cut single-family renter or owner energy costs.
   - Anticipated Launch: Q2 2026

2. Multifamily Program

   - Description: SDREN's Multifamily Program will equip building owners, managers, and tenants with no-cost technical assistance, direct installation and measure incentives, energy education, and energy efficiency starter kits intended to reduce utility bills and improve living environments.
   - Anticipated Launch: Q2 2026

Commercial Sector Programs

SDREN's commercial sector includes three programs targeting small and medium-sized businesses including hard-to-reach and underserved commercial customers.

1. Efficient Refrigeration Program

   - Description: SDREN's Efficient Refrigeration Program will deliver no-cost refrigeration upgrades to small grocers and food service businesses, boosting both energy savings and fresh food accessibility.
   - Anticipated Launch: Q2-Q3 2026

2. Market Access Program

   - Description: SDREN's Market Access Program will employ a performance-based incentive model, encouraging energy aggregators to achieve peak-demand reductions.
   - Anticipated Launch: Q2-Q3 2026

3. Small-Medium Business Energy Coach Program

   - Description: SDREN's Small-Medium Business Energy Coach Program will offer personalized guidance to businesses on efficiency solutions, helping them navigate available incentives.
   - Anticipated Launch: Q2-Q3 2026

SDREN Advisory Committee

The SDREN Advisory Committee will serve as a standing committee that advises the Oversight and Administration Team on program outreach and implementation. The committee will represent a diverse range of expertise and experience and be composed of up to 19 members from local and regional governments, non-profit organizations, public organizations, trade organizations and community-based organizations. The committee will reflect a broad cross-section of the region and include representation of community interests in each of the five County of San Diego Supervisorial Districts. The specific role of the committee will include providing advisement on SDREN's program implementation activities (e.g., effective outreach and engagement strategies to connect with underserved and hard-to-reach communities across the region), serving as an advocate for SDREN (e.g., providing letters of support if/when necessary) and spreading awareness of program benefits through community and regional networks.

Organizations interested in joining the committee will be invited to submit an application outlining their experience and the unique perspective they bring to advancing the committee's goals. The application period will be open in February 2026 followed by a review of applications based on alignment with committee priorities, subject matter expertise, regional representation, and capacity to actively participate. Selected organizations will be notified and provided with next steps for committee engagement by end of March 2026, followed by commencement of regular meetings. Organizations interested in learning more can email their interest to ee@sdcommunitypower.org.

2028-2035 SDREN Business Plan Application

In compliance with the CPUC Rolling Portfolio process[1] for reviewing and approving portfolio administrators' programs, SDREN will be submitting its 2028-2035 Strategic Business Plan and 2028-2031 Portfolio Plan Application in March 2026 following approved CPUC templates and guidance[2]. The 8-year Strategic Business Plan includes a detailed narrative of portfolio goals, outcomes, principles, energy savings forecasts, quantification methods, and demonstrated alignment with legislative and CPUC requirements as well as the 8-year budget request. The 4-year Portfolio Plan includes an annual budget request over four years and performance goals and metrics to be achieved in that same period. The budget request for the

[1] CPUC Decision (D).21-05-031

[2] caeecc_final-revision_attachment-a_clean.pdf

next 4-year period covering 2028-2031 is approximately $175 million[3] and approximately $375 million over the 8-year period covering 2028-2035.

Given the timing of the application approval cycles, SDREN has not had the opportunity to fully launch all 10 programs from our previous application and has not identified any significant changes to previously described program strategies. Therefore, the programs detailed in the March 2026 application will include the same programs as the initial SDREN application approved in late 2024. Updates regarding Business Plan Application proceeding developments once filed with the CPUC will be covered in future Regulatory and Legislative Affairs staff reports.

Fiscal Impact

All SDREN activities are cost recoverable. Community Power staff time contributing to SDREN management is reimbursable by the CPUC.

Strategic Plan

This activity supports the strategic plan goal of launching all SDREN programs and making them available to customers by Fiscal Year 2026.

