AGENDA

Regular Meeting
Community Advisory Committee

Thursday, December 3, 2026
5:30 p.m.

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

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

CALL TO ORDER

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 October 8, 2026, Regular Meeting Minutes**

2. **Receive and File Treasurer's Report for One-Month Period Ending July 31, 2026**

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

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

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

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

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

REGULAR AGENDA

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

8. **Revisions to Net Billing Tariff**

Recommendation: Receive and file informational update on revisions to the Net Billing Tariff (NBT)

9. **Proposed Emergency Disaster Customer Protections Policy**

Recommendation: Receive and file an update on the proposed Emergency Disaster Customer Protections Policy and provide feedback to staff

10. **Proposed Unclaimed Property Policy**

Recommendation: Receive and File Proposed Unclaimed Property Policy

11. **Fiscal Year 2025-2026 Financial Year End Review**

Recommendation: Review the Community Power Fiscal Year 2025-2026 Financial Year-End Review and reserve outlook and designation of $115 Million Fiscal Year rate stabilization reserve deferral

12. Update on SDG&E's 2027 Projected Rates

Recommendation: Receive and file an update on SDG&E's 2027 projected rates

13. Creation of a 2027 Community Advisory Committee Work Plan Ad-Hoc Committee

Recommendation: Approve the creation of a 2027 Community Advisory Committee (CAC) Work Plan Ad-Hoc Committee and appoint CAC volunteers

14. Creation of a Community Advisory Committee Policies and Procedures Ad-Hoc Committee

Recommendation: Approve the creation of a Community Advisory Committee (CAC) Policies and Procedures Ad-Hoc Committee to review existing procedures and develop recommendations for potential revisions and appoint CAC volunteers

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.

CAC OFFICERS' REPORT

Officers may provide CAC progress reports, share information on CAC activities and/or volunteer opportunities. No discussion or action may be taken on matters raised during these reports unless agendized for a future meeting.

COMMITTEE MEMBER ANNOUNCEMENTS

Committee members may briefly provide information to other members and the public. No discussion or action may be taken on matters raised during Committee members' announcements unless agendized for a future meeting.

ADJOURNMENT

The Community Advisory Committee will adjourn until the next regular meeting scheduled for Thursday, January 21, 2026, at 5:30 p.m. at the City of La Mesa Council Chambers, 8130 Allison Avenue, La Mesa, CA.

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 Meetings and Agendas - San Diego Community Power. 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
October 8, 2026

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

WELCOME

Chair Montero-Adams called the regular meeting to order at 5:31 p.m.

ROLL CALL

PRESENT: Chair Montero-Adams, City of San Diego; Vice Chair Pike, County of San Diego (Unincorporated); Secretary Sumner, City of La Mesa; Committee Members Gonzalez and Sclafani, City of Chula Vista; Committee Member Hoyt, City of Imperial Beach; and Committee Member Santos, City of National City

ABSENT: Committee Member Andersen, County of San Diego (Unincorporated); and Committee Member Hintlian, City of Encinitas

VACANCIES: One member each from the Cities of San Diego, La Mesa, Encinitas, Imperial Beach and the National City

Staff Present: Acting Chief Executive Officer Clark; Chief Financial Officer/Treasurer Burlingame; Assistant General Counsel Laity; Associate Director of Strategic Partnerships Friedman; Associate Director of Legislative Affairs Welch; Senior Regulatory Manager Cissna; Regulatory Manager Gunther; Director of Portfolio Management Camara; Senior Manager Community Engagement Crespo; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Chair Montero-Adams led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

Chair Montero-Adams acknowledged the Kumeyaay Nation and all the original stewards of the land.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

None.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR

1. Approve August 13, 2026, CAC Regular Meeting Minutes

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

4. Receive and File Update on Customer Operations

5. Receive and File Update on Programs

6. Receive and File Update on Power Service

7. Receive and File Update on Community Banking Solicitation Results

8. Approve 2027 Community Advisory Committee (CAC) Meeting Schedule

Committee Member Gonzales requested Consent Item No. 2, Receive and File Treasurer's Report for Ten-Month Period Ending June 30, 2026, be pulled for a separate discussion.

There were no public comments on Item Nos. 1 and 3-8.

Motioned by Committee Member Gonzalez and seconded by Vice Chair Pike to approve Consent Item Nos. 1 and 3-8. The motion carried by Roll Call Vote as follows:

AYES:	Chair Montero-Adams, Vice Chair Pike, Secretary Sumner, Committee Members Hoyt, Santos, Sclafani, and Gonzalez
NOES:	None
ABSTAINED:	None
ABSENT:	Committee Members Andersen and Hintlian

2. Receive and File Treasurer's Report for Ten-Month Period Ending June 30, 2026

Community Member Gonzalez requested clarification on the timeline for reviewing, approving, and publicly posting the financial review reports.

There were no public comments on Consent Item No. 2.

After Committee Member questions, discussion and comments, motioned by Committee Member Gonzalez and seconded by Vice Chair Pike to approve Consent Item No. 2. The motion carried by Roll Call Vote as follows:

AYES: Chair Montero-Adams, Vice Chair Pike, Secretary Sumner, Committee Members Hoyt, Santos, Sclafani, and Gonzalez
NOES: None
ABSTAINED: None
ABSENT: Committee Members Andersen and Hintlian

REGULAR AGENDA

9. Update on Regulatory and Legislative Affairs

Messrs. Welch and Gunther, and Ms. Cissna provided a Regulatory and Legislative Affairs update.

There were no public comments on Item No. 9.

After Committee Member comments, the update on Regulatory and Legislative Affairs was received and filed.

10. Recommend Board Adopt Resolution Amending the Community Clean Energy Grant Program Policy

Ms. Crespo presented the proposed amendments to the Community Clean Energy Grant Program Policy.

There were no public comments on Item No. 10.

After Committee Member questions, discussion and comments, motioned by Committee Member Gonzalez and seconded by Chair Montero-Adams to recommend Board adoption of resolution amending the Community Clean Energy Grant Program Policy previously approved on February 22, 2024, to include the framework for administering Community Benefits funds and rename the policy as the "Community Clean Energy Benefits and Grants Policy." The motion carried by Roll Call Vote as follows:

AYES: Chair Montero-Adams, Vice Chair Pike, Secretary Sumner, Committee Members Hoyt, Santos, Sclafani, and Gonzalez
NOES: None
ABSTAINED: None
ABSENT: Committee Members Andersen and Hintlian

11. Update on Regional Energy Markets: The Extended Day-Ahead Market

Ms. Camara provided an update on Regional Energy Markets: The Extended Day-Ahead Market.

There were no public comments on Item No. 11.

After Committee Member questions, discussion, and comments, the update on Regional Energy Markets: The Extended Day-Ahead Market was received and filed.

12. Receive and File Information Related to the Addition of the City of Coronado as a Member of San Diego Community Power

Mr. Friedman provided a presentation on the addition of the City of Coronado as a Member of San Diego Community Power.

There were no public comments on Item No. 12.

After Committee Member questions, discussion and comments, the information related to the addition of the City of Coronado as a Member of San Diego Community Power was received and filed.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

None.

CAC OFFICERS' REPORT

Chair Montero-Adams reported on upcoming solar and battery workshops, member volunteer participation, organizational priorities, and planned updates to CAC policies, procedures, and the annual work plan.

COMMITTEE MEMBER ANNOUNCEMENTS

Secretary Sumner shared about his experience volunteering with Community Power.

ADJOURNMENT

Chair Montero-Adams announced that no meeting would be held in November and adjourned the Community Advisory Committee meeting at 6:40 p.m. to a regular meeting scheduled for Thursday, December 3, 2026, at 5:30 p.m.

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Sandra Vences
Assistant Clerk of the Board

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

To:	Community Advisory Committee
From:	Tim Manglicmot, Chief Financial Officer and Treasurer
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Treasurer's Report for One-Month Period Ending July 31, 2026
Date:	December 3, 2026

Recommendation

Receive and File Treasurer's Report for One-Month Period Ending July 31, 2026.

Background

San Diego Community Power (Community Power) prepares its accounting records on a full accrual basis under generally accepted accounting principles (GAAP) for governmental enterprise funds. This report presents preliminary, unaudited financial results for the one-month period ended July 31, 2026 — the first month of Fiscal Year (FY) 2026-27 — together with budgetary comparisons against the FY 2026-27 Operating Budget and Capital Investment Program (CIP) Budget adopted by the Board of Directors.

The Board adopted an Investment Policy on May 25, 2023, with subsequent revisions on June 27, 2024, and August 28, 2025, to ensure the safeguarding of principal, preservation of liquidity, generation of returns, and adherence to a high standard of fiduciary care. The policy requires regular reporting to the Finance and Risk Management Committee (FRMC) via the Treasurer's Report. As of July 31, 2026, the investment portfolio was compliant with the Community Power Investment Policy.

To enhance transparency, Community Power reports newly executed contracts between $50,000 and $150,000 in the Treasurer's Report, per the Delegated Contract Authority Policy. Monthly operational metrics are presented at Board meetings, and key risk metrics are shared during FRMC meetings as part of the Treasurer's Report.

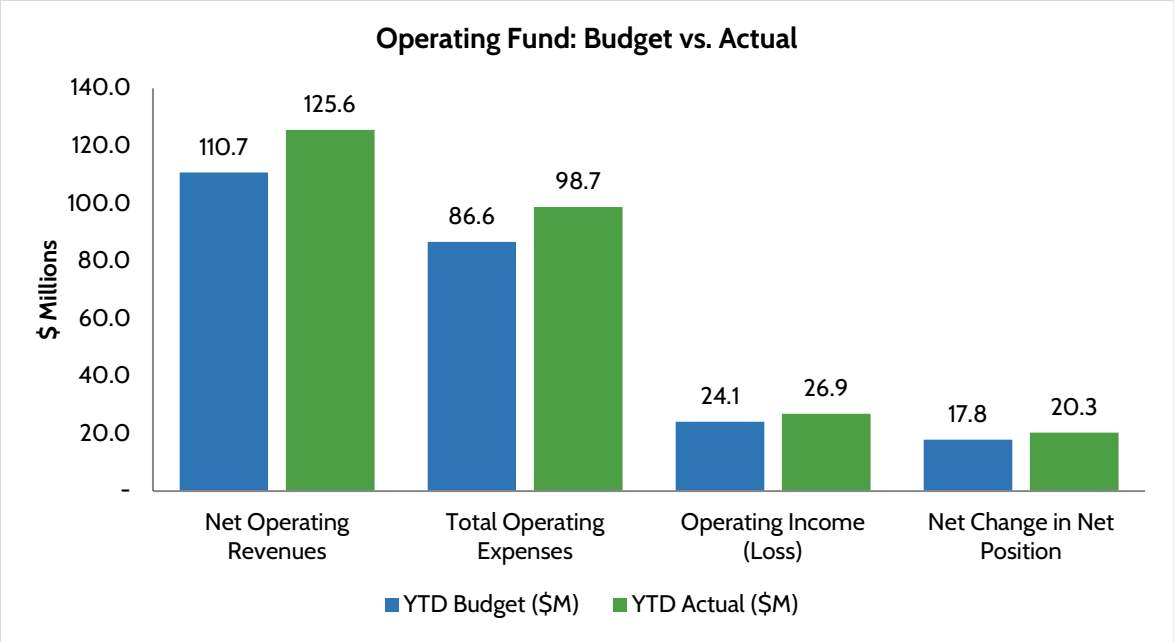
On June 25, 2026, the Community Power Board of Directors (Board) approved the Fiscal Year 2026-27 Operating Budget and Capital Investment Program Budget, which became effective July 1, 2026, and serves as the basis for comparison in this report.

Analysis and Discussion

Executive Summary – Key Financial Highlights (July 2026)

Community Power's financial position strengthened in the first month of FY 2026-27. The Operating Fund reflects favorable results relative to budget, driven primarily by higher summer energy sales.

- **Net Operating Revenues** of $125.6 million vs. $110.7 million budgeted — +$14.9 million (+13.4%), driven by higher gross ratepayer revenues from summer energy usage as well as the expansion of Super-Off Peak hours resulting in lower-than-expected payments to Net Energy Metering customers.
- **Total Operating Expenses** of $98.7 million vs. $86.6 million budgeted — $12.1 million (+13.9%) over budget, driven primarily by Cost of Energy ($94.6M actual vs. $82.1M budget, +15.2%) tied to the same higher summer load.
- **Operating Income** of $26.9 million vs. $24.1 million budgeted — +$2.8 million favorable.
- **Change in net position** for the month was $20.3 million, bringing total net position to $695.0 million as of July 31, 2026.
- **Reserves and liquidity** (unrestricted cash + investments) grew to $716.6 million, equal to approximately 282 days cash on hand — above both the 225-day policy target and the 180-day minimum — and inclusive of the $115.0 million Rate Stabilization Reserve designated at FY 2025-26 year-end.



Operating Fund Analysis:

The table below presents the Operating Fund budgetary comparison schedule for the one-month period ended July 31, 2026, together with the FY 2026-27 Annual Budget and remaining budget capacity.

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2026

	Year-to-Date				Annual	
	Budget	Actual	Budget Variance (Under) Over	Actual/ Budget %	Budget	Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	$ 112,379,000	$ 127,481,248	$ 15,102,248	113%	$ 932,813,000	$ 805,331,752
Less: Uncollectible Customer Accounts	(1,686,000)	(1,912,219)	(226,219)	113%	(13,992,000)	(12,079,781)
Other Income	-	11,361	11,361	na	-	(11,361)
Total Revenues and Other Sources	110,693,000	125,580,389	14,887,389		918,821,000	793,240,611
OPERATING EXPENSES						
Cost of Energy	82,134,000	94,606,124	12,472,124	115%	872,343,000	777,736,876
Professional Services and Consultants	1,980,000	1,472,086	(507,914)	74%	23,797,000	22,324,914
Personnel Costs	1,951,000	1,920,549	(30,451)	98%	23,413,000	21,492,451
Marketing and Outreach	196,000	150,576	(45,424)	77%	2,415,000	2,264,424
General & Administrative	362,000	548,917	186,917	152%	6,094,000	5,545,084
Total Operating Expenses	86,623,000	98,698,252	12,075,252		928,062,000	829,363,748
Operating Income (Loss)	24,070,000	26,882,138	2,812,138		(9,241,000)	(36,123,138)
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	1,925,000	1,583,751	(341,249)	82%	23,101,000	21,517,249
Interest and Related Expenses	(162,000)	(146,000)	16,000	90%	(1,949,000)	(1,803,000)
Transfer to Capital Investment Program	(8,000,000)	(8,000,000)	-	100%	(8,000,000)	-
Total Non-Operating Revenues (Expenses)	(6,237,000)	(6,562,249)	(325,249)		13,152,000	19,714,249
NET CHANGE	$ 17,833,000	$ 20,319,889	$ 2,486,889		$ 3,911,000	$ (16,408,889)

Operating Fund Variance Analysis:

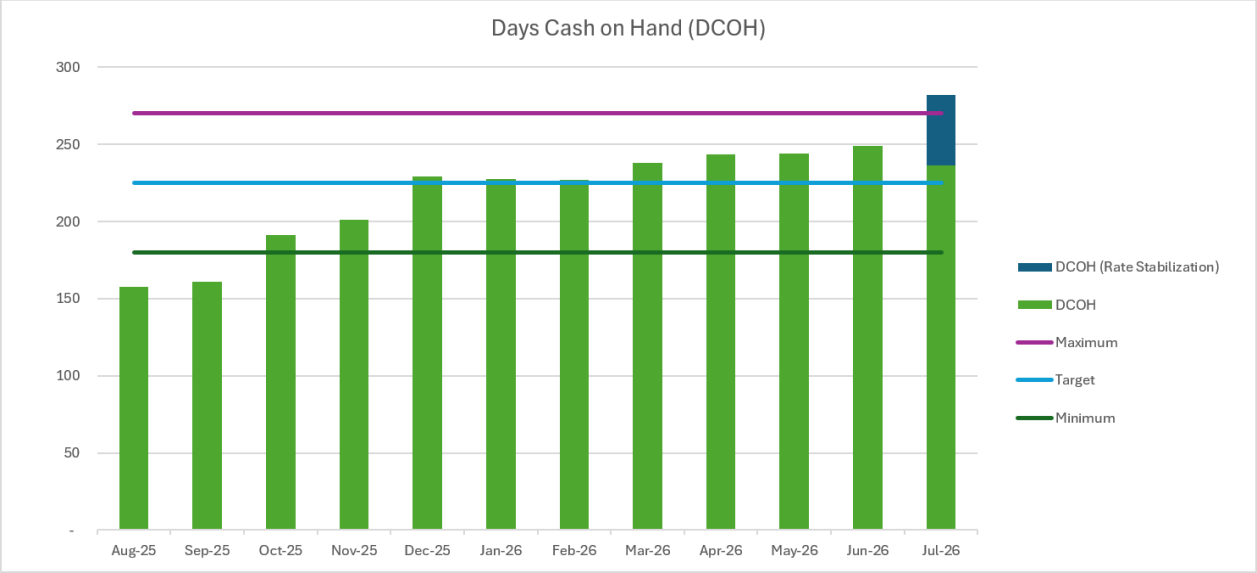
- **Gross Ratepayer Revenues** exceeded budget by $15.1 million (113% of budget), consistent with higher-than-forecast summer retail energy sales.
- **Cost of Energy** was $12.5 million over budget (115% of budget), moving together with the higher ratepayer sales volume.
- **Professional Services and Consultants** came in $0.5 million under budget (74%), reflecting timing of contract utilization typical for the start of a fiscal year.
- **Personnel Costs** were essentially on budget (98%, $30,451 under), reflecting normal vacancy/accrual timing.
- **General & Administrative** expenses were $186,917 over budget (152%), driven by Other G&A and Insurance.
- **Investment Income** was $341,249 under budget (82%), consistent with the portfolio's duration positioning.

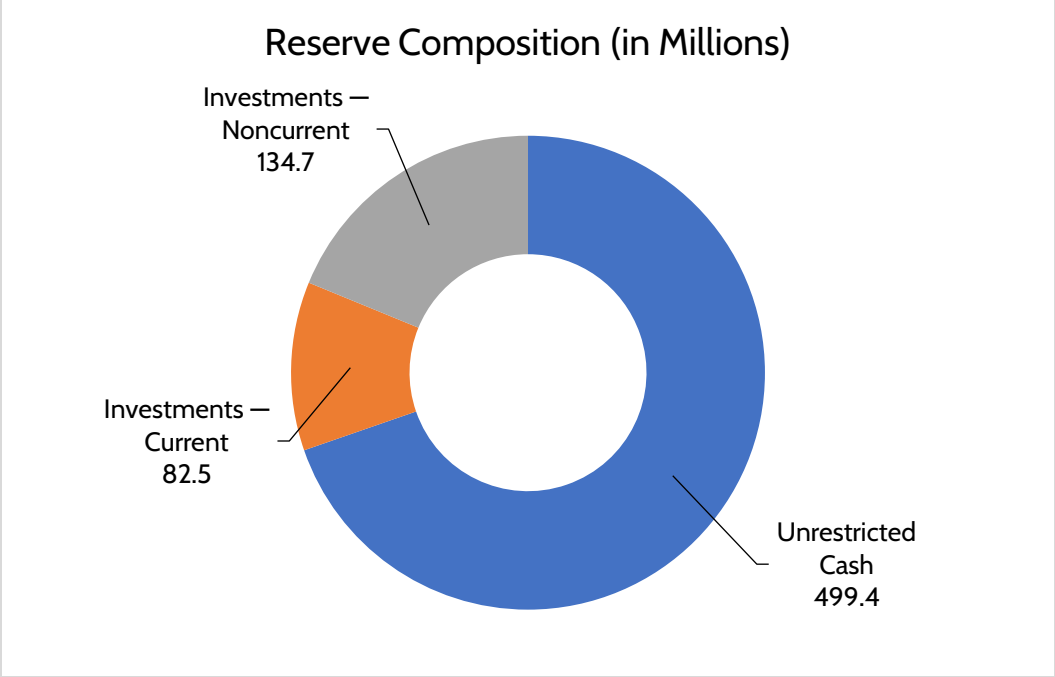
Financial Reserves:

Under Resolution 2025-23, Community Power's Financial Reserves Policy establishes a minimum reserve requirement of 180 days cash on hand (DCOH) and a reserve target of 225 DCOH, calculated against budgeted annual operating expenses. For FY 2026-27, budgeted annual operating expenses of $928.1 million equate to a minimum reserve requirement of approximately $457.7 million and a target of approximately $572.1 million.