Attachments

N/A

[3] The proposed budget amounts may be adjusted between now and March 2026 based on program needs.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 11

To:	Community Advisory Committee
From:	Luis Montero-Adams, Community Advisory Committee Vice-Chair (City of San Diego) Matthew Vasilakis, Community Advisory Committee Member (City of San Diego)
Via:	Xiomalys Crespo, Senior Community Engagement Manager
Subject:	2026 Community Advisory Committee Work Plan Ad-Hoc End of Committee Report
Date:	February 12, 2026

Recommendation

Receive and file the 2026 Community Advisory Committee (CAC) Work Plan Ad-Hoc End of Committee Report.

Background

Per Section 5.10.3 of the San Diego Community Power (Community Power) Joint Powers Authority Agreement:

> The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority.

Per the Board-approved CAC Policies and Procedures: "The CAC will adopt a Work Plan that aligns with the CAC Scope of Work approved by the Board of Directors. This shall be updated annually. The Work Plan shall be approved by the Board." To discuss and recommend revisions to the CAC Work Plan for the 2026 calendar year, the CAC established a 2026 CAC Work Plan Ad-Hoc Committee during its December 4, 2025, regular meeting. CAC Chair Harris (City of La Mesa) appointed the following volunteers to serve on the ad-hoc committee: Vice-Chair Montero-Adams (City of San Diego) and Member Vasilakis (City of San Diego).

Analysis and Discussion

During the 2026 CAC Work Plan Ad-Hoc Committee December 15, 2025 meeting, members discussed:

- Educational opportunities for members outside of the regular meeting schedule, such as articles relevant to their advisory roles;
- Leveraging internal meetings among CAC officers to assess progress on specific work plan outcomes;
- Incorporating the previous "Equity Overview" focus in the 2025 CAC Work Plan into the two main objectives proposed under the 2026 CAC Work Plan; and
- Aligning all focus areas and outcomes to the CAC Scope of Work and the Board-approved FY 2026-2028 Community Power Strategic Plan Goals.

Ad-hoc committee members also worked to further clarify member expectations on compliance with required trainings and forms, community event participation and meeting preparation and participation.

A final draft of the 2026 CAC Work Plan that reflects this feedback will be presented to the full CAC during its February 12, 2026, meeting. Should the CAC move to recommend Board approval of the 2026 CAC Work Plan, the Board of Directors will consider its adoption during its February 26, 2026, regular meeting. Ad-hoc committees are temporary committees appointed for a specific purpose, such as updating the work plan; therefore, this committee is not expected to meet again.

Fiscal Impact

N/A

Strategic Plan

This item supports Community Power's Public Affairs strategic goals by: establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders; and increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 12

To:	Community Advisory Committee
From:	Jack Clark, Chief Operating Officer Jen Lebron, Senior Director of Public Affairs
Via:	Karin Burns, Chief Executive Officer
Subject:	Recommend Board Approval of the 2026 Community Advisory Committee Work Plan
Date:	February 12, 2026

Recommendation

Recommend Board approval of the 2026 Community Advisory Committee (CAC) Work Plan.

Background

Per Section 5.10.3 of the San Diego Community Power (Community Power) Joint Powers Authority Agreement:

> The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority.

Per the Board-approved CAC Policies and Procedures: "The CAC will adopt a Work Plan that aligns with the CAC Scope of Work approved by the Board of Directors. This shall be updated annually. The Work Plan shall be approved by the Board."

To discuss and recommend revisions to the CAC Work Plan for the 2026 calendar year, the CAC established a 2026 CAC Work Plan Ad-Hoc Committee during its December 4, 2025, regular meeting. CAC Chair Harris (City of La Mesa) appointed the following volunteers to serve on the ad-hoc committee: Vice-Chair Montero-Adams (City of San Diego) and Member Vasilakis (City of San Diego).

Analysis and Discussion

The 2026 CAC Work Plan Ad-Hoc Committee met on December 15, 2025, to discuss necessary revisions to the staff-provided draft, to be presented for full CAC discussion. Proposed changes to the current Work Plan include:

- Splitting the work plan into two overarching, main objectives that incorporate the previous "Equity Overview" focus in the 2025 CAC Work Plan under the main commitments of the 2026 CAC Work Plan;
- Clarifying member expectations on compliance with required trainings and forms, community event participation and meeting preparation and participation; and
- Aligning all focus areas and outcomes to the Board-approved FY 2026-2028 Community Power Strategic Plan Goals.

Should the CAC move to recommend Board approval of the 2026 CAC Work Plan, the Board of Directors will consider its adoption during its February 26, 2026, regular meeting. CAC Officers will monitor its implementation during check-ins with staff.

Fiscal Impact

N/A

Strategic Plan

This item supports Community Power's Public Affairs strategic goals by: establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders; and increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings.

Attachments

Item A – 2026 Community Advisory Committee Work Plan (Draft)

ITEM 12
ATTACHMENT A

Community Advisory Committee Work Plan

DRAFT - Approved by the Board of Directors on XX XX XXXX

The purpose of the San Diego Community Power (Community Power) Community Advisory Committee (CAC) is to advise the Board of Directors and provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of Community Power, as stated in section 5.10.3 of the Community Power Joint Powers Authority Agreement.

The CAC annually adopts a work plan at the start of the calendar year that aligns with the defined objectives and scope of work approved by the Board of Directors on January 18, 2024 to assist members in their decision-making. This Work Plan is also complementary to the Board-approved, agency-wide Strategic Plan Goals FY 2026-FY2028.

2026 Community Advisory Committee Work Plan

Objective 1: Ensure CAC members are well-equipped to assist the Board of Directors in decision-making, and that the CAC operates independently of, as well as collaboratively, Community Power staff.

Consistent with Community Power's commitment to justice, equity, diversity and inclusion, the CAC will ensure an equity perspective in all of its operations, and that the CAC represents a diverse cross-section of interests and skills sets, and diverse social, economic, and racial backgrounds that are representative of all residents within the service territory of Community Power.

Focus	Outcomes
Training and Compliance Requirements	Work with the Clerk of the Board to ensure 100% member compliance with the following required trainings, regulations, and form submissions, as well as familiarity with key governance policies, including: • California Public Records Act • Ralph M. Brown Act • Ethics Training • Sexual Harassment Prevention Training • Statement of Economic Interests • Conflict of Interest and Ethical Conduct Policy • Community Power's Board and Committee Compensation and Reimbursement Policy
Operations	Work with Community Power staff to: • Annually adopt a work plan; • Annually elect CAC Officers; • Provide quarterly presentations to the Board of Directors on CAC activities, with findings and recommendations as may be needed; • Prior to attending, read all pertinent meeting materials to be able to actively participate, and attend, whenever possible, informational briefings; and • Comply with all member responsibilities, as outlined in the CAC Policies and Procedures.
Civic Engagement, Outreach and Member Recruitment	Work with Community Power staff to: • Inform their community members of current Community Power rates, goals, and programs; • Attend and actively participate in at least two (2) community events with Community Power; • Assist staff and the Board of Directors in member recruitment efforts to fill existing and future vacancies; • Raise awareness and interest about serving in the CAC and encourage participation in Community Power's publicly-noticed meetings.
External Educational Presentations	Members may coordinate with Community Power staff to agendize external educational presentations during regular CAC meetings, to assist members in providing ongoing support of Community Power operations as well as ensuring members are knowledgeable of issues that may impact the organization.

Objective 2: Represent and provide the views, concerns, priorities, and needs of their member agencies and the larger community on the strategic direction, goals, and programs of Community Power through comments and recommendations made during regular meetings, briefings, ad-hoc committees, and/or otherwise directly connecting with Community Power staff and/or the Board to assist them in identifying issues of concern and opportunities to educate community members about Community Power.