As of July 31, 2026, Community Power's reserves — defined as unrestricted cash plus current and noncurrent investments — totaled $716.6 million, equal to approximately 282 days cash on hand. This exceeds both the policy minimum and target, reflecting the reserve base carried forward from FY 2025-26 year-end (including the $115.0 million Rate Stabilization Reserve designated by staff for FY 2025-26) plus $20.5 million of reserve growth during July.

Presented below are charts showing Community Power's rolling 12-month financial reserves relative to Reserve Policy thresholds, along with the composition of reserves between unrestricted cash and investments.





Investment Portfolio Report

Chandler Asset Management manages Community Power's investment portfolio. As of July 31, 2026, the market value of the portfolio was $145.2M and in compliance with Community Power's Investment Policy. Presented below is a summary of the investment portfolio's overall characteristics.

PORTFOLIO SUMMARY

CHANDLER ASSET MANAGEMENT

San Diego Community Power | Account #11293 | As of July 31, 2026

Portfolio Characteristics

Average Modified Duration	2.54
Average Coupon	3.83%
Average Purchase YTM	4.19%
Average Market YTM	4.49%
Average Credit Quality*	AA+
Average Final Maturity	3.06
Average Life	2.80

Account Summary

	End Values as of 06/30/2026	End Values as of 07/31/2026
Market Value	124,323,952.71	144,204,562.98
Accrued Interest	1,027,482.57	1,030,321.13
Total Market Value	**125,351,435.28**	**145,234,884.12**
Income Earned	538,123.27	456,041.79
Cont/WD	0.00	20,000,000.00
Par	126,282,856.16	147,030,148.61
Book Value	125,084,742.95	145,545,153.25
Cost Value	124,787,157.37	145,214,976.83

Top Issuers

United States	47.28%
Federal Home Loan Mortgage Corp	11.19%
Amazon.com, Inc.	1.29%
JPMorgan Chase & Co.	1.28%
Chase Issuance Trust	1.19%
Toyota Auto Receivables Owner Trust	1.18%
Guardian Life Global Funding	1.02%
The Home Depot, Inc.	0.98%

Contract Execution between $50,000 and $150,000

To ensure transparency and comply with Community Power's Non-Energy Procurement Policy, the table below lists contracts or amendments with not-to-exceed values between $50,000 and $150,000 that were executed under the CEO's authority between September 1 and September 30, 2026:

- Purchase Order 2609-04 – Nth Generation
  - One-year renewal of Varonis cybersecurity subscriptions for Microsoft 365, Managed Data Detection and Response (MDDR), Copilot, and AWS, including 251 Microsoft 365 licenses, 200 AWS licenses, and two collector licenses through September 21, 2027; not-to-exceed $73,793.76.

Capital Investment Program Fund

The FY 2027-31 Capital Investment Plan contains all the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. Unspent funds are kept within the CIP and carried forward to the subsequent fiscal year. The CIP includes funding for local development feasibility studies, customer program pilot projects, member agency grants, community grants, a customer education platform, and other community-focused areas. The FY 2026-27 transfer from the operating fund includes $3.5 million to support Solar Battery Savings, $2.5 million to support Customer Pilot Programs, $1.5 million to support Community Power's Flexible Load Strategy through the Distributed Energy Resources Management System Software Platform, $0.3 million to support Regional EV Load Analysis, and $0.02 million to support IT projects.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2026

	Annual Budget	YTD Actual	Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 8,000,000	$ 8,000,000	$ -
Grant Revenue - SDREN	63,117,654	1,387,953	(61,729,701)
Grant Revenue - DAC	300,000	-	(300,000)
Grant Revenue - EBD	1,400,000		(1,400,000)
Grant Revenue - CEC	693,611		(693,611)
Total Revenue and Other Sources	73,511,265	9,387,953	(64,123,312)
EXPENDITURES AND OTHER USES			
Program Expenditures (Carryforward)	27,471,508		
Program Expenditures (FY27 Appropriation)	71,417,654		
Program Expenditures	98,889,162	2,029,970	$ (96,859,192)
Net increase (decrease) in fund balance	(25,377,897)	7,357,983	
Fund balance at beginning of period	26,190,703	26,190,703	
Fund balance at end of period	$ 812,806	$ 33,548,686	

Customer Participation Rates

In an effort to minimize duplicative monthly reporting of information across multiple staff reports, beginning this month customer participation rates will no longer be included within the Treasurer's monthly staff report. Customer participation rates are presented in the recurring Board staff report titled "Update on Customer Operations." That report includes enrollment updates and tracks customer opt-outs, opt-ups, opt-downs, re-enrollments, and related customer engagement metrics.

Fiscal Impact

N/A

Attachments

A: FY 2027 Year-to-Date Period Ended July 31, 2026, Financial Statements.

ITEM 2
ATTACHMENT A

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of July 31, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the one month then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. San Diego Community Power's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy
San Rafael, CA
September 9, 2026

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of July 31, 2026

ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	$ 499,374,383
Cash and cash equivalents - restricted	36,033,336
Accounts receivable, net of allowance	117,657,265
Accrued revenue	71,572,589
Prepaid expenses	8,431,809
Other receivables	7,239,617
Deposits	1,871,322
Investments	82,493,273
Total current assets	824,673,594
Noncurrent assets	
Cash and cash equivalents - restricted	17,772,949
Investments	134,702,432
Capital assets, net of depreciation and amortization	1,745,661
Total noncurrent assets	154,221,042
Total assets	978,894,636
LIABILITIES	
Current liabilities	
Accrued cost of electricity	100,280,478
Accounts payable	4,880,480
Other accrued liabilities	4,954,421
State surcharges payable	225,213
Deposits - energy suppliers	895,731
Lease liability	523,319
Advances from grantors	36,033,336
Total current liabilities	147,792,978
Noncurrent liabilities	
Deposits - energy suppliers	3,305,810
Advances from grantors	17,772,949
Total noncurrent liabilities	21,078,759
Total liabilities	168,871,737
DEFERRED INFLOWS OF RESOURCES	
Rate Stabilization Fund	115,000,000
NET POSITION	
Net investment in capital assets	1,222,342
Restricted for security collateral	-
Unrestricted	693,800,557
Total net position	$ 695,022,899

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
One Month Ended July 31, 2026

OPERATING REVENUES	
Electricity sales, net	$ 125,569,029
Liquidated damages revenue	7,303
Other income	4,058
Total operating revenues	125,580,390
OPERATING EXPENSES	
Cost of electricity	94,606,124
Contract services	2,823,425
Staff compensation	1,920,549
Other operating expenses	1,429,532
Depreciation and amortization	70,113
Total operating expenses	100,849,743
Operating income	24,730,647
NONCAPITAL SUBSIDIES	
Grant revenue	1,387,953
Noncapital subsidies	1,387,953
Operating income and noncapital subsidies	26,118,600
NONOPERATING REVENUES (EXPENSES)	
Investment income	1,583,751
Interest expense	(3,108)
Nonoperating revenues (expenses), net	1,580,643
CHANGE IN NET POSITION	27,699,243
Net position at beginning of year	667,323,656
Net position at end of year	$ 695,022,899

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
One Month Ended July 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	98,199,594
Receipts from wholesale sales and other operating activities		506,676
Payments to suppliers for electricity		(72,990,974)
Payments for other goods and services		(6,688,506)
Payments for staff compensation		(1,970,637)
Payments of state surcharges		(551,705)
Net cash provided by operating activities		16,504,448
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from grantors		7,252,501
Net cash provided (used) by noncapital financing activities		7,252,501
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Lease payments		(77,982)
Net cash used by capital and related financing activities		(77,982)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received		2,589,757
Proceeds from investment sales and maturities of investments		345,055
Purchase of investments		(19,225,271)
Net cash provided (used) by investing activities		(16,290,459)
Net change in cash and cash equivalents		7,388,508
Cash and cash equivalents at beginning of year		545,792,160
Cash and cash equivalents at end of year	$	553,180,668
Reconciliation to the Statement of Net Position		
Unrestricted cash and cash equivalents - current	$	499,374,383
Restricted cash and cash equivalents - current		36,033,336
Restricted cash and cash equivalents - noncurrent		17,772,949
Cash and cash equivalents	$	553,180,668
NONCASH INVESTING ACTIVITIES		
Change in fair value of investments	$	(548,164)
Change in interest income receivable	$	(457,842)

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
One Month Ended July 31, 2026

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$	24,730,647
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization expense		70,113
(Increase) decrease in:		
Accounts receivable, net		(12,653,317)
Accrued revenue		(14,941,330)
Prepaid expenses		(1,824,922)
Other receivables		1,770
Deposits		(179,163)
Increase (decrease) in:		
Accrued cost of electricity		23,241,044
Accounts payable		(1,701,176)
Other accrued liabilities		87,275
State surcharges payable		(326,493)
Net cash provided by operating activities	$	16,504,448

SAN DIEGO COMMUNITY POWER
Staff Report – Item 3

To:	Community Advisory Committee
From:	Jen Lebron, Senior Director of Public Affairs
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Marketing, Public Relations, and Local Government Affairs
Date:	December 3, 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. In August, Community Power interacted with more than 4,000 individuals at a variety of events across member agencies.

Recent and Upcoming Public Engagement Events

Suncoast Market
Women+ in Green: Generational Voices in Climate Leadership
Vehicle-Grid Integration Council EVolve
San Diego Climate Week: Clean Air Summit
Chicano Park Museum
National City Fire Department Open House

Urban Collaborative Project
Sherman Heights Community Center Noche de Mole
Spirit of the Barrio
La Mesa Farmers Market
MAAC Soiree
Mini Mesa Civic Lab
RICCE Resource Fair
National City Health and Wellness Festival
National Electrical Contractors Association General Membership Meeting
City of Imperial Beach Spooktacular Trunk or Treat
Circulate Planning and Policy Momentum Awards
San Diego County Regional Airport Authority Sustainability Fair
A Reason to Survive (ARTS) Dia de los Muertos
San Diego Regional Chamber of Commerce
Leskley K. McAllister Symposium on Climate and Energy Law
Chula Vista Community Collaborative
Climate Action Campaign Climate Summit
La Mesa Environmental Sustainability Commission
Thriving Communities Summit
Science, Technology, Engineering, and Mathematics Internship Program, in partnership with the Elementary Institute of Science and San Diego Regional Energy Network
Sweetwater Adult Education Resource Fair
Business for Good Power Hour Social
South Bay Gives Thanks Turkey Distribution
San Diego State University
San Diego Environmental Film Festival
California Solar and Storage Association San Diego Chapter
December Nights
Imperial Beach Small Town Holiday and Tree Lighting Festival
December Nights at Montgomery Elementary
Kimball Holiday
Christmas with Character at the Jackie Robinson Family YMCA

Communications, Education, Outreach and Engagement

The Public Affairs team continues to support Community Power's programs and organizational priorities through coordinated communications, education, outreach, and engagement. This work includes promoting program opportunities, developing educational materials, supporting community presentations, coordinating event participation, and working with community partners to extend the reach of Community Power's information and services.

As part of outreach for the Solar Battery Savings Program, Community Power held three in-person workshops in Chula Vista, Spring Valley and Valencia Park, as well as a virtual webinar to provide customers with an additional opportunity to learn about the program and ask questions. These workshops provided customers with information about program eligibility, participation, and the benefits of pairing rooftop solar with battery storage.

The Public Affairs team also continues to support the San Diego Regional Energy Network through community outreach, presentations, partnerships, and educational activities. Recent outreach has included engagement with community organizations, educational institutions, businesses, and other regional partners.

Community Power continues to engage local leaders, community-based organizations, chambers of commerce, educational institutions, businesses, and regional partners through meetings, presentations, workshops, and community events.

Over the next several months, the Public Affairs team will continue refining its outreach planning and event-selection processes, expanding marketing and brand-awareness efforts, strengthening partnerships throughout the region, and increasing its capacity to provide timely information across multiple communications channels.

Local Government Affairs

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region, with a focus on opportunities for local development, providing education about legislative and regulatory affairs, and sharing information about services and programs.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

TO: Community Advisory Committee

FROM: Lucas Utouh, Senior Director of Data Analytics and Customer Operations

VIA: Jack Clark, Acting Chief Executive Officer

SUBJECT: Update on Customer Operations

DATE: December 3, 2026

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 November 16, 2026, Community Power is serving a cumulative total count of **974,892** 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

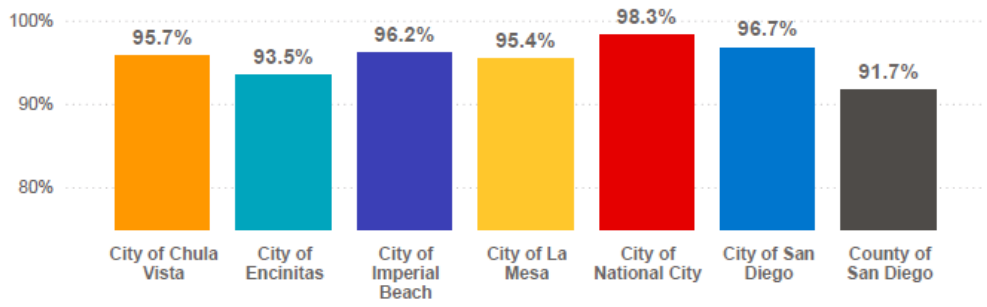
The below charts summarize customer participation by member agency as well as metrics for their elections into San Diego Community Power's four (4) available service options.

Please note that Re-Enrollment metrics are captured and displayed through October 31, 2026.

Enrolled Accounts	Participation Rate
974,892	95.6%

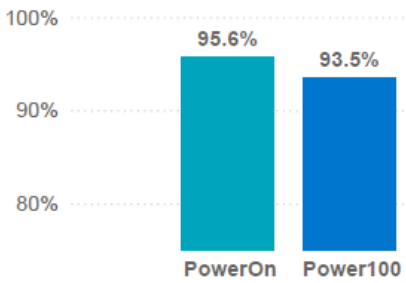
Participation

Participation by Jurisdiction

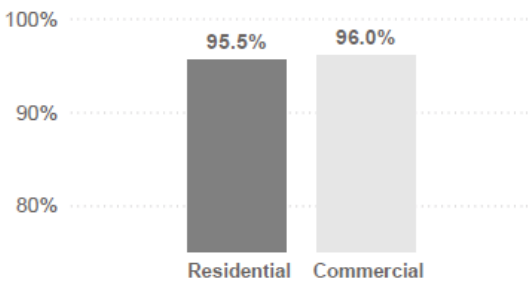


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,772	96,459	95.7%
City of Encinitas	Power100	29,208	27,307	93.5%
City of Imperial Beach	PowerOn	10,911	10,493	96.2%
City of La Mesa	PowerOn	29,776	28,410	95.4%
City of National City	PowerOn	19,688	19,345	98.3%
City of San Diego	PowerOn	637,794	616,974	96.7%
County of San Diego	PowerOn	191,783	175,904	91.7%
Total		**1,019,932**	**974,892**	**95.6%**

Participation by Default Service Option



Residential vs Commercial Participation

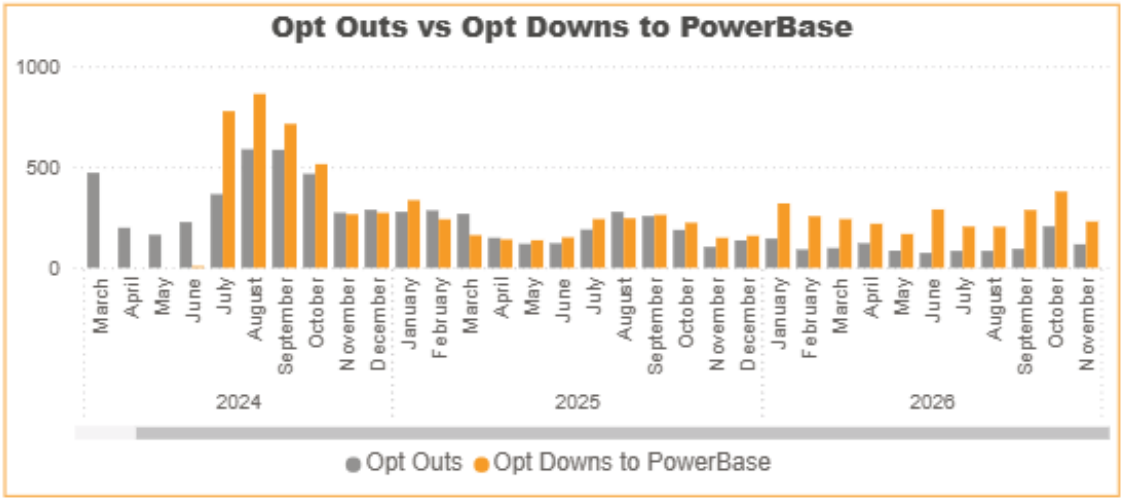


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	7,199	Enrolled	932,967	Enrolled	34,705	Enrolled	21
Participation	0.7%	Participation	95.7%	Participation	3.6%	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	96,459	715	0.7%	94,807	98.3%	937	1.0%		
City of Encinitas	Power100	27,307	293	1.1%	378	1.4%	26,636	97.5%		
City of Imperial Beach	PowerOn	10,493	49	0.5%	10,357	98.7%	87	0.8%		
City of La Mesa	PowerOn	28,410	185	0.7%	27,961	98.4%	264	0.9%		
City of National City	PowerOn	19,345	85	0.4%	19,212	99.3%	48	0.2%		
City of San Diego	PowerOn	616,974	4,015	0.7%	607,031	98.4%	5,907	1.0%	21	0.0%
County of San Diego	PowerOn	175,904	1,857	1.1%	173,221	98.5%	826	0.5%		
Total		974,892	7,199	0.7%	932,967	95.7%	34,705	3.6%	21	0.0%