Consistent with Community Power's commitment to justice, equity, diversity and Inclusion, the CAC will ensure an equity perspective on the tasks brought before them and monitor the equitable distribution of programming and service levels.

Focus	Outcomes
Financial Stability	Monitor and provide advisory feedback on progress towards achieving cost-saving measures for customers, which may include a public investment grade credit rating, building reserves, developing a rate stabilization reserve, and any other policy that may strengthen financial controls in contracting, risk management, and procurement, while recognizing that the Board of Directors holds fiduciary responsibility for these matters.
Energy Portfolio Development	Track the development of a clean energy portfolio with 100% renewable content by 2035, of which 300 MW will be distributed energy resources capacity, by receiving updates from staff and, whenever appropriate, sharing community resources, priorities and concerns with staff.
Community Program Delivery	Assist staff in the outreach and evaluation of all Community Power programs, pilots and initiatives, including the San Diego Regional Energy Network.
Legislative and Regulatory	Continuously learn about policies consistent with Community Power's regulatory and legislative platform; advance Community Power's policy platform, whenever appropriate, by making Community Power-approved public comments and/or otherwise deploy organized advocacy efforts.
Public Affairs	Increase brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings.
Customer Operations	Uplift competitiveness, affordability, and fiscal sustainability by providing advisory input during the rate-setting process; proactively raise relevant issues that may cause customer confusion and/or complaints to staff and dispel misinformation with fact-based evidence, with support from staff.

The CAC shall cover these tasks year-round, and other tasks not mentioned above (but within the purview of the Scope of Work) with prior approval of Community Power staff. All tasks shall be presented and acted upon in a manner that complies with the Ralph M. Brown Act.

Glossary

AB – Assembly Bill: An Assembly Bill is a piece of legislation that is introduced in the Assembly. In other words, the Assembly (rather than the Senate) is the bill's house of origin in the Legislature. In California, it is common for legislation to be referred to by its house of origin number even after it becomes law. However, because bill numbers "reset" and start again from 1 in each legislative session, it is less confusing to include chapter and statute information
when referring to a bill that has become law; for example, SB 350 (Chapter 547, Statutes of 2015).

AL - Advice Letter: An Advice Letter is a request by a California Public Utilities Commission (CPUC) jurisdictional entity for Commission approval, authorization or other relief.

ALJ – Administrative Law Judge: ALJs preside over CPUC cases to develop the evidentiary record and draft proposed decisions for Commission action.

ARB – Air Resources Board: The California Air Resources Board (CARB or ARB) is the "clean air agency" in the state government of California. CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

AReM – Alliance for Retail Energy Markets: AReM is a not-for-profit corporation that advocates for continued development of successful customer choice in retail energy markets and provides a focused voice for competitive energy retailers and their customers in select public policy forums at the state level. It represents direct access providers such as Constellation NewEnergy and Direct Energy.

BayREN – Bay Area Regional Energy Network: BayREN offers regionwide energy programs, services and resources to members of the public by promoting energy efficient buildings, reducing carbon emissions and building government capacity.

CAISO – California Independent System Operator: CAISO is a nonprofit public benefit corporation that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (approximately 80% of California's electric flow). Its stated mission is to "operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development." CAISO is regulated by the Federal Energy Regulatory Commission (FERC) and governed by a five-member governing board appointed by the governor.

CalCCA – California Community Choice Association: CalCCA is a statewide association, made up of Community Choice Aggregators (CCAs), that represents the interests of California's community choice electricity providers.

CALSEIA – California Solar Energy Industries Association: CALSEIA represents more than 200 companies doing solar-related business in California, including manufacturers, distributors, installation contractors, consultants and educators. Members' annual dues support professional staff and a lobbyist who represents the common interests of California's solar industry at the Legislature, Governor's Office and state and local agencies.

CALSLA – California City-County Street Light Association: CALSLA is a statewide association representing cities, counties and towns before the CPUC that is committed to maintaining fair and equitable streetlight electricity rates and facilities charges and disseminating streetlight-related information.