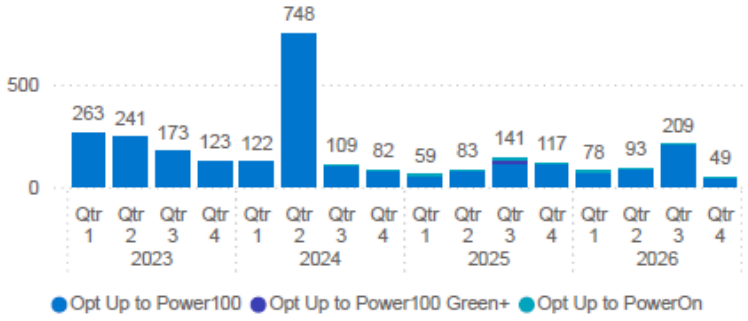


Opt Up History

Total Opt Ups	Opt Ups Current*
10,174	8,163

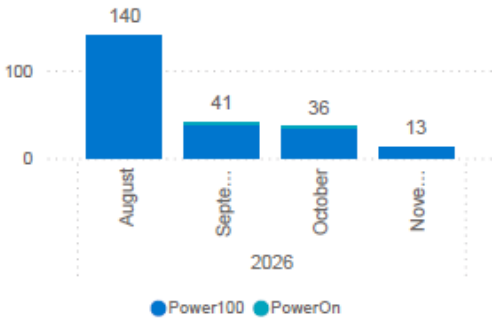
Opt Ups Quarterly

Last 4 Years



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	41	1,067
City of Encinitas	18	1	1	3	1	3	27
City of Imperial Beach	60	29	11	6	6	31	143
City of La Mesa	155	120	19	12	8	7	321
City of National City			12	24	2	19	57
City of San Diego	3,316	2,896	489	340	309	289	7,639
County of San Diego	4		207	627	43	39	920
Total	4,263	3,221	800	1,061	400	429	10,174

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	4,256	296	232	703	160	226	5,873
Residential	7	2,925	568	358	240	203	4,301
Total	4,263	3,221	800	1,061	400	429	10,174

Opt Ups by Method

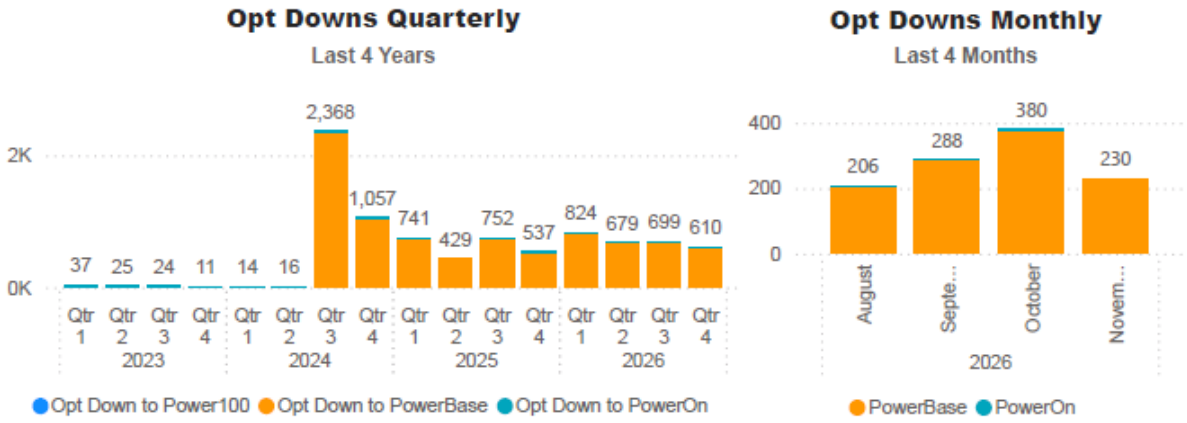
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	4,232	1,372	301	817	213	255	7,190
IVR	4	85	84	42	29	17	261
Web	27	1,764	415	202	158	157	2,723
Total	4,263	3,221	800	1,061	400	429	10,174

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

2026 YTD as of November 14, 2026

Opt Down History

Total Opt Downs	Opt Downs Current*
9,322	7,645



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista		2	4	287	246	308	847
City of Encinitas	35	429	74	150	109	112	909
City of Imperial Beach		1		31	18	21	71
City of La Mesa		4		106	66	74	250
City of National City				36	39	38	113
City of San Diego		28	13	1,793	1,390	1,717	4,941
County of San Diego			6	1,052	591	542	2,191
Total	35	464	97	3,455	2,459	2,812	9,322

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	34	23	9	507	171	186	930
Residential	1	441	88	2,948	2,288	2,626	8,392
Total	35	464	97	3,455	2,459	2,812	9,322

Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	31	311	65	2,562	1,531	1,407	5,907
IVR	4	26	3	309	274	228	844
Web		127	29	584	654	1,177	2,571
Total	35	464	97	3,455	2,459	2,812	9,322

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

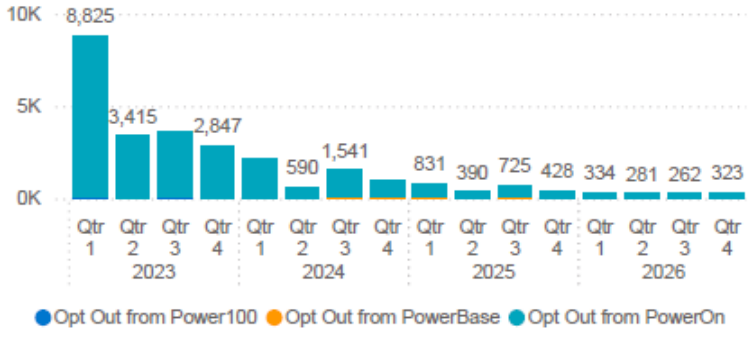
2026 YTD as of November 14, 2026

Opt Out History

Total Opt Outs	Opt Outs Current*
55,208	43,782

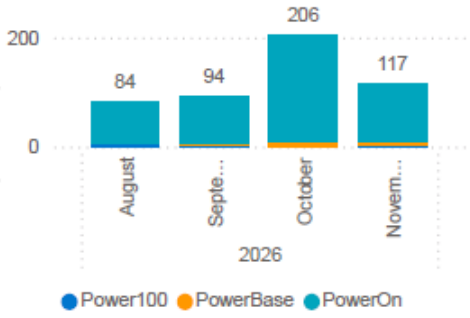
Opt Outs Quarterly

Last 4 Years



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	118	5,209
City of Encinitas	66	1,869	230	118	56	25	2,364
City of Imperial Beach	32	343	99	60	17	20	571
City of La Mesa	84	1,269	235	128	59	36	1,811
City of National City			285	75	33	17	410
City of San Diego	1,078	19,180	3,185	1,836	1,065	572	26,916
County of San Diego	2	1	13,899	2,669	944	412	17,927
Total	1,529	26,128	18,680	5,297	2,374	1,200	55,208

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Residential	37	25,593	16,997	4,953	2,233	1,132	50,945
Commercial	1,492	535	1,683	344	141	68	4,263
Total	1,529	26,128	18,680	5,297	2,374	1,200	55,208

Opt Outs by Method

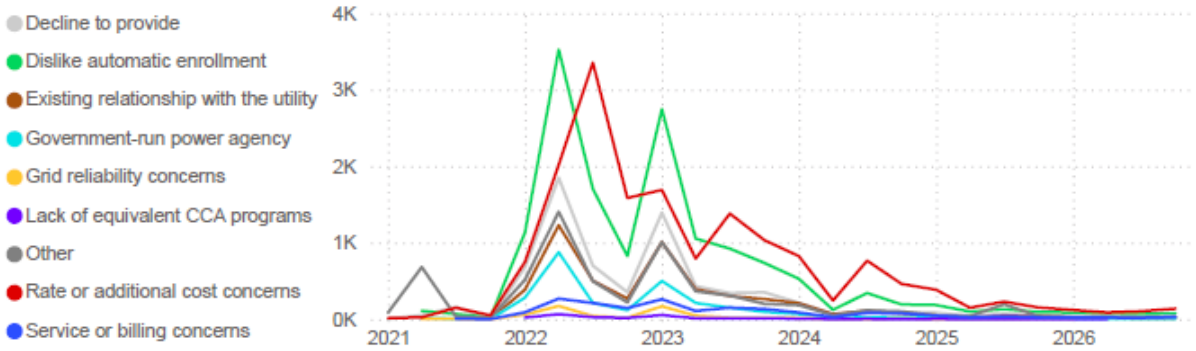
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	387	15,516
IVR	102	4,885	3,788	1,284	445	197	10,701
Web	323	14,280	10,186	2,360	1,226	616	28,991
Total	1,529	26,128	18,680	5,297	2,374	1,200	55,208

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

2026 YTD as of November 14, 2026

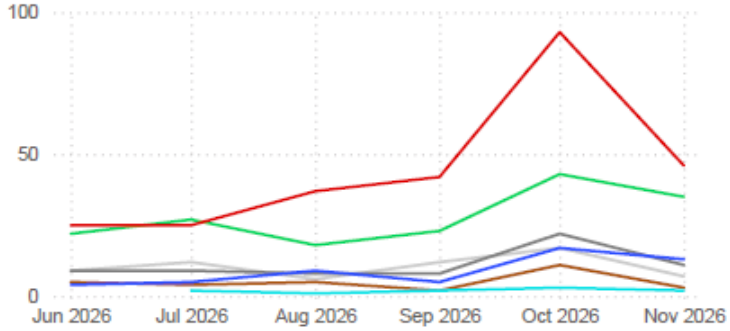
Opt Out Reason Summary

Opt Outs by Reason Quarterly



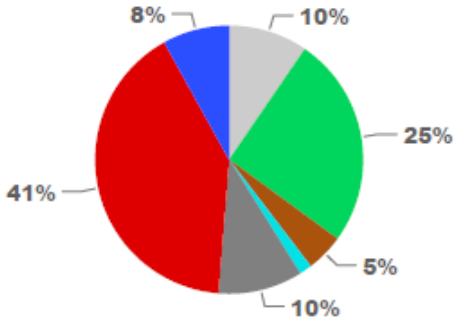
Opt Outs by Reason Monthly

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	123	7,171
Dislike automatic enrollment	203	7,187	5,458	1,188	511	312	14,859
Existing relationship with the utility	2	2,388	1,968	462	153	67	5,040
Government-run power agency	24	1,489	960	129	66	24	2,692
Grid reliability concerns	7	293	252	20	7	4	583
Lack of equivalent CCA programs		131	90	12	6	1	240
Other	819	2,636	1,883	453	325	122	6,238
Rate or additional cost concerns	240	7,705	4,897	2,296	918	453	16,509
Service or billing concerns	6	718	654	272	132	94	1,876
Total	1,529	26,128	18,680	5,297	2,374	1,200	55,208

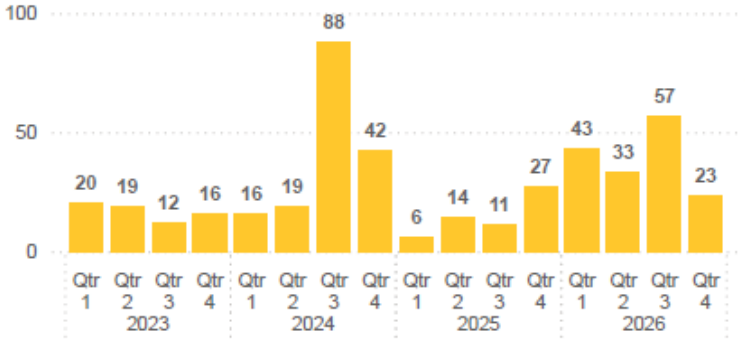
2026 YTD as of November 14, 2026

Re-Enrollment Requests

Excludes closed accounts

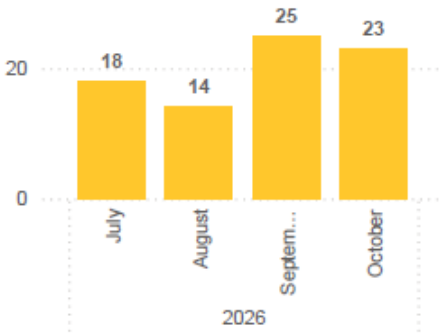
Re-Enrollments Quarterly

Last 4 Years



Re-Enrollments Monthly

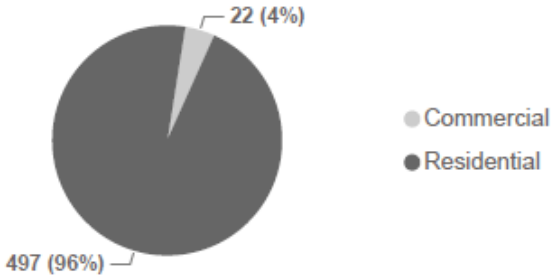
Last 4 Months



Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	34
City of Encinitas	42
City of Imperial Beach	6
City of La Mesa	11
City of National City	1
City of San Diego	310
County of San Diego	115
Total	519

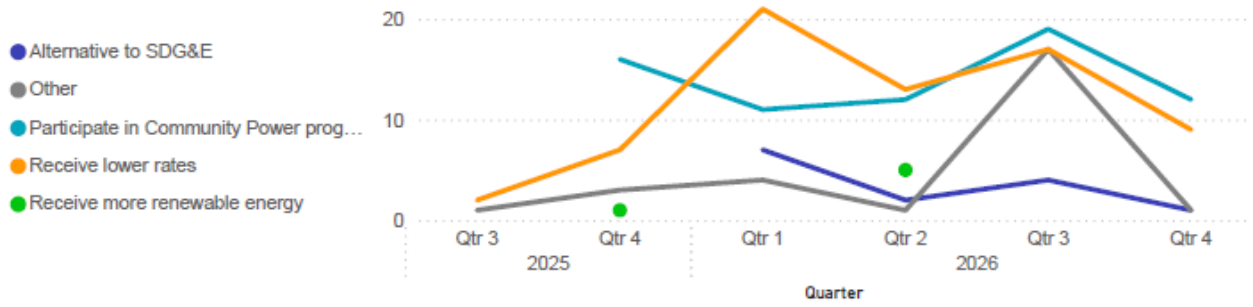
Re-Enrollments Residential vs Commercial



2026 YTD through the end of October, 2026

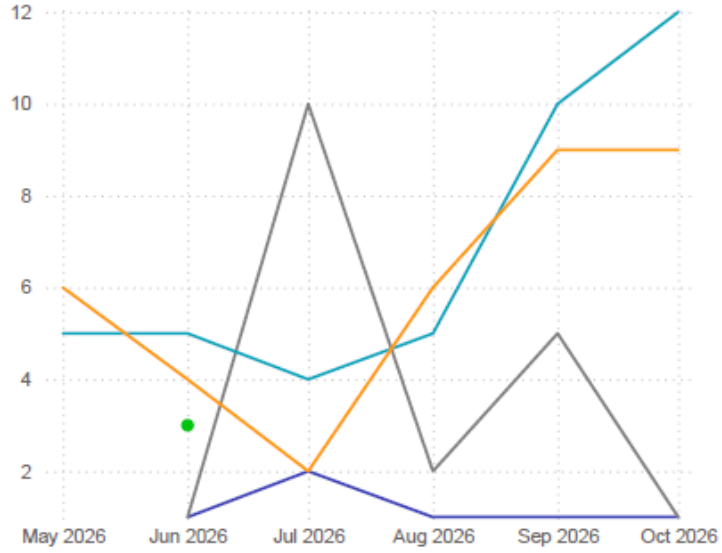
Re-Enrollment Reason Summary*

Re-Enrollments by Reason Quarterly



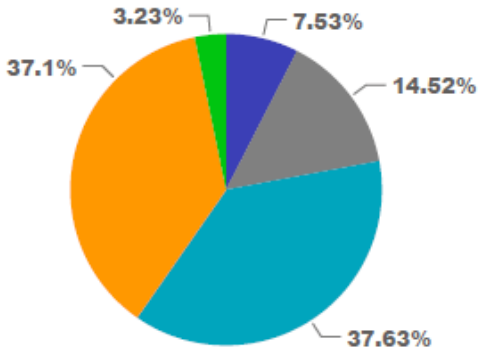
Re-Enrollments by Reason Monthly

Last 6 Calendar Months



Re-Enrollments Reason Distribution

Last 6 Calendar Months



Re-Enrollment by Reason Table

ReEnrollmentReason	2025	2026 YTD	Total
Alternative to SDG&E		14	14
Other	4	23	27
Participate in Community Power program	16	54	70
Receive lower rates	9	60	69
Receive more renewable energy	1	5	6
Total	30	156	186

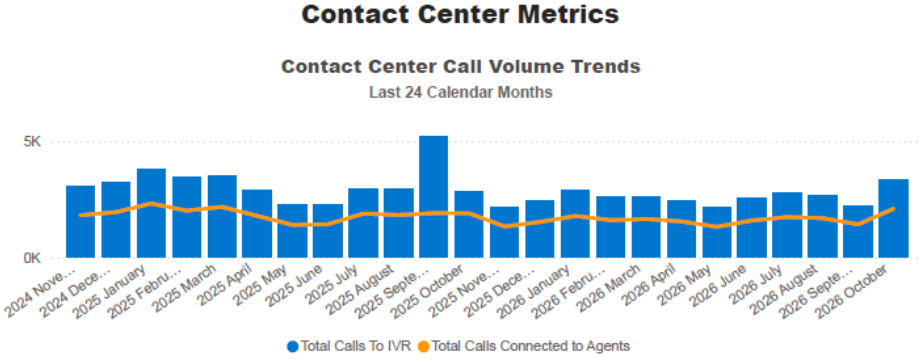
Re-Enrollment Reason Functionality Implemented 09/01/2025

C) Contact Center Metrics

We noted lower call volume spikes in summer months than in previous years, likely a result of the electric California Climate Credit having been distributed to residential customers in August and September this year. We observed a noticeable increase in call volume in October, primarily a result of higher bills associated with the regional October heatwave as well as updates made by SDG&E to the My Energy Center digital billing platform. We expect call volumes to remain elevated for the remainder of the year for these reasons.

The chart below summarizes contact made by customers into the Contact Center broken down by month. Contact Center Metrics are captured and displayed through October 31, 2026.

Contact Center Metrics



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

	2021	2022	2023	2024	2025	2026 YTD	Total
Total Calls to IVR	2,289	47,118	52,977	48,073	36,829	26,292	213,578
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	21,556	16,495	133,131
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.33	12.60	12.75
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	9.0	8.8	9.3
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	95.85%	95.27%	95.32%
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.43%	0.58%	0.47%



Customer Service Emails

	2021	2022	2023	2024	2025	2026 YTD	Total
Emails Received	272	2,894	2,116	1,271	1,170	992	8,715
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	1,170	988	8,613
Completion%	94%	96%	100%	100%	100%	100%	99%

2026 YTD through the end of October, 2026

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 one (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 5

To:	Community Advisory Committee
From:	Colin Santulli, Senior Director of Programs
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Programs
Date:	December 3, 2026

Recommendation

Receive and file updates on customer energy programs.

Background

Staff will provide regular updates to the Community Advisory Committee ("CAC") regarding the following Community Power customer energy 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.

Residential Programs

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

Status: Our CBO partners continue to conduct outreach activities to residents to inform them of the program opportunity and support them in completing enrollment applications. To date, approximately 70 marketing, education, and outreach activities have been conducted by our CBO partners across San Diego, National City, Chula Vista, and unincorporated San Diego County since July 2026, with eight eligible residents successfully enrolled. Staff will continue

to work with our CBO partners and regional agencies to increase the number of enrollment applications submitted by eligible residents.

Next Steps: Continue to support marketing, education, and outreach activities in the community, in collaboration with CBO partners.

Flexible Load Programs

Smart Energy Rewards Pilot Project

Status: The Smart Energy Reward Thermostat Pilot re-opened for enrollment in July 2026, and the event season spanned from July through October. Staff reviewed thousands of applications and approved over 1,500 applications. Currently, over 2,300 participants are enrolled in the program, with over 2,600 smart thermostats enrolled. This represents 53% of staff's goal of enrolling 5,000 smart thermostats into the pilot. Staff will not market the pilot any further but will continue to process any applications received.

During this summer season, staff called 24 events based on demand forecasts and weather conditions. With the 2026 summer season concluded, an evaluation of the pilot will be conducted by a third-party evaluator, Demand Side Analytics, to determine effectiveness, calculate total demand reduction because of the events, estimate average demand reduction per device, and inform program design for next year. The evaluation is anticipated to be completed by Spring 2027.

Next Steps: Staff will initiate the evaluation of the Pilot, calculate and determine Participation Incentives, and continue to process new applications.

EV Flex Connect Pilot Project

Status and Next Steps: Please refer to Item 9 of the August 2026 CAC agenda for the most recent update on this pilot project.

Solar and Energy Storage Programs

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

Status & Next Steps: Please refer to Item 13 of the September 2025 BOD agenda packet for the most recent update on this program.

Solar Battery Savings ("SBS") Program

Status: Since program launch in September 2025, the program has received over 2,410 applications, 1,694 which have been approved, and 1,031 of which have been installed and activated. Of the 56 contractors approved to participate in the program, 51 have submitted

applications. Sixty percent of applicants are market rate customers. Seventy percent of projects are for new solar and storage systems (as compared to storage being added to existing solar systems).

Community Power hosted a series of customer workshops with Home Energy Academy focused on residential solar, battery storage and the benefits of participating in Solar Battery Savings. The workshops were held at the end of October and early November. Three were in-person workshops and one was virtual. Community Power plans to hold more workshops next year.

Next Steps: Community Power executed a contract with Cadmus to support the Bill Impact Study to evaluate the bill impacts for participants in the Pilot. This evaluation is in progress and will help to understand how customer segments and attributes affect bill impacts differently to inform program design and future promotional materials.

Staff anticipates offering additional contractor training in December 2026.

Nonresidential Solar Battery Savings ("SBS") Pilot

Status: Staff are developing a SBS pilot concept targeting small and medium nonresidential customers. Initial pilot design would limit participation to small and medium businesses and non-profit entities; public agencies are anticipated to be served in a future program offering.

Next Steps: Staff are seeking input from interested solar and storage installers during this pilot concept development phase. In person and virtual workshops are planned for early December to obtain feedback on key elements of the program, including upfront rebates, contractor qualifications, enrollment and activation processes, and the program timeline.

1. **In-Person Session**
    - **Date**: Tuesday, December 8, 2026
    - **Time**: 9-10:30 a.m. (doors open at 8:30 a.m.)
    - **Location**: Greentech Renewables
      9190 Activity Road, San Diego, CA 92126
    - **RSVP**: Here
      Coffee and light refreshments will be provided.

2. **Virtual Session (Zoom)**
    - **Date**: Thursday, December 10, 2026
    - **Time**: 9-10 a.m.
    - **RSVP**:

Solar Advantage Program (previously DAC-GT)

Status: Community Power's Third Request for Offers ("RFO #3") closed on October 30, 2026, at 5:00 p.m. Pacific Time ("PT"). Prior to the solicitation deadline, Community Power hosted an informational webinar, made the webinar recording and presentation materials available through Granicus and the Solar Advantage webpage, and posted the final solicitation Q&A on September 23, 2026. Staff are reviewing the responses received and conducting follow-up with bidders, as necessary.

Next Steps: Staff will continue the review and bidder follow-up process through November 25, 2026. Short-list selection notifications are anticipated for Q1 2027, followed by evaluations and negotiations with shortlisted bidders and Community Power Board consideration of awards by Q2 2027.

San Diego Regional Energy Network ("SDREN")

Status and Next Steps: All contracts with third-party implementers resulting from the phased SDREN solicitations were executed by May 2026. As of October 2026, all ten SDREN programs have launched and are accepting applications. Staff continue to carry out the appropriate launch and early implementation activities for each program. The description of activities in these program stages are described below along with the programs in each stage.

Launch

The goal of this stage is to introduce the program to the market, make customer-facing resources available, initiate outreach activities, and begin participant enrollment. The following programs are currently in this stage:

Small and Medium-Sized Business Energy Coach (known as Small Business Energy Coach)

- Offers personalized guidance to businesses on energy efficiency solutions, helping them navigate available incentives.
- Website Link: https://sdren.org/small-business-energy-coach/

Market Access Program (known as Business Energy Upgrade)

- Employs a performance-based incentive model, encouraging energy aggregators to achieve peak-demand reductions.
- Website Link: https://sdren.org/business-energy-upgrade/

Single-Family (known as Home Energy Savings)

- Assists owners and renters with energy education, energy efficiency starter kits, direct installations, and stacked rebates provided by a concierge-style service designed to cut single-family renter or owner energy costs.
- Website Link: https://sdren.org/home-energy-savings/

Early Implementation

The goal of this stage is to deliver program services and refine program operations based on initial implementation experience. The following programs are currently in this stage:

Codes and Standards (known as Energy Code Coach)

- 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.
- Website Link: https://sdren.org/energy-code-coach/

Energy Pathways (known as Spark Your Education)

- Introduces high school students to energy careers, offering no-cost career technical education, mentorship, and direct ties to local employers.
- Website link: https://sdren.org/spark-your-education/

Workforce Training and Capacity Building (known as Spark Your Career)

- Focuses on strengthening workforce skills in electrification, renewable integration, and energy efficiency, benefiting both new entrants and incumbent workers.
- Website Link: https://sdren.org/spark-your-career/

Climate Resilience Leadership (known as Public Sector Energy Upgrade)

- Helps public agencies obtain technical assistance, financing, and guidance to implement energy efficiency measures.
- Website Link: https://sdren.org/public-sector-energy-upgrade/

Tribal Engagement (known as Tribal Energy Upgrade)

- Provides culturally responsive outreach and technical support for 17 Tribal governments seeking improved energy infrastructure and sovereignty.

Efficient Refrigeration (known as Refresh Refrigeration)

- Delivers no-cost refrigeration upgrades to small grocers and food service businesses, boosting both energy savings and fresh food accessibility.
- Website Link: https://sdren.org/refresh-refrigeration/

Multifamily (known as Multifamily Energy Upgrade)

- Equips 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.
- Website Link: https://sdren.org/multifamily/

The following table shows a summary of program names:

Current Program Name	**Legacy Program Name (used in CPUC regulatory filings)**
Spark Your Education	Energy Pathways
Spark Your Career	Workforce Training and Capacity Building
Energy Code Coach	Codes and Standards
Public Sector Energy Upgrade	Climate Resilience Leadership
Tribal Energy Upgrade	Tribal Engagement
Multifamily Energy Upgrade	Multifamily
Home Energy Savings	Single Family
Refresh Refrigeration	Efficient Refrigeration
Small Business Energy Coach	Small- and Medium-Sized Business Energy Coach
Business Energy Upgrade	Market Access Program

SDREN programs are authorized and funded by the CPUC. Funds 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). Staff report program expenditures monthly to the CPUC and these amounts are publicly available on the California Energy Data and Reporting System (CEDARS) website at https://cedars.cpuc.ca.gov/monthly-reports/confirmed-dashboard/SDRN/.

SDREN Advisory Committee

The SDREN Advisory Committee plays a key role in providing advisement on program implementation activities (i.e., effective outreach and engagement strategies to connect with underserved and hard-to-reach communities across the region), serving as an advocate for SDREN (i.e., providing letters of support if/when necessary) and spreading awareness of program benefits through community and regional networks. Current committee members are listed below:

- Casa Familiar
- Center for Community Energy
- Clean Energy Alliance
- Climate Action Campaign
- International Brotherhood of Electrical Workers Local 569
- Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County
- Port of San Diego
- San Diego Association of Governments
- San Diego Building Electrification Coalition
- San Diego County Building Trades Unions
- San Diego Regional Chamber of Commerce
- San Diego Regional Climate Collaborative
- San Diego Urban Sustainability Coalition
- San Diego Workforce Partnership
- Solana Center for Environmental Innovation
- U.S. Green Building Council California

The SDREN Advisory Committee is scheduled to meet quarterly. To date, the Committee has held three meetings in 2026, with discussions focused on the following topics. The next meeting will be held in December 2026.

- April 13, 2026
    - SDREN background overview of history, context and programs
    - Advisory Committee overview, including the Committee Charter, member expectations, and 2026 meeting schedule
- June 18, 2026
    - Program success metrics discussion
    - SDREN Workforce Education and Training (WE&T) program overviews
- September 22, 2026
    - San Diego Heat Risk Explorer presentation
    - SDREN Public and Residential Sector program overviews

- SDG&E Energy Efficiency Program Administration Withdrawal Application

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 6

To:	Community Advisory Committee
From:	Gordon Samuel, Chief Commercial Officer
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Power Services
Date:	December 3, 2026

Recommendation

Receive and file update on Power Services.

Background

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

Analysis and Discussion

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 a 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 2028 via

CPUC D.23-02-040, where the CPUC additionally ordered procurement of long lead time resources by 2028, with the potential for extension through 2031. D.25-06-019 again ordered annual procurement of new resources from 2029-2032, with a quarter coming from long lead time resources.

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 submissions from solicitations as well as bilateral opportunities that staff recommend for shortlisting. Assuming that staff and shortlisted developers can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, staff then review draft terms with Community Power Board of Directors 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.

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, as most recently demonstrated via the execution of two PPAs for operational wind projects, 25 MW from SunZia Wind and 50 MW from Kumeyaay Wind in San Diego County. Staff will also increasingly prioritize local distributed generation (DG) projects as described below.

Staff issued two solicitations in July 2026. The All-Source RFO is for all renewable and storage projects sized 10 MW and greater. Staff evaluated offers and are going through the shortlisting process. Pursuant to the RFO schedule, any PPAs negotiated are anticipated to be finalized by Q2 2027. The second is a solicitation pursuant to the California Independent System Operator's (CAISO) commercial interest assessment for Cluster 16 interconnection studies ("Cluster 16 RFI"). Staff completed exclusivity agreement negotiations with developers for ten projects for which Community Power allocated CAISO commercial interest points ("CIPs"). These CIPs are utilized by CAISO to prioritize which projects will be studied in Cluster 16.

<u>Local Development</u>

In addition to eight long-term contracts for local utility-scale projects procured for Community Power's portfolio, through its rolling Local RFI and Local Distributed Generation RFO, staff secured seventeen Board-approved contracts for local DG renewable and storage facilities and continues to vet and evaluate proposed projects to the Local RFI. Of those fifteen DG contracts, ten remain in effect. 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: Community Power hosted an informational webinar for its Third Request for Offers ("RFO #3") on September 9, 2026, to provide prospective developers and stakeholders with an overview of the solicitation requirements and submission process. Following the webinar, staff made the webinar recording and presentation materials available to prospective bidders via Granicus and Community Power's dedicated Solar Advantage webpage.

The solicitation question period closed on September 16, 2026, and the final Q&A was posted to Community Power's Solicitations webpage on September 23, 2026. RFO #3 remains open through October 30, 2026, at 5:00 p.m. Pacific Time ("PT").

Next Steps:

Status: Community Power's Third Request for Offers ("RFO #3") closed on October 30, 2026, at 5:00 p.m. Pacific Time ("PT"). Prior to the solicitation deadline, Community Power hosted an informational webinar, made the webinar recording and presentation materials available through Granicus and the Solar Advantage webpage, and posted the final solicitation Q&A on September 23, 2026. Staff are reviewing the responses received and conducting follow-up with bidders, as necessary.

Next Steps: Staff will continue the review and bidder follow-up process through November 25, 2026. Short-list selection notifications are anticipated for Q1 2027, followed by evaluations and negotiations with shortlisted bidders and Community Power Board consideration of awards by Q2 2027.

Short-Term RPS Procurement

Community Power staff continue to actively manage its environmental position and closely monitor the market for opportunities to optimize the renewable and carbon-free portfolios. Community Power has been evaluating solicitations, bilateral offers, and products that meet needs for multiple portfolios – thereby creating greater value for its customers. Recent prices for online renewable energy have allowed staff to transact in the short-term to replace forecasted short falls with lower priced renewable and carbon-free energy. Further, this allows Community Power to continue to prioritize environmental targets while also ensuring value for our customers.

Market Update

Energy markets performed well through fluctuating weather and system demand conditions this summer. California's power grid successfully met its highest electricity demand in four years without requiring emergency reliability measures. On September 9, 2026, the extreme heat drove CAISO system demand to 50.3 GW at 5:54pm, approximately 3% below the record 52.1 GW reached during the September 2022 heatwave, when all emergency measures were dispatched to meet demand. Community Power's peak-hour wholesale electric demand was approximately 2,456 MW, occurring October 5th between 5-6pm (HE 18). Overall, this year's summer heat events demonstrate the CAISO grid's ability to maintain reliable operations under high-load conditions and highlights the continued importance of flexible storage resources as solar production declines during the evening hours.

Due to resource availability in the broader Western Interconnection, lingering supply chain impacts and interconnection queue impacts on development of new-build energy resources, and tariffs and duties affecting imported equipment, the market for renewable energy and resource adequacy (RA) continues to be uncertain. Staff continue to work 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.

California's electric market achieved a milestone on May 1, 2026, as the CAISO launched the Extended Day-Ahead Market (EDAM), where Western utilities can join to coordinate utility-scale energy resource scheduling in the day-ahead timeframe for the first time. The increased West-wide coordination strengthens reliability and lowers costs by expanding regional coordination into the day-ahead timeframe, when most electricity deliveries are planned and scheduled, to leverage the West's diverse energy resource mix and connected transmission system and to better prepare the system to meet real-time demand. Larger scale energy resource planning allows for more optimized resource commitments and transmission usage across major supply and load centers. Wider electric coordination reduces solar curtailments and reduces price volatility. Additionally, the new Day-Ahead Market Enhancements introduced a new energy product, "Imbalance Reserves", which pays dispatchable resources, like batteries, to be ready for dispatch for fluctuating renewable production or changes in demand.

Forward energy prices remain relatively steady as markets continue to monitor seasonal weather and natural gas supply closely. Lingering summer heat and the expected decline in solar power production have kept energy market prices steady, rather than declining, into Q4 2026. Markets remain sensitive to extreme weather events and unexpected supply shortages. At the same time, the increasing penetration of utility-scale storage resources connected to the grid is influencing daily load patterns and pushing down peak prices.

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 seventeen people strong, with Community Power's new Load Forecasting Manager joining this month.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 7

To:	Community Advisory Committee
From:	Laura Fernandez, Senior Director of Regulatory and Legislative Affairs
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Regulatory and Legislative Affairs
Date:	December 3, 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

Power Charge Indifference Adjustment (PCIA)

Track 3: Data Access Meet and Confer

On November 13, 2026, Community Power's trade association, the California Community Choice Association (CalCCA), filed a Joint Report documenting the results of the four meet and confer sessions with the Joint investor-owned utilities (IOU) and other participating parties regarding data access. During the Meet and Confer, the parties narrowed the remaining disagreements to three substantive disputes—one involving a CalCCA request and two involving Joint IOU requests—which will be presented for California Public Utilities Commission (CPUC) resolution in the Joint Report. CalCCA secured agreement on the production of the vast majority of the data it requested and negotiated the scope of the IOUs'

requests to CCAs. Initial data production will begin by November 30, 2026. This newly agreed upon data access will allow Community Power's consultants, operating under a non-disclosure agreement, to better analyze the IOU's Power Charge Indifference Adjustment (PCIA) portfolios to inform proposal development for reforming the PCIA in Track 3b of the CPUC's rulemaking.

San Diego Gas & Electric (SDG&E) Energy Resource Recovery Account (ERRA) proceedings

Energy Resource Recovery Account (ERRA) proceedings are used to determine IOU's fuel and purchased power costs which can be recovered in rates. The annual forecast proceeding is to review the forecasted costs that SDG&E will incur to procure energy resources in the coming year. Based on these forecasts, the CPUC approves rates that allow utilities to recover costs from customers. An annual ERRA compliance proceeding reviews SDG&E's compliance in the preceding year regarding energy resource contract administration, least-cost dispatch, fuel procurement, and the ERRA balancing account.

2023 ERRA Compliance Case

On November 19, 2026, the CPUC issued a Final Decision authorizing SDG&E to recover the net total of $3,022,040 in costs recorded to its Green Tariff and Shared Renewables (GTSR) balancing account from former GTSR customers, denying SDG&E's request to recover the net total of $1,592,844 recorded to its GTSR memorandum accounts, and closing the proceeding.

The Decision addresses the unresolved issue on whether the CPUC should allow SDG&E to recover its under collected GTSR costs. SDG&E's request was to recover stranded GTSR costs from all distribution customers (i.e., CCA and non-CCA) via the Public Purpose Program (PPP) charge. The CPUC agreed with the arguments put forth by Community Power and Clean Energy Alliance (CEA) that the indifference mandate means that former GTSR participants and SDG&E's shareholders are the only entities to whom statute permits SDG&E to assign the stranded GTSR costs.

2027 ERRA Forecast Case

On November 10, 2026, the CPUC issued a Proposed Decision approving SDG&E's 2027 ERRA Forecast establishing new rates effective January 1, 2027. The Proposed Decision adopts SDG&E's updated 2027 revenue requirement forecast of $1,440.71 million which is $560.6 million higher than its currently effective revenue requirement of $880.1 million. The increase is largely attributed to higher above-market costs for PCIA-eligible resources and a decrease in renewable energy credit (REC) sales revenues. The CPUC rejected several arguments Community Power and the CEA made in legal briefs, such as the reasonableness of SDG&E's Resource Adequacy (RA) sales and quantities.

A typical unbundled non-California Alternate Rates for Energy (CARE) residential customer using 400 kWh can expect to see a monthly bill increase of approximately $27 or a 22.1 percent increase (from $123 to $150) while a typical unbundled residential CARE customer using 400 kWh can expect to see a monthly bill increase of around $18 or 28.4 percent (from $64 to $82).

Under the accelerated comment schedule, opening comments on the Proposed Decision are due November 17 and reply comments are due November 23, and may be heard, at the earliest, at the December 3 CPUC meeting.

SDG&E's Palomar Decarbonization Demonstration Project Application

On November 12, 2026, Community Power and Clean Energy Alliance (CEA) filed Opening Briefs on SDG&E's Application for Approval of Palomar Decarbonization Demonstration Project and associated cost recovery. For additional background information, see the February 2026 staff report to the Board of Directors on page 314.

In Opening Briefs, Community Power and CEA argued that:

- The CPUC should reject SDG&E's Application. SDG&E has not met its burden to demonstrate that the Project's costs are reasonable relative to its claimed benefits or to adequately substantiate its environmental and research value.
- If the CPUC approves the Project, it should assign the Project's incremental revenue requirement to PCIA vintage 2027. The Project constitutes a major upgrade undertaken on behalf of SDG&E and its bundled customers, rather than unbundled customers. Assigning the Project to vintage 2027 would align cost responsibility with the anticipated year of CPUC approval and would properly preserve departed customer indifference.