CAM – Cost Allocation Mechanism: CAM is the cost recovery mechanism to cover procurement costs incurred in serving the central procurement function.

CARB – California Air Resources Board: The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CARE – California Alternative Rates for Energy: CARE is a state program for low-income households that provides a 30% discount on monthly energy bills and a 20% discount on natural gas bills. It is funded through a rate surcharge paid by all other utility customers.

CBE – Communities for a Better Environment: CBE is an environmental justice organization that was founded in 1978. The mission of CBE is to build people's power in California's communities of color and low-income communities to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments.

CCA – Community Choice Aggregator: A community choice aggregator, sometimes referred to as community choice aggregation, is an entity of local governments that procure power on behalf of their residents, businesses and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility, and/or lower electricity prices. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

CCSF – City and County of San Francisco: The City and County of San Francisco often engage in joint advocacy before the CPUC. San Francisco operates CleanPowerSF, a CCA.

CEC – California Energy Commission: The CEC is the primary energy policy and planning agency for California, whose core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure and preparing for energy emergencies.

CEE – Coalition for Energy Efficiency: CEE is a nonprofit composed of U.S. and Canadian energy-efficiency administrators working together to accelerate the development and availability of energy-efficient products and services.

CLECA – California Large Energy Consumers Association: CLECA is an organization of large, high-load factor industrial customers located throughout the state; its members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, food packaging and mining industries and their electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation.

CPUC – California Public Utility Commission: The CPUC is a state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit and passenger transportation companies, in addition to authorizing video franchises.

C&I – Commercial and Industrial: C&I customers are business customers who generally consume much higher volumes of electricity and gas. Many utilities segment their C&I customers by energy consumption (small, medium and large).

CP – Compliance Period: A Compliance Period is the time period to become Renewables Portfolio Standard (RPS) compliant, set by the California Public Utilities Commission (CPUC).

DA – Direct Access: Direct Access is an option that allows eligible customers to purchase their electricity directly from third-party providers known as Electric Service Providers (ESPs).

DA Cap: The DA Cap is the maximum amount of electric usage that may be allocated to Direct Access customers in California or, more specifically, within an investor-owned utility service territory.

DACC – Direct Access Customer Coalition: DACC is a regulatory advocacy group composed of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements.

DA Lottery: The DA Lottery is a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently applicable Direct Access Cap.

DA Waitlist: The DA Waitlist consists of customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community: "Disadvantaged communities" refers to the areas throughout California that most suffer from a combination of economic, health and environmental burdens. These burdens include poverty, high unemployment, air and water pollution and the presence of hazardous wastes as well as high incidences of asthma and heart disease. One way that the state identifies these areas is by collecting and analyzing information from communities statewide. CalEnviroScreen, an analytical tool created by the California Environmental Protection Agency (CalEPA), combines different types of census tract-specific information into a score to determine which communities are the most burdened or "disadvantaged."

DASR – Direct Access Service Request: DASR is a request submitted by C&I customers to become direct access eligible.

Demand: Demand refers to the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW) or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource: A DER is a small-scale physical or virtual asset (e.g., EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution: Distribution refers to the delivery of electricity to the retail customer's home or business through low-voltage distribution lines.

DLAP – Default Load Aggregation Point: In the CAISO's electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled.

DR – Demand Response: DR is an opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DRP – Distributed Resource Plans: Distributed Resource Plans are required by statute and intended to identify optimal locations for the deployment of distributed resources.

DWR – Department of Water Resources: DWR is the state agency charged with managing California's water resources, systems and infrastructure in a responsible, sustainable way.

ECR – Enhanced Community Renewable: ECR is an IOU (Investor-Owned Utility) program that reflects the "Community Solar" model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a developer at a level that meets at least 25% and up to 100% of their monthly electricity demand. The customer pays the developer for the subscribed output and receives a credit on their utility bill that reflects their enrollment level.