Several other parties also argue that SDG&E's Application should be rejected, and Reply Briefs are due December 3, 2026.

2028-2031 Energy Efficiency (EE) Business Plan Application (BPA) Proceeding

This proceeding will determine EE portfolio administrators' (including the San Diego Regional Energy Network; SDREN) budget for program years 2028-2031, and strategic business plans for 2028-2035. The proposed decision on budgets and programs is expected in Q2 2027.

September 30, 2026, Supplemental Testimony

On September 30, 2026, Community Power on behalf of SDREN filed supplemental testimony (Attachment A) updating its 2028–2035 energy efficiency business plan in response to CPUC direction. All Program Administrators, including SDREN, filed updated

calculations based on Commission corrections to their tools. This resulted in increasing estimated SDREN portfolio benefits by 3.5%, from $94.8 million to $98.2 million, without changing the proposed budget. SDREN also noted that future clean-equipment standards are still under development and that incentives may remain necessary to help underserved and hard-to-reach customers transition to cleaner technologies.

November 13, 2026, Opening Testimony

On November 13, 2026, parties filed opening testimony addressing Commission questions on proposed energy efficiency programs and budgets, equity segment funding and eligibility, and broader policy issues for the 2028–2031 funding cycle.

- Community Power, on behalf of SDREN, opening testimony (Attachment B)
    - Specifically justifies its budget for equity segment programs.
    - Proposes to streamline program eligibility rules for equity customers.
    - Advocates for allowance of incentives to help customers transition from unregulated fuels, such as propane, to regulated fuels, with an emphasis on electricity and tailored support for hard-to-electrify communities.
    - Supports program principles that help customers avoid panel upgrades and other costly infrastructure upgrades associated with increased electrical load.
    - Supports continued funding for integrated demand-side management.
- Public Advocates Office (PAO) and SDG&E
    - Both parties filed separately, but raised similar arguments: PAO recommends eliminating funding for SDREN's Market Access Program (MAP), Codes & Standards (C&S), Multifamily, Single-Family, and Efficient Refrigeration programs, based on concerns including overlap, performance, cost effectiveness, and ratepayer value.
    - SDG&E separately recommends eliminating SDREN's MAP and C&S/Energy Code Coach programs because it believes they duplicate existing SDG&E offerings.
- PG&E and The Utility Reform Network (TURN)
    - Both parties filed separately but elevated similar themes related to long-term REN funding: PG&E and TURN raise broader concerns about the growth of REN and Equity funding and call for stronger oversight and accountability.
    - While these proposals do not immediately call for elimination of SDREN programs, they could lead to greater limits or scrutiny of REN funding in future years.

- Next steps
    - Rebuttal testimony is due December 15, 2026. Community Power, on behalf of SDREN, plans to counter PAO and SDG&E's recommendations by further demonstrating the need for its MAP, C&S, Multifamily, Single-Family, and

Efficient Refrigeration programs. It also intends to advocate for protection of long-term REN funding in addition to responding to other policy issues.

SDG&E's Application to Withdraw from Regional Energy Efficiency Administration

On October 8, 2026, the CPUC adopted a favorable final decision denying San Diego Gas & Electric Company (SDG&E)'s request to withdraw from administration of its regional energy efficiency (EE) portfolio. This means that San Diegans will retain access to SDG&E's regional energy efficiency programs for the foreseeable future and current levels of regional investment in EE programs will be sustained. This proceeding is now closed.

Decision highlights:

- Denies SDG&E's request to exit administration of its regional EE portfolio and requires SDG&E to continue administering both regional EE programs.
- Finds that while the CPUC has authority to allow an IOU to withdraw from EE administration, SDG&E did not demonstrate that customers, the grid, or affordability objectives would be adequately protected if it exited the role.
- Concludes that SDG&E's portfolio remains viable, citing improving performance, achievement of cost-effectiveness requirements in 2025, and opportunities to improve results through portfolio rebalancing rather than portfolio elimination.
- Finds that reducing access to EE programs would undermine California's affordability, energy savings, and equity objectives, particularly amid rising customer energy bills.
- Rejects the SDG&E/Public Advocates settlement, finding it inconsistent with the record and not in the public interest.
- Indicates if SDG&E wishes to pursue withdrawal in the future, it needs to coordinate with other administrators in the region (e.g., SDREN) on transition planning.

SDG&E's Demand Flex Rate Application

On November 9, 2026, SDG&E, the Public Advocates Office (Public Advocates), the Utility Consumers' Action Network (UCAN), and the California Community Choice Association (CalCCA) served rebuttal testimony in SDG&E's Demand Flexibility Rate Application (A.26-02-001). Community Power and Clean Energy Alliance (CEA) did not file rebuttal and are relying on their opening testimony. SDG&E rejected the CCAs' core recommendations. It argued that real-time meter data is not needed for demand flexibility rates, and that data-access parity falls outside the scope of the proceeding. It also maintained that approximately $11.3 million in implementation costs should be recovered from all customers, including CCA customers.

Public Advocates recommended rejecting the application. If a rate is adopted, however, it supported SDG&E's cost recovery approach and opposed the CCAs' data access requests. UCAN and CalCCA largely supported the CCAs. UCAN found that the proposal offers no

meaningful path for CCA customers, and CalCCA argued that charging all customers would unlawfully shift costs to CCA customers.

The assigned Administrative Law Judge will hold a status conference on November 20 to decide whether evidentiary hearings are needed. A proposed decision is expected in the second quarter of 2027.

Rulemaking to Consider Distributed Energy Resource Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards

On November 13, 2026, the CPUC issued a Proposed Decision (PD) in its DER rulemaking (R.22-11-013) that would update the rules for accessing customer energy data. Most significant for Community Power, the PD would require SDG&E to deliver raw customer interval data to CCAs every day. Each delivery would cover at least 98 percent of a CCA's accounts within 48 hours after each day of usage, tightening to 24 hours within one year. The PD would also make aggregated energy usage data available to Tribal governments and the public, and keep existing customer privacy protections in place while staff studies new aggregation standards. It also calls for further study of a statewide data access platform. Comments on the PD are due December 3, and reply comments are due December 8. The PD may be voted out, at the earliest, at the Commission's December 17 meeting.

B) State Legislative Activities Update

The 2027-28 Legislature will convene on December 7. Overall, 27 of the 120 legislators will be newly elected. Democrats in the Senate and Assembly will hold even stronger majorities; the Assembly will be comprised of 68 Democrats and 12 Republicans, and the Senate will be comprised of 32 Democrats and 8 Republicans. Governor-elect Xavier Becerra will be sworn in on January 4, 2027.

Community Power Bill Positions

- None

State Budget Update

- None

Informational and Oversight Hearing Update

The Assembly Committee on Utilities & Energy held three oversight hearings in October related to utility wildfire safety and liability. Community Power monitored but did not participate in the hearings. The titles of the three hearings were:

- California's Utility Wildfire Safety Regime
- The Tipping Point: Historic Growth, Generational Investment, and Utility Investability

- Joint Oversight Hearing on Subrogation

C) Federal Activities Update

U.S. Senate Considers Bipartisan Permitting Reform

The Bipartisan American Affordability and Jobs Act of 2026 (BAAJA) is federal legislation aimed at speeding up permitting for energy and infrastructure projects. Community Power has not taken a position on the bill and is continuing to review it. Key provisions of the bill include:

- **Permit certainty:** Would limit a federal agency's ability to revoke, suspend, or change an issued permit for various energy projects, including solar and storage, with exceptions such as court orders, fraud, or urgent safety and security concerns. It would also create a pathway for project applicants to allege that an application is being treated with disparate treatment and to seek legal remedies.
- **Transmission permitting and planning:** Would expand the Federal Energy Regulatory Commission's role in permitting major interstate transmission lines and would establish consistent regional and interregional transmission planning processes.
- **Cost allocation and large loads (data centers):** Would require transmission costs to be assigned to those who benefit, add cost-recovery protections for large data-center customers, and let states opt to use an "open season" to allocate electric service offerings to data centers.
- **Distributed energy resources:** Would create new standards for wholesale-market access for aggregated behind-the-meter resources, such as rooftop solar and batteries.
- **Environmental review:** Would make changes to the National Environmental Policy Act, Clean Water Act, Endangered Species Act, and historic-preservation reviews, including categorical exclusions, revised timelines, and limits on judicial review. These changes would apply to a variety of project types, including clean energy and fossil fuel projects.

On November 19, 2026, the Senate voted 62-33 to pass the bill. The Senate is using H.R. 2347, a House-passed bill, as the legislative vehicle for BAAJA. The bill must now pass the House of Representatives before it can become law. The White House has indicated they have a favorable position on the bill. Proponents of the legislation hope to pass it into law during the current lame duck session of Congress, before the new Congress is sworn in on January 3.

Fiscal Impact

N/A

Attachments

A: San Diego Community Power, on behalf of SDREN, Supplemental Testimony on 2028-2035 Energy Efficiency Business Plan Applications (September 30, 2026)
B: San Diego Community Power, on behalf of SDREN, Opening Testimony on 2028-2035 Energy Efficiency Business Plan Applications (November 13, 2026)

ITEM 7
ATTACHMENT A

Proceeding: A.26-03-009 et al.
Exhibit No.: SDREN – 04
Date: September 30, 2026
Witness(es): Santulli, Colin
Cervantes-Cissna, Aisha
Tran, Sheena

SAN DIEGO REGIONAL ENERGY NETWORK

EXHIBIT 4

2028-2031 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN

SUPPLEMENTAL TESTIMONY

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Introduction and Purpose

On September 2, 2026, the California Public Utilities Commission (Commission) issued a Ruling directing all applicants as part of the consolidated 2028-2031 Portfolio Plan and 2028-2035 Business Plan Application (BPA) proceeding to "to submit amended total system benefit and cost-effectiveness values using corrected Avoided Cost Calculator/Cost Effectiveness Test tool inputs; and any non-substantive corrections to program names, values, segments, or other information included in their business plan applications."[1] That Ruling also directed all applicants to address two additional questions through a supplemental testimony filing.[2] Subsequently, the Commission's Energy Division Staff provided applicants with additional guidance as to the form and content of those filings. Pursuant to the September 2, 2026, Ruling and that guidance, this testimony provides details on updates to the San Diego Regional Energy Network's (SDREN) Application and testimony and provides a response to one of the questions posed in the Ruling.

Updates to Application and Testimony

The following tables set forth the portfolio-level impacts to SDREN's Application using the corrected Avoided Cost Calculator (ACC)/Cost Effectiveness Test (CET) tool inputs. Specifically, Tables 1-1 and 1-2 provide a summary of budget and Total System Benefit (TSB) impacts and a summary of cost-effectiveness impacts, respectively. Table 1-3 details the locations of changes made within each of the three original exhibits supporting SDREN's Application.

[1] Application (A.) 26-03-009 et al., *Administrative Law Judge's Ruling Directing Submission of Corrections and Supplemental Information from all Business Plan Applicants*, p. 2 (Sept. 2, 2026). Note that on September 9, 2026, the Commission granted an extension of time to comply with this Ruling.
[2] *Id*.

Portfolio-Level Impacts Summary

Table 1-1 : Summary of Budget and TSB Impacts

Segment	Original Budget	Revised Budget	Budget % Change	Original TSB	Revised TSB Forecast	TSB % Change
2028-2031 Portfolio						
Resource Acquisition	$25,087,075	$25,087,075	0.00%	$15,577,356	$16,589,512	6.50%
Market Support	$56,758,804	$56,758,804	0.00%	$13,640,490	$13,837,199	1.44%
Equity	$76,558,017	$76,558,017	0.00%	$13,128,115	$13,522,495	3.00%
EM&V	$6,568,855	$6,568,855	0.00%	$0	$0	0.00%
Total Portfolio Excluding C&S	**$164,972,751**	**$164,972,751**	**0.00%**	**$42,345,962**	**43,949,206**	**3.79%**
Codes & Standards (C&S)	$10,065,734	$10,065,734	0.00%	$0	$0	0.00%
Total Portfolio Including C&S	**$175,038,485**	**$175,038,485**	**0.00%**	**$42,345,962**	**43,949,206**	**3.79%**
2032-2035 Portfolio						
Resource Acquisition	$29,839,437	$29,839,437	0.00%	$17,844,187	$18,831,130	5.53%
Market Support	$64,474,651	$64,474,651	0.00%	$17,643,191	$17,925,479	1.60%
Equity	$86,763,912	$86,763,912	0.00%	$16,995,863	$17,459,171	2.73%
EM&V	$7,393,304	$7,393,304	0.00%	$0	$0	0.00%
Total Portfolio Excluding C&S	**$188,471,305**	**$188,471,305**	**0.00%**	**$52,483,242**	**$54,215,781**	**3.30%**
Codes & Standards (C&S)	$11,329,072	$11,329,072	0.00%	$0	$0	0.00%
Total Portfolio Including C&S	**$199,800,377**	**$199,800,377**	**0.00%**	**$52,483,242**	**$54,215,781**	**3.30%**

2028-2035 Total						
Resource Acquisition	$54,926,512	$54,926,512	0.00%	$33,421,543	$35,420,642	5.98%
Market Support	$121,233,455	$121,233,45	0.00%	$31,283,682	$31,762,678	1.53%
Equity	$163,321,929	$163,321,929	0.00%	$30,123,979	$30,981,666	2.85%
EM&V	$13,962,160	$13,962,160	0.00%	$0	$0	$0
Total Portfolio Excluding C&S	**$353,444,056**	**$353,444,056**	**0.00%**	**$94,829,203**	**$98,164,986**	**3.52%**
Codes & Standards (C&S)	$21,394,806	$21,394,806	0.00%	$0	$0	$0
Total Portfolio Including C&S	**$374,838,862**	**$374,838,862**	**0.00%**	**$94,829,203**	**$98,164,986**	**3.52%**

Note: 2032-2035 portfolio forecasts did not include CET calculations and the high-level methodology used was not revised based on the small impact to 2028-2031.

Table 1-2 : Summary of Cost Effectiveness Impacts

Segment	Original TRC	Revised TRC	TRC % Change	PAC % Change	RIM % Change	SCT-Base % Change	SCT-High % Change
2028-2031 Portfolio							
Resource Acquisition	0.53	0.56	6.5%	6.5%	6.5%	-6.7%	-7.5%
Market Support	0.30	0.30	1.9%	1.9%	1.0%	0.3%	0.1%
Equity	0.21	0.21	2.2%	2.2%	1.3%	0.3%	0.2%
EM&V	0.00	0.00	0%	0%	0%	0%	0%
Total Portfolio Excluding C&S	**0.28**	**0.29**	**3.4%**	**3.4%**	**2.2%**	**-1.7%**	**-2.0%**
Codes & Standards (C&S)	0.00	0.00	0	0	0.00	0	0
Total Portfolio Including C&S	**0.27**	**0.28**	**3.4%**	**3.4%**	**2.2%**	**-1.7%**	**-2.1%**

Note: 2032-2035 portfolio forecasts did not include CET calculations and did not have a cost-effectiveness showing.

Summary of Testimony Update Locations

Table 1-3 : Summary of Testimony Update Locations

Document *(Testimony or Excel)*	Exhibit	Chapter	Page/Sheet (Clean Version)	Table, Figure, or Line Number	Summary of Change
Testimony	1	2	43	Table 2.4, line 2	Updated forecast summaries for all metrics
Testimony	1	2	105	Line 13	Updated TSB target for MAP program
Testimony	1	5	124	Line 1	Removed superfluous external website link
Testimony	2	Program Cards	4, 9, 13, 20, 51, 57	Tables 1-4, 9-10	Updated TSB
Testimony	2	Program Cards	4, 14, 20	Tables 1,3,4	Updated TRC
Testimony	2	Program Cards	4, 10, 14, 20, 51, 57	Table 1-4, 9,10	Added PAC
Testimony	3	N/A	2 through 9	N/A	CEDARs Filing Receipt
Excel BPA Workbook	N/A	N/A	Budget Filing Data, 4.1 Program Budget 2028-2031, 4.2 Sector Seg Budget 2032-2035, 4.3 TSB and C&S Targets, 10 Indicators & Metrics, 11 Program Card.	See Page/Sheet column	All fields impacted by CET change, e.g. TSB, TRC, RIM, PAC, CO2e, Electric Benefits, Water-Energy Benefits

Response to ALJ Questions

Question One of the September 2, 2026 Ruling asks:[3]

> **Does your business plan application consider the impact of the California Air Resource Board's (CARB) potential new rules on Clean Space and Water Heater Standards, or other regional standards? If not, how would your business plan application need to be adjusted if CARB's current proposal is adopted, effective in 2030?**

SDREN's Business Plan Application did not consider the impact of CARB's potential new rules or other regional standards. SDREN primarily did not consider these rules or standards because they are still in development and subject to change. The San Diego County Air Pollution Control District (District) has targeted zero-emission appliances for future rule development but is not as far along in the formal adoption or enforcement process as the Bay Area Air Quality Management District (AQMD) or South Coast AQMD. Currently, the District has officially reserved placeholders for two upcoming rules: zero-emission central furnaces and zero-emission residential water heaters. These are designated as "TBD." Similar to the CARB rules, SDREN did not account for them in its BPA because it would be premature given the lack of certainty around what these rules would look like in the future.

CARB's standards may adopt a phased approach, in which case it is difficult to determine how SDREN may need to adjust its business plan if the proposal is adopted. Furthermore, and especially with the possibility of a phased approach, market transformation resulting from these new rules may not occur within the current or even next BPA cycle.

Additionally, SDREN does not have any gas combustion measures as part of its portfolio and foresees that any rule changes would mostly impact portfolio administrators with portfolios that have gas combustion measures. Even so, SDREN's focus is on providing energy efficiency and electrification services to underserved and hard-to-reach (HTR) customers. Many of these customers will likely require similar offerings to what SDREN provides in the future for several

[3] *Id*.

possible reasons: assuming rules require 100% of sales to meet zero-greenhouse gas (GHG) emission targets in 2030,[4] this does not automatically mean that customers will purchase these appliances. Underserved and HTR customers, and others, may favor using current appliances to the end of their useful life due to up-front costs of early replacement. Further, underserved and HTR customers will likely still require incentives offered in SDREN's portfolio to purchase zero emission appliances given up-front costs. Finally, absent continued incentive availability, some customers may elect to purchase used GHG-emitting appliances that remain available despite restrictions on the sale of new equipment. Accordingly, sustained incentive offerings may play an important role in accelerating adoption of zero-emission technologies and reducing reliance on older, less efficient alternatives.

This concludes SDREN’s supplemental testimony.

[4] This assumption is based on slides 28-38 of the March 12, 2026, Full California Energy Efficiency Coordinating Committee Quarterly Meeting #49 Slide Deck. Those slides are accessible at: https://www.caeecc.org/_files/ugd/849f65_a431e9f0f31b49ad92ed84b660d82c95.pdf.

Proceeding:	A.26-03-009 et al.
Exhibit No.:	SDREN – 01
Date:	September 30, 2026
Witness(es):	Santulli, Colin Cervantes-Cissna, Aisha Tran, Sheena

SAN DIEGO REGIONAL ENERGY NETWORK

EXHIBIT 1

2028-2031 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN

TESTIMONY

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Chapter 1: Executive Summary

The San Diego Regional Energy Network (SDREN) is a driving force for communities to adopt clean, reliable energy through community-driven solutions that contribute to local and state energy efficiency and climate goals. It plays a critical role in supporting communities, particularly those who are underserved and hard-to-reach (HTR),[1] to achieve zero-carbon emissions in the San Diego region by 2050.