ED – Energy Division: The CPUC's Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission and ensure compliance with Commission decisions and statutory Mandates.

EE – Energy Efficiency: Energy Efficiency refers to the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat and cool and run appliances and electronics, and energy-efficient manufacturing facilities use less energy.

ELCC – Effective Load Carrying Capacity: ELCC is the additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources, the ELCC is the amount of capacity that can be counted for Resource Adequacy purposes.

EPIC – Electric Program Investment Charge: The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of Pacific Gas and Electric (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE).

ERRA – Energy Resource Recovery Account: ERRA proceedings are used to determine fuel and purchased power costs that can be recovered in rates. The utilities do not earn a rate of return on these costs and recover only actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ES – Energy Storage: Energy Storage is the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production.

ESA – Energy Storage Agreement: An ESA refers to a battery services contract, a capacity contract, demand response contract or similar agreement.

ESP – Energy Service Provider: An Energy Service Provider is an energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle: An EV is a vehicle that uses one or more electric motors for propulsion.

FCR – Flexible Capacity Requirements: "Flexible capacity need" is defined as the quantity of resources needed by the CAISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as "flexible capacity" if they can sustain or increase output or reduce ramping needs during the hours of "flexible need." FCR means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC decisions.

GHG – Greenhouse gas: Water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane and chlorofluorocarbons (CFCs) are gases that cause the atmosphere to trap heat radiating from the earth. The most common GHG is carbon dioxide.

GRC – General Rate Case: General Rate Cases are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California's three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible for and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocate's Office and interested parties and for approval by the CPUC.

GTSR – Green Tariff Shared Renewables: The GTSR program enables customers to receive 50 to 100 percent of their electricity demand from renewable sources. The GTSR program has two components: the Green Tariff (GT) component and the Enhanced Community Renewables (ECR) component. Through GT, a customer may pay the difference between their current generation charge and the cost of procuring 50 to 100 percent renewables. With ECR, a customer agrees to purchase a share of a community renewable (typically solar) project directly from a developer and in exchange will receive a credit from their utility for the customer's avoided generation procurement.

GWh – Gigawatt-hour: This is the unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

ICA – Integration Capacity Analysis: The enhanced integrated capacity and locational net benefit analysis quantify the capability of the system to integrate Distributed Energy Resources (DERs) within the distribution system. Results are dependent on the most limiting element of the various power system criteria such as thermal ratings, power quality, system protection limits and safety standards of existing equipment.

IDER – Integrated Distributed Energy Resources: A CPUC proceeding that aims to more effectively coordinate the integration of demand-side resources in order to better meet customer and grid needs, while enabling California to attain its greenhouse gas reduction goals.

IDSM – Integrated Demand-Side Management: This is an approach that joins together all the resources utilities have at their disposal to plan, generate and supply electricity in the most efficient manner possible.

IEPA – Independent Energy Producers Association: IEPA is California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

IMD – Independent Marketing Division: Under state law, IOUs are prohibited from lobbying or marketing on community choice unless the IOU forms an independent marketing division funded by shareholders rather than ratepayers. SDG&E and its parent company Sempra were permitted by the CPUC to create such an independent marketing division, which allowed SDG&E to lobby against plans to create a CCA program.

IOU – Investor-Owned Utility: An IOU is a private electricity and natural gas provider, such as SDG&E, PG&E or SCE, which are the three largest IOUs in California.

IRP – Integrated Resource Plan: An Integrated Resource Plan outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt: This is a measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1,000 watts.

kWh – Kilowatt-hour: This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCE – Lancaster Choice Energy: LCE is the CCA that serves the City of Lancaster, California.

LCFS – Low Carbon Fuel Standard: This is a CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels and, therefore, reduce greenhouse gas emissions.