The intent of this application, in alignment with SDREN's vision for the region, is to deliver a cohesive, community-informed regional portfolio that reduces energy burdens, accelerates decarbonization, and expands access and energy program participation among HTR and underserved ratepayers. This intent was shaped through extensive feedback from regional agencies, community-based organizations (CBOs), local governments (LGs), contractor groups, existing regional energy networks (RENs), and San Diego Gas & Electric Company (SDG&E).

Throughout the development of the portfolio, San Diego Community Power (Community Power) consulted with stakeholders in over 60 meetings with calls for feedback across eight public meetings. This engagement shaped program scope, equity priorities, delivery strategies, and the need for concierge-style services, in-language materials, and simplified navigation across energy efficiency (EE), electrification, and financing resources.

SDREN's portfolio goals are to advance decarbonization, provide comprehensive EE services that improve outcomes for underserved and HTR communities, and accelerate the clean energy economy through workforce opportunities. All support attainment of California's ambitious 2030 and 2045 climate goals and ensure an equitable transition to a carbon-free San Diego region by 2050.

[1] *Application of PG&E for Approval of 2024–2031 Energy Efficiency Bus. Plan*, CPUC Decision 23-06-055 (June 29, 2023).

SDREN's portfolio administration is led by San Diego Community Power and the County of San Diego. Community Power, the lead Portfolio Administrator (PA), leads fiscal, regulatory, procurement and program management. The SDREN Advisory Committee, composed of CBOs, local business representatives, non-profit organizations and regional governments, advises on and recommends program improvements. An SDREN programs operation team composed of Community Power employees and third-party implementers oversee day-to-day program operations and administration.

San Diego has a strong history of collaboration and engagement in EE programs. SDREN joins a group of local, regional and state agencies that have jurisdiction over climate change activities in the region, as well as CBOs, labor, business groups and other organizations that support climate, energy and equity efforts. SDREN's proposed portfolio builds on the comprehensive regional sustainability and decarbonization planning in the region. It fills gaps and complements the programs provided by the region's serving utility, SDG&E.

Portfolio Summary

SDREN's portfolio application includes ten programs tailored to address the unique challenges of each segment and sector:

- Segments: Resource Acquisition, Market Support, Equity and Codes & Standards (C&S)
- Sectors: Commercial, Cross-cutting (Workforce, Education & Training and C&S), Public and Residential

SDREN is requesting $175,038,485 over the four-year period from 2028 to 2031. This funding enables SDREN to achieve its stated goals and outcomes, and connect communities with available resources, which will accelerate decarbonization strategies in the region. All SDREN programs target HTR and underserved communities, which comprise approximately 46% of the region's population. SDREN is directing 44% of its portfolio to equity programs,

while market support programs comprise 32%, resource acquisition 14%, C&S 6%, and evaluation, measurement, and verification (EM&V) 4%.

The SDREN portfolio includes the same programs authorized in the previous Portfolio Application (D.24-08-003), which are being implemented at the time of this application. SDREN recognizes that the SDG&E off-cycle Business Plan filed in April 2025, if authorized, would significantly impact the EE program landscape in the San Diego region. This application is currently under review by the California Public Utilities Commission (CPUC) with an anticipated decision in August 2026. SDREN will continue to coordinate closely with SDG&E under their existing portfolio and will file an off-cycle Business Plan if deemed necessary following the CPUC decision on SDG&E's request to discontinue regional EE program administration.

SDREN's portfolio includes two equity segment Residential sector programs serving single-family and multifamily participants. Two equity segment programs serve the Commercial sector, targeting small and medium businesses, along with one resource acquisition program serving HTR and underserved commercial customers. SDREN offers one market support program within the Public sector supporting public agencies, and one equity segment Public sector program supporting Tribal communities. SDREN's two market support Workforce, Education & Training (WE&T) programs target high school students and adults, supporting high road clean energy career pathways and skill development. A C&S program assists public agency permitting authorities with compliance and policy support. All of SDREN's programs support and complement the services of SDG&E and are designed to avoid duplication and customer confusion.

Collectively, SDREN's portfolio-level strategies align with state and regional priorities to advance equity, affordability, decarbonization, workforce development and reliability through reductions in peak period usage. Guided by the CPUC's Environmental and Social Justice Action Plan (ESJAP), SDREN embeds equity principles across program design, implementation and governance, ensuring meaningful community involvement and programs that expand access and deliver increased benefits to underserved and HTR

communities. The portfolio is structured to support affordability by reducing customer energy burdens, streamlining access to services, leveraging non-ratepayer funding (e.g., state grants and local community choice aggregator (CCA) programs), and minimizing administrative overhead. Programs are designed to deliver measurable energy efficiency benefits using meter-based savings where appropriate and to optimize total systems benefit (TSB) and other benefits.

To address persistent barriers faced by equity customers,[2] SDREN's offerings promote and deploy exempt measures that result in gas savings but do not burn gas, provide concierge-style customer support, multilingual outreach, and hands-on technical assistance and financial navigation—approaches informed by community-based engagement. Integrated demand side management (IDSM) services are delivered through education, technical support, and demand control-ready technology installations to reduce bills, enhance grid reliability, and support deeper decarbonization and resilience. Decarbonization is further promoted through targeted assistance and incentives that help customers transition from fossil gas equipment to healthier, more efficient electric technologies.

Workforce development is woven throughout the portfolio to expand training and credentialing opportunities and build the skilled local labor force needed for high-quality energy efficiency and decarbonization projects. SDREN also advances statewide priorities for responsible refrigerant management and adoption of low global warming potential (low-GWP) technologies by providing customer education and supporting contractor practices aligned with Senate Bill (SB) 1013 and emerging standards.

SDREN's services improve customers' ability to identify and pursue energy upgrades tailored to their needs. Through SDREN, ratepayers will have expanded and streamlined access to

[2] "Equity customers" align with "equity target participants" terminology as defined in *CAEECC Equity and Market Support Working Group Final Report, attached to Joint Portfolio Administrator Tier 2 Advice Letter to Comply with Ordering Paragraph 11 of Decision 23-06-055* (filed May 1, 2024). Equity target participants are defined as a program participant that meets CPUC-adopted criteria for being hard-to-reach, located in a disadvantaged community, or underserved. See *Decision 23-06-055* at Ordering Paragraph 11.

technical and financial assistance. SDREN's concierge-style services, collaboration with trusted community partners, in-language outreach, expanded customer education and support stacking multiple resources ensure that ratepayers have easier access to information and clearer navigation across programs, reducing confusion and increasing participation, particularly for underserved and HTR communities. Together, these integrated strategies position SDREN to overcome sector and segment-specific challenges and deliver equitable and long-lasting benefits to San Diego County ratepayers.

Regulatory Context

The SDREN portfolio is designed in alignment with California's evolving regulatory landscape, including legislative mandates, CPUC requirements, and statewide equity and decarbonization objectives. A detailed legislative and policy alignment table identifying applicable statutes, Executive Orders, CPUC decisions, and regulatory directives is provided in Attachment B: SDREN Alignment with California's Legislation, Policies, and Objectives.

Through alignment with statewide decarbonization mandates, equity objectives, affordability goals and evolving standards, SDREN's 2028-2035 portfolio delivers a comprehensive pathway to reduce energy burdens, accelerate building decarbonization and support a climate-resilient future for all communities in San Diego County.

CPUC Requirements and Portfolio Compliance

SDREN's Business Plan Application complies with all CPUC requirements for RENs, including the directives in D.16-08-019 that RENs must fill service gaps, complement investor-owned utility (IOU) offerings, and prioritize underserved and HTR customers. The portfolio adheres to Business Plan standards adopted in D.21-05-031, including use of CPUC-defined segments (equity, market support, C&S, and resource acquisition), TSB goals, and incorporation of common metrics, market support and equity indicators, and unique value

metrics (UVMs). SDREN's program design, IDSM integration, tracking systems and evaluation approach are structured to meet CPUC reporting, forecasting, and performance management requirements, ensuring the portfolio delivers measurable, ratepayer-beneficial outcomes consistent with CPUC policy objectives.

Chapter 2: Portfolio Summary

About SDREN

Climate change's impact on San Diego is becoming clearer every day. The San Diego region urgently needs to accelerate the transition to clean energy, as failure to do so will have steep costs for the natural world and for our community's health and livelihoods. To ensure that San Diego's most vulnerable are not left behind in the region's efforts to decarbonize, we need to make collaborative and purposeful investments.

Figure 2.1 SDREN's Vision



SDREN's vision is to be a driving force for communities to adopt clean, reliable energy through community-driven solutions that contribute to local and state energy efficiency and climate goals.

SDREN aspires to be a leader supporting the 18 incorporated cities, 47 school districts, 18 recognized Tribal communities, and unincorporated communities across the San Diego region. In keeping with its core values, SDREN will make collaborative and purposeful

investments in the region's underserved and HTR communities[3] to contribute to an equitable transition to a clean energy economy.

Approval of the SDREN's 2028-2031 Portfolio Application and 2028-2035 Business Plan will bolster the CPUC's intended outcomes for RENs to fill gaps and complement IOU services. SDREN is committed to delivering programs that make inroads into communities to reduce GHG emissions, improve reliability through demand reduction and load flexibility, achieve equity, drive market transformation, and provide value to ratepayers.

Core Values

SDREN's energy efficiency portfolio is guided by three core values:

Figure 2.2 SDREN's Core Values



Guiding Principles

SDREN's portfolio of services is informed by its core values and framed by the following three principles:

[3] *Decision 23-06-055*.

- **Advance Environmental Equity**. Through its proposed portfolio of services, SDREN is committed to representing hard-to-reach[4] and underserved communities[5] and advancing environmental equity. SDREN fills a significant gap as there is no other central organization in the San Diego region that focuses on the energy needs and challenges of these populations, who are more vulnerable to the effects of climate change and are more likely to be left behind in the transition to a clean energy future.
- **Catalyze Collaboration**. A collaborative approach provides powerful leverage and access to clean energy solutions. As a regional energy leader and trusted partner, SDREN plays a crucial role in cultivating strong regional partnerships and robust stakeholder coordination. SDREN focuses on marshaling resources, providing access to financing, building local capacity, and supporting integrated and comprehensive strategies. SDREN leverages resources for energy programs, filling gaps to ensure resources are used efficiently, and integrating and stacking funding sources, where possible, for maximum benefit to local communities.
- **Support Community-Driven Change**. Community-driven change is key to the successful adoption of practices and policies that support the transformation to a clean energy economy. SDREN's approach to program design and delivery engages communities at the early stages of planning to ensure that services reflect local needs and priorities.

[4] *Decision 23-06-055*, at Conclusion of Law 33.
[5] *Decision 23-06-055,* at Conclusion of Law 31. "Underserved communities". SDREN also includes rural communities as underserved, defined by census tracts classified by the US Department of Agriculture Economic Research Services' Rural-Urban Commuting Area (RUCA).

Goals

SDREN's portfolio complies with CPUC requirements and rulings and addresses the CPUC's goals for RENs to deliver programs and activities that fill gaps and complement IOU offerings.[6] SDREN has set the following overarching three goals for its portfolio:

- **Advance Decarbonization**. Beyond reducing energy use and GHG emissions, decarbonization, including shifting energy use to off-peak times, ushers in a host of benefits, making communities and economies more resilient. Decarbonization lowers energy costs, increases access to clean energy, ensures safer and healthier homes and communities, reduces environmental burdens, and expands economic opportunity and high-quality jobs.
- **Provide Comprehensive Energy Efficiency Services That Improve Outcomes for HTR and Underserved Communities.** SDREN's portfolio of services is centered around minimizing barriers to participation in its programs and the clean energy transition for underserved and HTR communities.
- **Accelerate the Clean Energy Economy Through Workforce Opportunities.** As a regional leader, SDREN mobilizes and leverages resources to support the local workforce, create energy-related jobs, and build skills that benefit local communities. SDREN's goal is to support a high road[7] approach to grow the regional clean energy economy and create new opportunities for the local workforce, with a focus on HTR and underserved communities. SDREN's workforce education & training (WE&T) investments help build the skilled labor pipeline to reduce project costs for participants and complete the volume of high-quality energy efficiency and

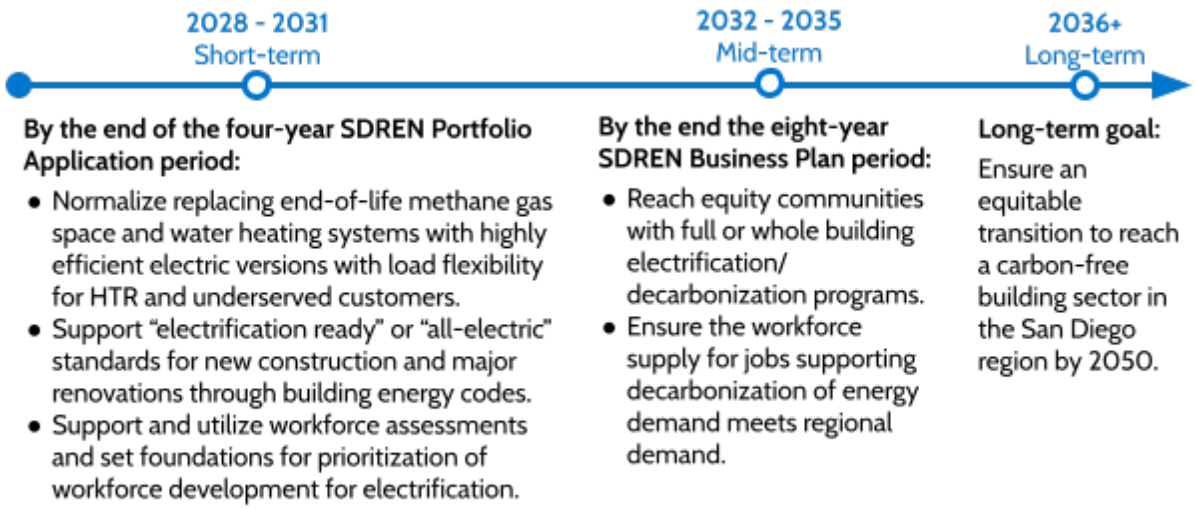
[6] *Application of PG&E for Approval of 2013-2014 Energy Efficiency Programs and Budget (U39M),* CPUC Decision 12-11-015 (July 12, 2012). Reasserted in *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation*, CPUC Decision 19-12-021 (December 12, 2019).

[7] An approach that integrates intentional policies and investments that center employee benefits and needs.

decarbonization projects required to meet San Diego's clean energy and climate goals.

These goals are intended to align with the Regional Decarbonization Framework (described further in the Regional Planning and Collaboration Framework section below) and were informed by the CPUC Environmental Social and Justice Action Plan (ESJAP).[8] They can be further broken out into the following timeframes: short-term, mid-term and long-term.

Figure 2.3 SDREN's Goals by Year

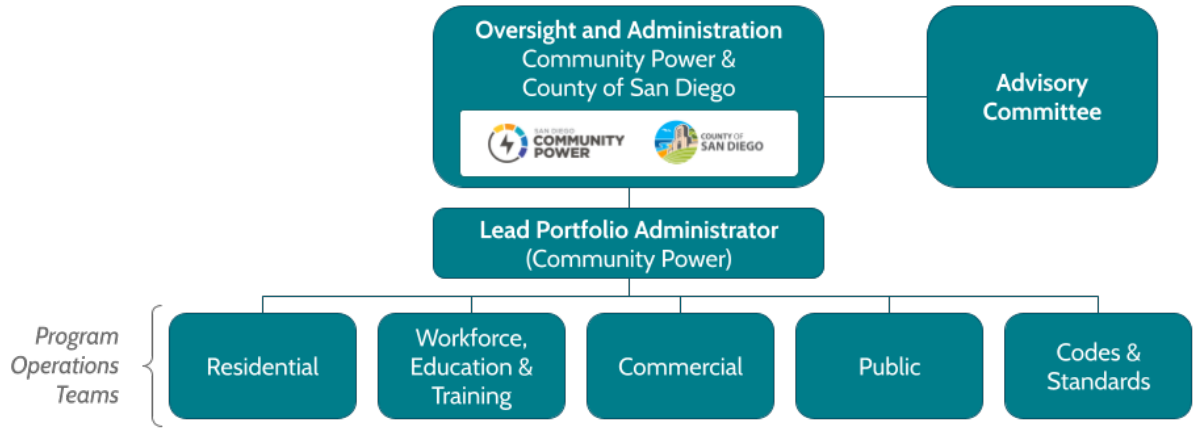


Governance Structure

Led by San Diego Community Power and the County of San Diego, SDREN's strong and collaborative governance structure leverages the region's capacity and experience. The region has a strong history of collaboration and engagement in energy efficiency programs. The following chart depicts the SDREN governance model.

[8] *Environmental and Social Justice Action Plan*, CPUC, https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan (last visited Feb. 11, 2026).

Figure 2.4 SDREN Governance Model



The **oversight and administration** team of Community Power and the County of San Diego provides portfolio-level vision and strategy, enacts program changes during the portfolio cycle and oversees future Business Plan development. Important decisions will be made using a consensus process. The goal is to reach a consensus on any significant portfolio-wide issues. However, if a consensus is not achieved in a timely fashion, a mediator will be used to make a final decision as a last resort. Community Power and the County of San Diego will proactively identify potential non-consensus issues early and work with impacted parties constructively.

San Diego Community Power (Community Power) is a community choice aggregator (CCA) formed via a joint powers authority (JPA) by San Diego, Encinitas, La Mesa, Chula Vista, Imperial Beach, National City and the County of San Diego.[9] As a not-for-profit public entity, Community Power is focused on bringing cleaner power at competitive rates to its customers and investing excess revenue in the communities it serves.

Community Power provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region. Community Power aspires to be a global leader, inspiring innovative solutions to climate change by powering communities

[9] The SDG&E and Community Power service area do not serve the Ocotillo Wells community or any of the service area within the Imperial Irrigation District.

with 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs. Community Power is a values-led, mission-driven organization grounded in Justice/Equity/Diversity/Inclusion (JEDI), impact, integrity, innovation, servant leadership, and togetherness.

Community Power's mission is to bring 100% renewable power to its customers by 2035 or sooner. Community Power offers a 100% renewable product called Power100 which has helped many Community Power customers reach their respective environmental, social, and governance or GHG reduction goals. Community Power has also adopted a goal to deliver 150 megawatts (MW) of local capacity from distributed energy resources (DERs) and its virtual power plant by 2035, including expansion of its Solar Battery Savings program which provides incentives to customers to shift load and dispatch batteries to the grid at peak times to support local grid reliability.

In December of 2019, per the CPUC Resolution E-4907, the Cities of San Diego, Imperial Beach, Encinitas, La Mesa and Chula Vista, who had previously taken action to form a JPA, submitted to the CPUC an Implementation Plan and Statement of Intent for authority to provide service as a CCA to eligible customers within the geographical boundaries of their service territory. Once approved by the CPUC, Community Power was eligible to begin enrollment of eligible accounts in 2021.