LCR – Local (RA) Capacity Requirements: This is the amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

LMP – Locational Marginal Price: Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real-time market as it balances the system using the least cost. The LMP is composed of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

LNBA – Locational Net Benefits Analysis: This is a cost-benefit analysis of distributed resources that incorporates location-specific net benefits to the electric grid.

Load: Load refers to an end-use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity: Load-serving Entities have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

LTPP – Long-Term Procurement Rulemaking: This is an "umbrella" proceeding to consider, in an integrated fashion, all of the CPUC's electric procurement policies and Programs.

MCE – Marin Clean Energy: MCE was the first CCA in California and began serving customers in 2010. It serves customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

MEO – Marketing Education and Outreach: This is a term generally used to describe various strategies to inform customers, such as to motivate consumers to take action on energy efficiency or conservation measures and change their behavior.

MW – Megawatt: A megawatt hour (Mwh) is equal to 1,000 Kilowatt hours (Kwh) or 1,000 kilowatts of electricity used continuously for one hour.

MWH – Megawatt-hour: This is a measure of energy.

NAESCO – National Association of Energy Service Companies: NAESCO is an advocacy and accreditation organization for energy service companies (ESCOs). Energy service companies contract with private and public-sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

NBC – Non-Bypassable Charge: Non-Bypassable Charges are fees that are paid on every kilowatt-hour of electricity that is consumed from the grid. These charges can be used to fund things like energy assistance programs for low-income households and energy efficiency programs. These charges apply even if customers buy grid-supplied power from an outside power company such as a CCA.

NDA – Non-Disclosure Agreement: An NDA is a contract by which one or more parties agree not to disclose confidential information that they have shared with each other.

NEM – Net Energy Metering: NEM is a program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council: NRDC is a nonprofit international environmental advocacy group.

NP-15 – North Path 15: NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in Northern California in PG&E's service territory.

OIR – Order Instituting Rulemaking: An OIR is a procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five commissioners of the CPUC.

OSC – Order to Show Cause: OSC is an order requiring an individual or entity to explain, justify or prove something.

ORA – Office of Ratepayer Advocates: The ORA is an independent consumer advocate within the CPUC, now called the Public Advocates Office.

PA – Program Administrator (for EE Business Plans): IOUs and local government agencies can be authorized to implement CPUC-directed energy efficiency programs.

PCE – Peninsula Clean Energy Authority: PCE is the CCA serving San Mateo County and all 20 of its cities and towns as well as the City of Los Banos.

PCC1 – RPS Portfolio Content Category 1: RPS Portfolio Content Category 1 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO, also known as "in-state" renewables.

PCC2 – RPS Portfolio Content Category 2: RPS Portfolio Content Category 2 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are from out of state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3: RPS Portfolio Content Category 3 includes Unbundled Renewable Energy Certificate (REC).

PCIA or "exit fee" – Power Charge Indifference Adjustment: The Power Charge Indifference Adjustment (PCIA) is an "exit fee" based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

PCL – Power Content Label: The PCL is a user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Chapter 313, Statutes of 2009) and SB 1305 (Chapter 796, Statutes of 1997).

PD – Proposed Decision: A PD is a procedural document in a CPUC Rulemaking that is formally commented on by parties to the proceeding. A PD is a precursor to a final decision voted on by the five commissioners of the CPUC.

PG&E – Pacific Gas & Electric: PG&E is the IOU that serves 16 million people over a 70,000-square-mile service area in Northern California.

PHC – Prehearing Conference: A PHC is a CPUC hearing to discuss the scope of a proceeding, among other matters. Interested stakeholders can request party status during these conferences.

Pnode – Pricing Node: In the CAISO optimization model, this is a point where a physical injection or withdrawal of energy is modeled and for which an LMP is calculated.

PPA – Power Purchase Agreement: A PPA is a contract used to purchase the energy, capacity and attributes from a renewable resource project.

PRP – Priority Review Project: These are transportation electrification pilot projects approved by the CPUC pursuant to SB 350 (Chapter 547, Statutes of 2015).