In March of 2021, Community Power launched its service and began enrolling customers through a multi-phased effort starting with municipal customer accounts (phase 1). Commercial and industrial accounts were enrolled in June 2021 (phase 2), and residential accounts from February through May of 2021 (phase 3). In December 2021, Community Power amended its JPA to expand its membership to include National City and the County of San Diego and submitted an Implementation Plan to enroll eligible accounts of the new member agencies beginning in 2022. The enrollment of accounts located in the unincorporated communities of the County and National City commenced on April 1st, 2023 (phase 4).

Community Power is deeply committed to collaborating, leveraging regional resources, and championing community needs to implement a comprehensive and adaptive portfolio. Throughout its growth, Community Power has demonstrated responsible fiscal management, and its structure provides regular public consultation with various public committees (see Figure 2.4).

Figure 2.5 Community Power Community Leadership



As a not-for-profit public agency, Community Power is committed to developing a suite of customer energy programs that respond to community needs, with a focus on Communities of Concern.[10] Community Power has engaged these communities in the development of the Community Power Plan to support future development of programs (both described in more detail below). Community Power's current customer program initiatives include:

- Residential Solar and Storage program (also known as Solar Battery Savings program).
- Community Clean Energy Innovation Grant program.

[10] Defined as the top 25% scoring areas from CalEnviroScreen, known as Disadvantaged Communities (DACs), as well as the additional census tracts identified by the cities of San Diego and Chula Vista through their Climate Equity Index (CEI) reports.

- Disadvantaged Communities Green Tariff (also known as Solar Advantage program).
- Managed EV Charging Pilot (also known as EV Flex Connect Pilot project).
- Smart Home Flex pilot.
- Efficient Refrigeration pilot.
- California Energy Commission Equitable Building Decarbonization Direct Install program.
- Net energy metering and net billing tariff.

County of San Diego. The County of San Diego is a leader in sustainability. In pursuit of its vision for "a just, sustainable, and resilient future for all," the County has undertaken ambitious sustainability and decarbonization efforts. One example is the creation of the Office of Sustainability and Environmental Justice (OSEJ), established in 2021, which strives to reduce disparities and expand opportunities in traditionally underserved communities as it works to achieve zero carbon emissions and safeguard the health of the region's people and natural resources. The Regional Decarbonization Framework (RDF) is the primary lens for OSEJ's work, which is the County's holistic approach to guide the region's decarbonization efforts. The RDF promotes public and private interests working together to move the entire San Diego region toward zero carbon emissions in transportation, buildings, energy, food systems and land use by mid-century (described further below). To lead by example, OSEJ works with over 40 County departments and offices to implement sustainability commitments to reduce the County's carbon footprint in programs and operations. The County's sustainability vision is to support all communities in the region by efficiently using and protecting its natural resources, balancing economic growth, and ensuring just and equitable provision of public services, without compromising the ability of future generations to also flourish and thrive. More information about the County's sustainable energy work is described in the next section, Regional Planning and Collaboration Framework.

The **Lead PA**, Community Power, leads fiscal, regulatory, procurement and program management.

SDREN highly values receiving input on program design and implementation directly from the communities who will benefit from its programs. The SDREN **Advisory Committee**, which includes local governments, regional governments, and community-based organizations, ensures a continuous feedback loop with San Diego communities. The Committee advises on outreach and enrollment and recommends program improvements.

The Oversight and Administration Team established SDREN's governance structure, including the inaugural Advisory Committee, to position the organization for expeditious delivery of programs, benefits, and services to communities. The inaugural Committee was formed during the development of SDREN's initial Business Plan. The inaugural members represented entities with a regional or multi-jurisdictional footprint for comprehensive regional representation leading into SDREN's launch. Members included: Clean Energy Alliance, Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc., San Diego Regional Climate Collaborative, San Diego Association of Governments (SANDAG), Climate Action Campaign, San Diego Green Building Council, the Port of San Diego, San Diego Building Trades, and San Diego Regional Chamber of Commerce.

The Advisory Committee collaborated with the Oversight and Administration Team to develop a comprehensive governance framework, including the structure of the expanded committee, the establishment of technical ad-hoc subcommittees, conflict-of-interest protocols, and key participation parameters such as terms, meeting frequency, and transparency measures. Members agreed that the committee should serve as an active advisory body—providing strategic guidance on program design, outreach, and evaluation in support of regional decarbonization, affordability, and workforce goals.

These decisions guided the development of the **SDREN Advisory Committee Charter**, which was adopted following CPUC approval of SDREN's 2024–2031 Business Plan. The Charter establishes the committee's structure, governance, and operating principles, including:

- Quarterly hybrid meetings;
- A two-year, agreement-based participation model with defined attendance expectations;
- A sector-balanced membership of up to 19 organizations representing governments, nonprofits, and community-based entities, each designating a primary and alternate member; and
- Formation of limited-term technical subcommittees focused on topics such as residential energy efficiency, workforce training, and codes and standards.

To ensure transparency and accountability, the Charter also requires publicly posted quarterly summaries, open annual meetings, and compliance with Community Power's Conflict of Interest and Ethical Conduct Policy.

As outlined in the Charter, the Advisory Committee's scope of work includes:

- Offering guidance on SDREN's program implementation activities, including outreach and engagement strategies to connect with HTR and underserved communities;
- Advocating for SDREN by sharing information about program benefits and providing letters of support when needed; and
- Supporting ad hoc activities as identified by the Oversight and Administration Team.

SDREN is now implementing this framework and expanding the Advisory Committee to its full composition of up to 19 members. Selection will occur through an application process designed to ensure diverse representation of HTR and underserved communities across San Diego County. The first meeting of the expanded committee is anticipated in Q1-Q2 2026.

Together, these actions demonstrate SDREN's commitment to building a transparent, inclusive, and community-driven governance model that will strengthen program delivery and ensure the region's transition to clean energy is equitable, effective, and locally-informed.

The **SDREN Program Operations Teams**, primarily composed of SDREN staff and third-party implementers, oversee day-to-day program operations and administration.

Additionally, SDG&E will act as the fiscal agent. SDG&E's role as a fiscal agent for SDREN, as a REN operating within SDG&E's territory, will be limited to collecting and disbursing funds under the direction of the CPUC and does not include any compliance or monitoring functions or obligations.[11]

Regional Planning and Collaboration Framework

Comprehensive regional sustainability and decarbonization planning provides a solid foundation for SDREN's future success. Several local, regional, and state agencies have jurisdiction over climate change activities in the San Diego region. Regional public agencies include SANDAG, San Diego County Air Pollution Control District, Community Power, Clean Energy Alliance (CEA), San Diego County, 18 local governments, 47 school districts, and 18 federally-recognized Tribal communities.

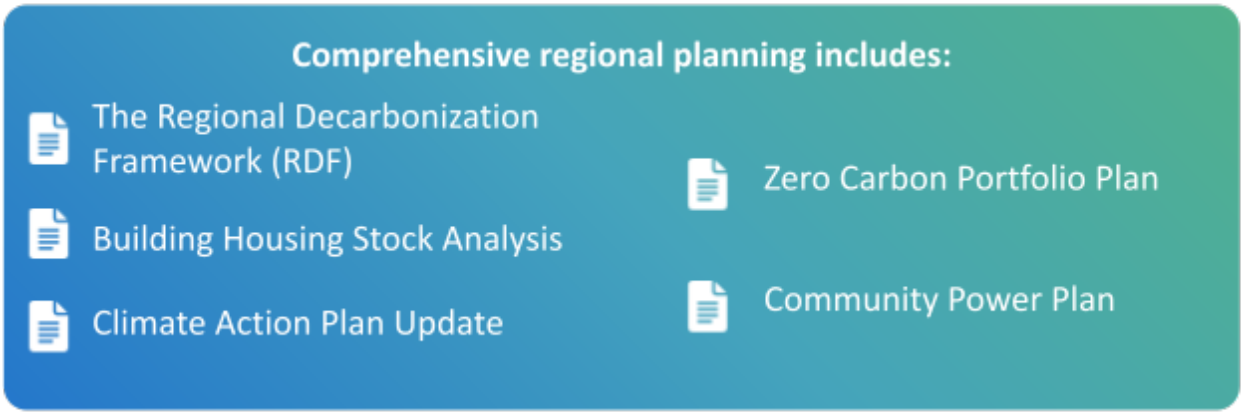
Local government partnerships that formed in 2009 and were discontinued in 2020 not only expanded regional energy efficiency capacity but established an effective collaborative network among participating agencies. In 2023, the San Diego Regional Climate Collaborative (SDRCC) launched its Energy Resilience Working Group, which consists of community and local government organizations committed to contributing to local, regional, and statewide decarbonization efforts. In addition, several cities in San Diego County have signed the U.S. Mayors Climate Protection Agreement, while others have joined the California Climate Action Registry. Most of the 18 cities in the region now have a Climate Action Plan (CAP). The University of San Diego Energy Policy Initiatives Center (EPIC) conducted a first-of-its-kind analysis for the San Diego region in comprehensively assessing the impact of adopted CAPs. The study found that individual communities completing the activities outlined in their CAPs will not be enough to reach aggressive decarbonization goals. However, regional initiatives that span jurisdictional boundaries can tackle the region's

[11] *Decision 23-06-055*, at Conclusion of Law 13.

climate issues together.[12] By leveraging a regional approach, SDREN is able to support agencies in strengthening their approaches and adopting more coordinated and holistic activities than initially outlined in their individual CAPs to reach San Diego's aggressive decarbonization goals.

EPIC's analysis found that most adopted CAPs do not include building electrification strategies, concluding that local CAPs will have limited impact on BE. The report also highlighted that CAPs are only plans, and the measures included may not represent what is implemented over time. Therefore, regional initiatives like SDREN's that span across jurisdictions are imperative to decarbonize buildings, reduce GHG emissions, and tackle local climate issues.

Figure 2.6 Comprehensive Regional Planning



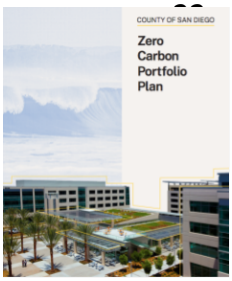
Regional Decarbonization Framework. The Regional Decarbonization Framework (RDF) is OSEJ's primary lens for climate action. Components of the RDF were published from 2021 to 2023, and the RDF technical documents are founded on science-based research and communities' voiced priorities. The RDF identifies community-driven partnerships, programs, and policies to support decarbonization and promotes public and private interests

[12] Gordon C. McCord et al., *San Diego Regional Decarbonization Framework Summary for Policy Makers,* SCHOOL OF GLOBAL POLICY & STRATEGY, UC SAN DIEGO, https://www.sandiegocounty.gov/content/dam/sdc/lueg/regional-decarb-frameworkfiles/RDF_Summary_for_Policy_Makers_FINAL_2022.pdf (last visited Feb. 11, 2026).

working together to move the entire San Diego region toward zero carbon emissions by midcentury.

The RDF highlights the deep decarbonization of San Diego's regional energy system, including the electric power, transportation, and building sectors, to align with State zero goals. The RDF technical documents—RDF Technical Report, Workforce Development Study, and Let's Get There Playbook—were published between 2021 and 2023 to help policymakers collaborate with community, industry, environmental interests, business, and labor groups as regional jurisdictions decarbonize. These collaborations are advanced through different efforts, including SDREN. As a key component of regional decarbonization needs, OSEJ supports climate action and environmental justice actions in support of the RDF that are co-created to align community, government, and private priorities.

County's Climate Action Plan Update. On September 11, 2024 the County Board of Supervisors adopted the updated 2024 Climate Action Plan, which includes measures that increase building energy efficiency, renewable energy, and electrification. Through its implementation, the County will reduce GHG emissions from activities within the unincorporated area and County operations to achieve a goal of net zero emissions by 2045. In addition to reducing GHG emissions, the CAP will provide important benefits to residents, the environment, and economy by advancing environmental and social justice through preserving the environment, reducing health disparities, increasing access to clean energy jobs, and improving quality of life.



Screenshot of Zero Carbon Portfolio Plan for facilities occupied by County of San Diego.

Zero Carbon Portfolio Plan. This plan applies to all facilities occupied by the County and presents a strategy and specific measures that will result in a reduction in operational carbon emissions of 90% by 2030, relative to its 2008 baseline. Additionally, all 40+ County of San Diego departments and offices have developed and operationalized sustainability plans to reduce carbon footprints from County operations and facilities.

Community Power Plan (CPP). Community Power's CPP[13] integrates community goals, needs, and priorities into a 5-year strategic plan for energy programs. The community needs assessment was a fundamental piece of the CPP. Between May and November 2022, Community Power heard from more than 3,450 community members through listening sessions, workshops, pop-up events in HTR communities, and a customer survey. This helped Community Power understand the challenges, needs, goals, and priorities that could be addressed through customer energy programs. Throughout the community engagement process, Community Power prioritized equity and Communities of Concern.

Community Power prioritized partnering with local community-based organizations that work directly with community members in Communities of Concern to co-host listening sessions to minimize obstacles for program participation. Community Power provided compensation to the CBOs and participants, considered accessibility for the broadest range of community characteristics, held a mix of virtual and in-person outreach events to capture feedback holistically, and developed in language, non-technical outreach materials and presentations.

The team identified nine key community priorities based on feedback from initial community engagement. The priorities were included in the survey and respondents were asked to rank which were most important to them. Residential and commercial respondents ranked their top five priorities in the following order (Table 2.1). This feedback was considered in the development of SDREN's program portfolio.

Table 2.1 Energy issues most important to Community Power residential and commercial respondents from the CPP community engagement process

Order	Residential Priorities	Commercial Priorities
1	Reducing my energy bill	Creating good, well-paying jobs in the energy sector
2	Addressing climate change by	Reducing my businesses' energy cost

[13] *Community Power Plan*, SAN DIEGO COMMUNITY POWER, https://sdcommunitypower.org/community-power-plan-cpp/ (last visited Feb. 11, 2026).

	reducing GHG emissions	
3	Getting rewarded to adjust when I use energy	Getting compensated for when my business uses energy
4	Creating good, well-paying jobs in the energy sector	Addressing climate change by reducing GHG emissions
5	Breathing cleaner air in my home	Breathing cleaner air in my building

Figure 2.7 Community Engagement Key Insights



Building and Housing Stock Analysis (BHSA). In October 2024, Community Power published a Building Housing Stock Analysis (BHSA)[14] which was subsequently expanded in 2026 to cover all of San Diego County and provide an assessment of building characteristics, vintage, typologies, and socioeconomic conditions that shape electrification and energy efficiency needs. The report also identifies buildings and areas with high retrofit potential as well as building and decision-maker groups that may require tailored outreach, education, or permitting and code compliance support to complete electrification and energy efficiency upgrades.

The expanded BHSA analysis identified over 840,000 buildings across SDREN territory, representing approximately 2.5 billion square feet of built space, with roughly 85% of buildings being residential in nature. Nearly half of all buildings (approximately 44%) were

[14] *San Diego Community Power Building & Housing Stock Analysis,* BUILDING ELECTRIFICATION INSTITUTE, https://sdcommunitypower.org/wp-content/uploads/2025/02/BEI-SDCP_BHSA_Oct2024-1.pdf (October 2024).

constructed prior to 1987—before California's first energy code—making them more likely to have outdated wiring, deferred maintenance issues, and insufficient electrical panel capacity to support building electrification and load flexibility upgrades.

The analysis also highlights significant equity considerations. Approximately 66% of buildings in the SDREN territory are located in low- or moderate-income census tracts, including roughly 18% located in very low-income census tracts, indicating that a substantial share of the region's building stock faces both structural and financial barriers to decarbonization. Older buildings serving these communities are more likely to experience compounding challenges related to health and safety, permitting complexity, and limited access to capital.

SDREN's portfolio of programs is intentionally designed to respond to these findings by prioritizing building types and communities with the greatest electrification barriers and highest energy burdens. Through coordinated technical assistance, direct installation, workforce support, and funding navigation, SDREN will help address infrastructure readiness, manage load growth, and improve long-term system reliability while ensuring that HTR and underserved communities are not left behind in the transition to a carbon-free building sector.

Service Territory and Service Territory-Related Factors

Service Territory

The SDREN service territory is home to 3.3 million people and includes the County of San Diego, 18 incorporated cities, 18 Tribal communities, 16 significant naval and military installations, 43 K-12 school districts, and 29 water agencies. Public agencies or districts own

over 60% of the land in the County.[15] The SDREN territory includes San Diego County, 70 miles of coastline, and shares an international border with Mexico. While the region's coastal corridor is highly urbanized, the county also includes rural and semi-rural communities in its southern and eastern areas. The territory is a microcosm of the state and includes farming and non-farming workforces, with over 100 languages spoken,[16] a large tourism economy accompanied by high cost of living, and the highest average residential electricity rates in California.[17]

*Figure 2.8 SDREN serves San Diego County, which is bordered by the Pacific Ocean, Orange County, Riverside County, Imperial County, and Mexico**



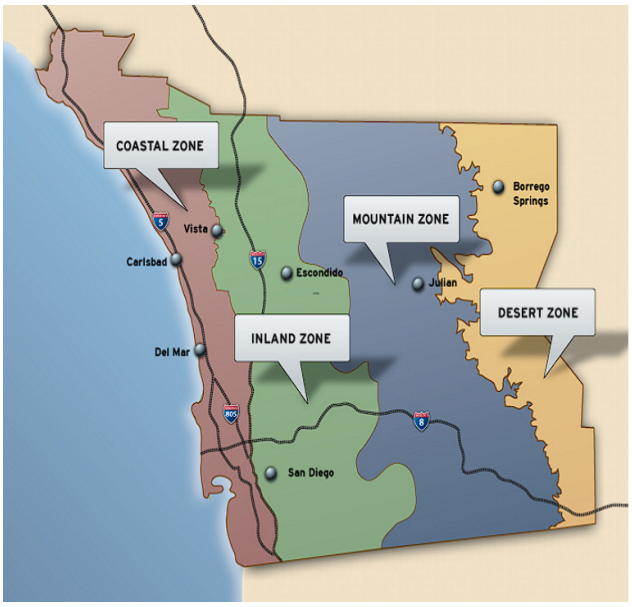
*SDREN's services to customers located in Imperial Irrigation District territory are limited.

[15] *San Diego Geographic Information Source (SanGIS)*, SANGIS.ORG, https://www.sangis.org (last visited Feb. 11, 2026).
[16] *Key Facts and Figures,* CITY OF SAN DIEGO, https://www.sandiego.gov/economic-development/sandiego/facts, (last visited Feb. 11, 2026).
[17] California Public Advocates Office, *2025 Q4 Electric Rates Report* (2025), https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/2025-q4-electric-rates-report.

Geography

San Diego County covers approximately 4,210 square miles, including 70 miles of coastline, bordered on the south by Mexico. The region is highly diverse in its geography and biology, situated in the rolling hills and mesas that rise from the Pacific shore to join with the Laguna Mountains to the east. San Diego Bay is one of the country's finest natural harbors, hosting tremendous biodiversity. The region covers a large area of vastly different terrain, from miles of ocean and bay shoreline, densely forested hills, and fertile valleys to mountains, canyons, and deserts.[18] This is reflected in the region's diverse range of climate zones: the coastal climate zone 7, inland climate zone 10, mountain climate zone 14 and desert climate zone 15.

Figure 2.9 Division of Climate Zones in SDG&E territory[19]



[18] *Regional Focus 2050 Study*, SAN DIEGO FOUNDATION (2008) https://cdip.ucsd.edu/themes/media/docs/publications/news_articles/Focus2050_whitepaper_final.pdf.