PRRR – Progress on Residential Rate Reform: Pursuant to a CPUC decision, the IOUs must submit to the CPUC and other parties periodic updates on the progress of their efforts to assist customers with residential rate design changes related to rate reform, including tier collapse and transition to a default time of use rate.

PUC – Public Utilities Code: The PUC is a California statute that contains 33 divisions; the range of topics within this code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities; the primary statute for governance of utilities as well as CCAs in California.

PURPA – Public Utilities Regulatory Policy Act: The PURPA is a federal statute passed in 1978 by Congress in response to the 1973 energy crisis to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was intended to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply).

RA – Resource Adequacy: Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities — investor-owned utilities, electricity service providers and CCAs — to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RAM – Renewables Auction Mechanism: This is a procurement program the investor-owned utilities (IOUs) may use to procure RPS eligible generation. The IOUs may use RAM to satisfy authorized procurement needs, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, Local Capacity Requirements, Green Tariff Shared Renewables needs and any need arising from commission or legislative mandates.

RE – Renewable Energy: Renewable energy is energy from a source that is not depleted when used, such as wind or solar power.

REC - Renewable Energy Certificate: A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every megawatt-hour of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer: This program enables local governments and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties. The system size limit under RES-BCT is 5 MW, and bill credits are applied at the generation-only portion of a customer's retail rate.

RFO – Request for Offers: This is a competitive procurement process used by organizations to solicit the submission of proposals from interested parties in response to a scope of services.

RPS - Renewable Portfolio Standard: RPS is a law that requires California utilities and other load-serving entities (including CCAs) to provide an escalating percentage of California qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB – Senate Bill: A Senate Bill is a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the Legislature for the Legislation.

SBP – Solar Billing Plan: The Solar Billing Plan, also known as the Net Billing Tariff or NEM 3.0, is the new method of compensating customer-sited renewable energy self-generation, intended to promote grid reliability and incentivize solar and battery storage.

SCE – Southern California Edison: SCE is the large IOU that serves the Los Angeles and Orange County area.

SCP – Sonoma Clean Power Authority: SCP is the CCA serving Sonoma County and surrounding areas in Northern California.

SDG&E – San Diego Gas & Electric: SDG&E is the IOU that serves San Diego County and owns the infrastructure that delivers Community Power energy to our customers.

SGIP – Self-Generation Incentive Program: SGIP is a program that provides incentives to support existing, new and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.).

SUE – Super User Electric: This is an electric surcharge intended to penalize consumers for excessive energy use.

SVCE – Silicon Valley Clean Energy: SVCE is the CCA serving the communities in Santa Clara County.

TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol: This refers to online tools and resources provided by The Climate Registry to assist organizations to measure, report and reduce carbon emissions.

TE – Transportation Electrification: For the transportation sector, electrification means replacing fossil fuels with electricity as the means of powering light-duty vehicles and medium- and heavy-duty trucks and buses. The primary goal is to reduce greenhouse gas (GHG) emissions and, ultimately, contribute to mitigating the effects of climate change on the planet.

Time-of-Use (TOU) Rates: TOU Rates refers to the pricing of delivered electricity based on the estimated cost of electricity during a particular time block. Time-of-use rates are usually divided into three or four time blocks per 24 hour period (on-peak, mid-peak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real-time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

TM – Tree Mortality: This is a term that refers to the death of forest trees and provides a measure of forest health. In the context of energy, as part of the Governor's Tree Mortality Emergency Proclamation, the CPUC is tasked with utilizing its authority to extend contracts and take actions to authorize new contracts on bioenergy facilities that receive feedstock from high hazard zones.

TURN – The Utility Reform Network: TURN is a ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs: Unbundled RECs are renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are "unbundled" and sold to different buyers.

VPP – Virtual Power Plant: A Virtual Power Plant is a cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.

VAMO – Voluntary Allocation, Market Offer: VAMO is the process for SDG&E to allocate a proportional share of its renewable portfolio to Community Power and other LSEs within the service territory.