[19] *How Rates Are Set,* SDG&E, https://www.sdge.com/residential/pricing-plans/how-pricing-plans-work/how-rates-are-set (last visited Feb. 11, 2026) (providing image used in Figure 2.8).

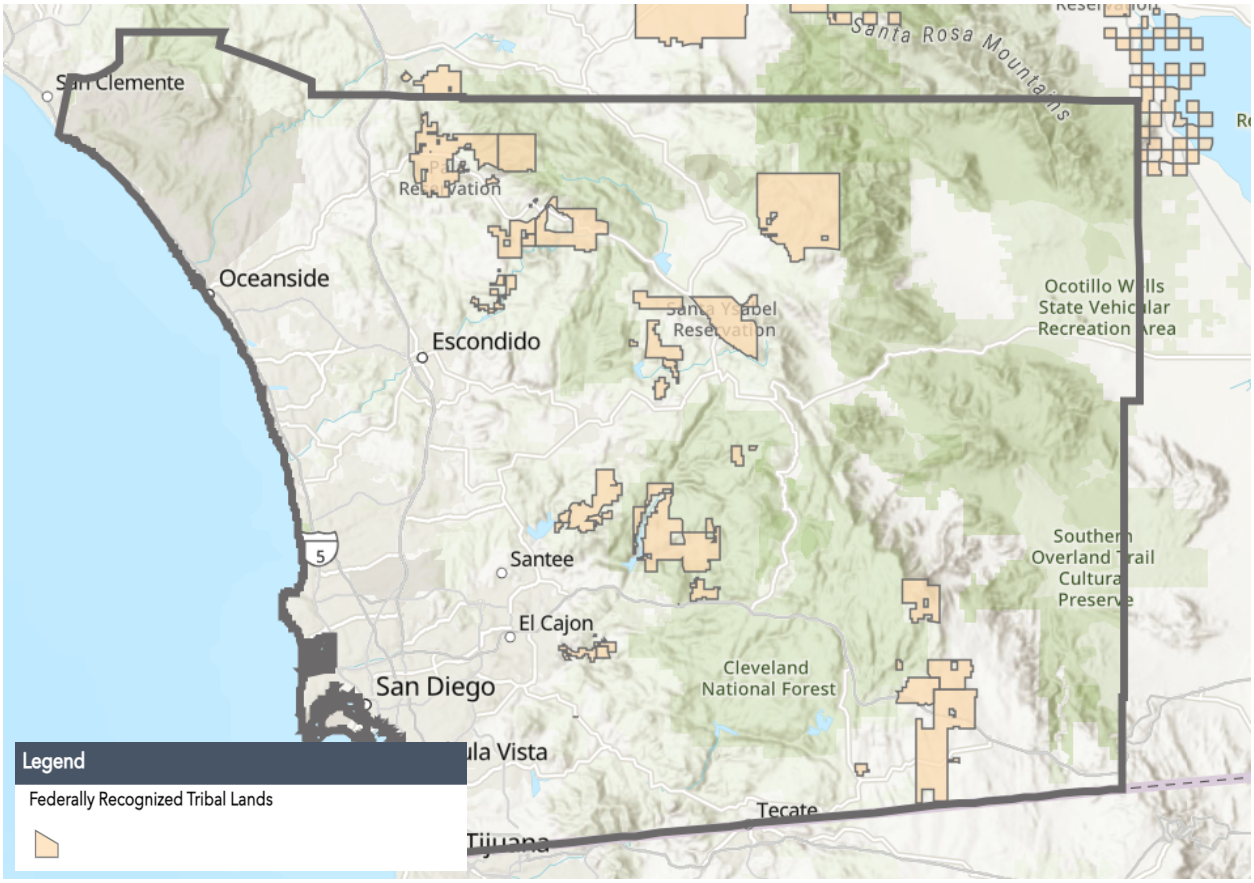
Tribal Community Context

The Kumeyaay, referred to as Diegueno by the Spanish, are the original inhabitants of San Diego County. The San Diego region is built on Kumeyaay and Luiseño land, with the unincorporated area of San Diego County being home to 18 federally recognized Tribal communities and several non-federally recognized Tribal communities, more than any other county in the United States.[20]

The County of San Diego and Community Power acknowledge the harmony that existed among the land, nature and its original peoples, who have since endured displacement, persecution, and systemic oppression. The County and Community Power pay respect to the unceded territory and homelands of the 18 federally recognized Tribal communities in our region, from four cultural groups, the Kumeyaay/Diegueño, the Luiseño, the Cupeño, and the Cahuilla. As climate change increasingly threatens the region, its peoples, and its cultural identities, the County and Community Power aspire to learn from Traditional Ecological Knowledge to create greater harmony with our natural environment and preserve the health of our planet. Through implementing its Tribal Engagement Program, SDREN will provide customized services to San Diego's Tribal communities to bolster their access to resources that support their commitment to environmental stewardship and energy resilience.

[20] *Indian Reservations in San Diego County,* UNIVERSITY OF SAN DIEGO, https://www.sandiego.edu/native-american/reservations.php (last visited Feb 11, 2026).

Figure 2.10 Federally Recognized Tribal Lands within San Diego County



Demographics

With a population of 3.3 million, San Diego County is the second most populous of California's 58 counties and the fifth largest county in the United States.

The San Diego region's population is not anticipated to grow significantly by 2050. Between 2022 and 2050, the population of the San Diego region is expected to increase by an estimated 113,000 people. However, San Diego's population is now expected to peak in 2040, and then decline by about 30,000 by 2050, according to the latest regional forecast by the SANDAG.[21] Forecasts indicate that while the population is expected to decrease after 2040, the region is still anticipated to add more jobs and housing.

[21] *Sustainable Communities Strategy,* SANDAG, https://www.sandag.org/regional-plan/sustainable-growth-and-development (last visited Feb. 11, 2026).

The region's population is aging. The senior and disabled populations are growing disproportionately compared to the rest of the population. By 2050, almost one-fourth of the region's residents will be 65 or older. However, the largest age demographic is currently age 25-64. A large portion of this age group is renters; SDREN will need to serve a population with marginal disposable income, especially in disadvantaged communities.[22]



The San Diego region is ethnically diverse and will be increasingly so by 2050. 46% of residents under 18 are Latino/a, and this population is expected to continue to grow at a rapid rate. Approximately 22% of the county's population are immigrants, including refugees who come from other countries, speak over 100 different languages, and have various needs as they assimilate into their new environment.[23]

[22] *Series 15 Forecast: What Will the Region Look Like in 2050?,* SANDAG, https://adlsdasadsprodpublicwest.z22.web.core.windows.net/datasurfer/infobits_series_15_forecast_what_will_the_region_look_like_in_2050.pdf (January 2025).
[23] *San Diego Economic Equity Report,* SAN DIEGO FOUNDATION, https://www.sdfoundation.org/wp-content/uploads/2023/10/San-Diego-Economic-Equity-Report.pdf (2023).

Table 2.2 Demographic Data for San Diego County[24]

Category	Regional Average Stats
Land Mass (sq mi)	4,210
Population	3,269,973
Population within HTR and underserved communities	1,504,366
Median household income	$103,674
Percent of residents in rental homes	47%
Unemployment rate	5%
Under 5	5.5%
Under 18	21%
Above 18	78.3%
65 or above	16%
Median age	37.6
Language other than English spoken at home	38.6%
Percentage of veterans	7%
Percentage in poverty[25]	10.1%

Climate Impacts



The San Diego region is a popular place to live, known for its lifestyle, beaches, and amenities. The region is uniquely vulnerable to the impacts of climate change, with significant implications for its future success absent urgent collective action.[26]

[24] *San Diego County, CA - Profile Data*, CENSUS REPORTER, https://censusreporter.org/profiles/05000US06073-san-diego-county-ca/ (2023) (last visited Feb. 11, 2026).
[25] Below the federal poverty line ($24,860 or less annually for a family of four), includes nearly 86,000 children.
[26] Julie Kalansky et al., *San Diego Region Report: California's Fourth Climate Change Assessment, UC SAN DIEGO*, Publication number: SUM-CCCA4-2018-009 (2018)

Data released by The National Oceanic and Atmospheric Administration (NOAA) confirms the predicted trend of the San Diego region growing increasingly warm and dry.[27] Climate simulations indicate that **heat waves** will increase in frequency, magnitude, and duration. Over the next half-century, the warming in the San Diego region will likely equal or exceed the warming experienced over the last 100 years. Summers will be hotter, particularly in the inland areas, and on average, San Diego's daytime temperature will be 1.5 to 4.5 degrees higher than today.[28] Analysis has shown a 10-degree increase in temperature leads to a 3% increase in deaths on any given day. Heat waves have claimed more lives in California in the past 15 years than any other disaster events. In San Diego, heat-related health impacts occur at a higher rate in the inland regions than near the coast, though coastal San Diegans are less likely to have air conditioning.[29]

Climate change will negatively impact the availability of both imported and local **water supplies,** while population and economic growth will drive up water demand. If current trends continue, by 2050 regional water demand is projected to increase 37 percent above recent levels. Regional water demands will continue to be met primarily by importing water, with imports from the Sacramento Delta and the Colorado River comprising about 80 percent of total supplies in 2050. Climate change threatens the reliability of both sources, however. Climate change could yield more instances of drought and reduce the chances that existing water sources will be able to meet projected demands. Despite plans for water conservation, desalinization, and recycling, demand for fresh water will outstrip supply by 2050, with growing potential for conflicts due to resource scarcity.[30]

Increased **air pollution** will take a toll on public health, particularly for the elderly, who will comprise almost one-fourth of the population by 2050. San Diego ozone levels, already

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https://www.energy.ca.gov/sites/default/files/2019-11/Reg_Report-SUM-CCCA4-2018-009_SanDiego_ADA.pdf (last visited Feb. 11, 2026).

[27] *U.S. Climate Normals 2020*, NOAA, https://www.ncei.noaa.gov/access/search/data-search/normals-annualseasonal-1991-2020 (last visited Feb. 11, 2026).

[28] *San Diego Foundation,* supra note 19.

[29] Kalansky et al., supra note 26.

[30] *Id.*

above federal standards, are in nonattainment, persistently exceeding the federally designated 8-hour ozone standard.[31]

Wildfires will become more frequent and more intense. San Diego County already has among the worst fire conditions in the country, and the situation is likely to worsen with climate change. San Diego has experienced some of the state's most devastating fires in the last two decades. Wildfire frequency has increased in direct proportion to population growth, portending a hazardous trajectory for the future. Different climate change models yield somewhat different predictions about the frequency, timing, and severity of future Santa Ana wind conditions, leading to uncertainty regarding how San Diego regional fire regimes may differ in the future due to climate change. A significant portion of SDREN's service area is included in the CPUC High Fire Threat District Map, particularly in inland areas, while most coastal communities fall outside of the designated zones.[32] Moreover, when considering the San Diego County communities outlined in the SB535 disadvantaged communities map and the CPUC's high fire threat map, the overlap between the two underscores the need for resilience and energy efficiency in the region.

The seasonal **precipitation** for San Diego is roughly 14.5 inches.[33] While total annual precipitation is projected to remain relatively stable, climate change is expected to significantly alter precipitation patterns across the region. Analysis indicates that while San Diego will retain its strong Mediterranean climate with relatively wetter winters and dry summers, the region is expected to experience increased precipitation variability, including heavier rainfall events and flooding, alongside more frequent and intense drought conditions.[34] These compounding risks underscore the importance of resilience planning that

[31] *Climate Action Plan*, CITY OF SAN DIEGO, https://www.sandiego.gov/sustainability-mobility/climate-action/cap (last visited Feb. 11, 2026).
[32] *PUC Fire Safety Rulemaking Background,* CPUC, https://www.cpuc.ca.gov/industries-and-topics/wildfires/fire-threat-maps-and-fire-safety-rulemaking (last visited Feb. 11, 2026).
[33] *Annual Averages (San Diego County, 1961-2005),* CAL-ADAPT, https://v2.cal-adapt.org/tools/annual-averages/ (last visited Feb. 11, 2026).
[34] Kalansky et al., supra note 26.

accounts for both water scarcity and extreme weather impacts on buildings, energy systems, and critical infrastructure.

Over the next five decades, **sea level rise** will increase substantially—from threefold to almost sixfold—over its historical rate. By 2050, sea levels will increase relative to the 2000 level by 12-18 inches. As sea levels rise, there will be an increased incidence of extreme high sea level events (which occur during high tides, often when accompanied by winter storms and sometimes exacerbated by El Niño occurrences). Low-lying coastal areas of San Diego are at risk due to the combination of waves, tides, regional wind and barometric effects, El Niño effects, and sea level rise. Sandy beach areas, wetlands, commercial, municipal, and residential properties will be lost or harmed, with implications for ecosystems, the economy, recreation, and public health.

Recent comments from the California Air Resources Board (CARB) in response to a proposed Department of Energy report, highlight that the recent defunding of programs and reversal of dozens of environmental policies will hinder efforts to curb the worst impacts of climate change.[35] Additionally, CARB notes that the elderly, children, people with pre-existing conditions, low-income households and communities of color are more vulnerable to extreme weather events because they lack access to heating and cooling resources in those extreme weather events. The recent defunding of federal programs includes funding cuts for the NOAA, whose mission is the "systematic study of the structure and behavior of the ocean, atmosphere and related ecosystems, integration of research and analysis; observations and monitoring; and environmental modeling".[36] For SDREN, cuts to NOAA mean less reliable data to leverage when forecasting, decreased insight into the changing

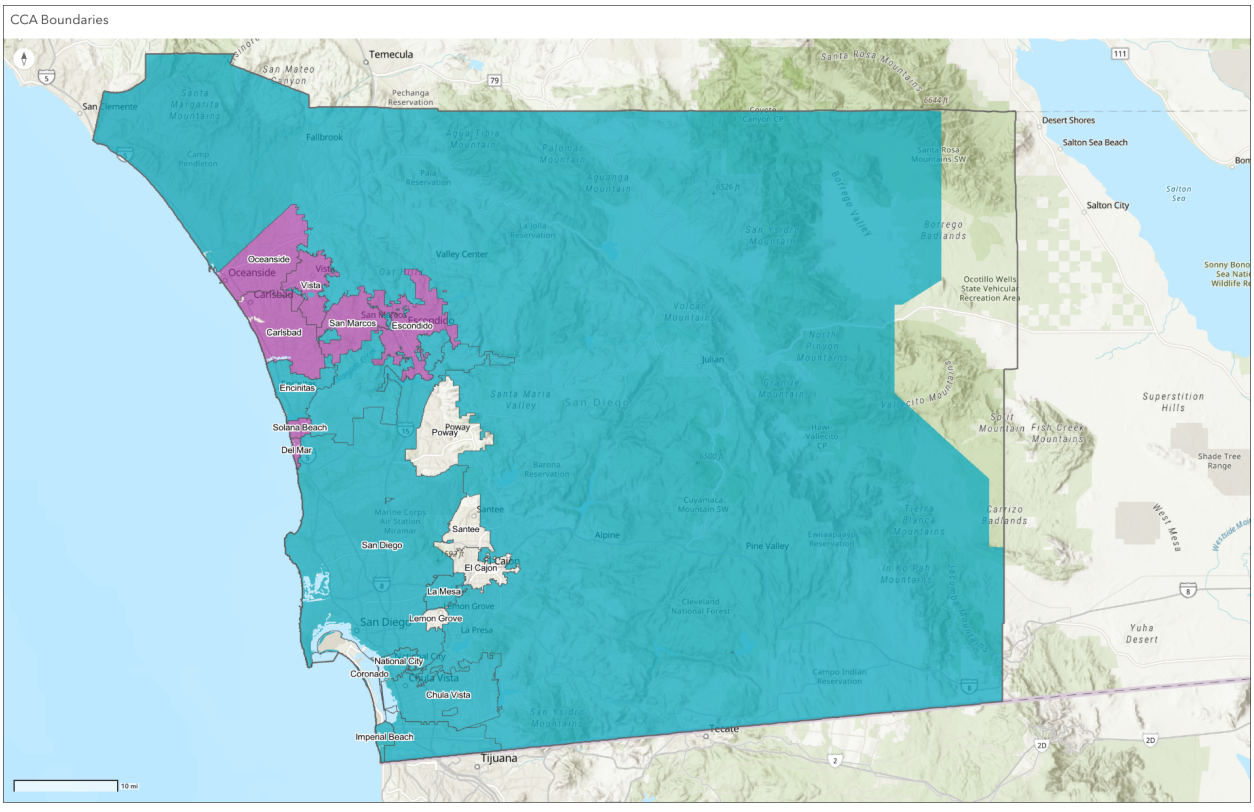
[35] *Comments of the California Air Resources Board Responding to the Proposed Department of Energy's Report Titled, "A Critical Review of Impacts of Greenhouse Gas Emissions on the U.S. Climate,"* CARB, Docket No. DOE-HQ-2025-0207 (Sept. 2, 2025), https://ww2.arb.ca.gov/sites/default/files/2025-09/CARB-Comments-to-DOE-9-2-25.pdf.
[36] *Our mission, values and vision*, NOAA, https://www.noaa.gov/our-mission-values-and-vision (last visited Feb. 11, 2026).

impacts the climate will have on the region, and reduced funding from the federal government to help address regional needs and concerns.

Regional Energy Profile

The region's energy, electricity and fossil gas service has historically been served by SDG&E. In 2019, two CCAs, Community Power and CEA, formed. CEA began offering services to the cities of Carlsbad, Del Mar, Solana Beach, Escondido, San Marcos, Oceanside, and Vista in 2021. CEA is a member of the SDREN Advisory Committee and has been an active participant in ongoing and standing collaboration discussions with Community Power and SDG&E on customer energy programs.

Figure 2.11 Map of Community Power and CEA Service Area[37]



[37] *Active CCA Providers*, SDG&E, https://www.sdge.com/customer-choice/community-choice-aggregation/active-ccas (last visited Feb. 11, 2026).



SDG&E has historically been the primary provider of energy programs in the region. Before SDREN was approved, SDG&E was the only IOU service territory without a REN, providing SDREN with the opportunity to bring additional resources to the region's communities.

IOUs have inherent constraints within their energy efficiency portfolio, including Total Resource Cost (TRC) requirements that limit the breadth of program offerings. SDREN's portfolio is designed to fill demonstrated gaps in the region's program participation. For example, historical claims filed by SDG&E in Climate Zone 7, which covers the coastal region of its territory and includes underserved communities, houses 69% of the population but only 49% of the claims. Market characterizations performed by Community Power and its partners reveal opportunities for SDREN to make significant programmatic contributions to the region.

In addition to existing programmatic gaps, the demand for electricity in San Diego County is projected to increase significantly by 2050, largely driven by increases in housing demands due to the region's aging population, greater frequency and severity of heat waves, and peak demand for cooling. Annual electricity consumption is expected to increase by more than 60% and peak loads by 70%. That will push the county's consumption from the current level of approximately 20,000 gigawatt hours (GWh) to more than 32,000 GWh in 2050. Climate change accounts for approximately 2 percent of the expected rise in electricity consumption by 2050, and up to 7 percent of the increase in peak demand.[38]

Climate change will also have an impact on system reliability unless adequate planning and investments are made and consumers modify their consumption patterns. Peak demand will increase due to higher frequency and severity of heat waves. Summertime, when demand is highest, is also the time when electric utility operating efficiency is lower and line losses

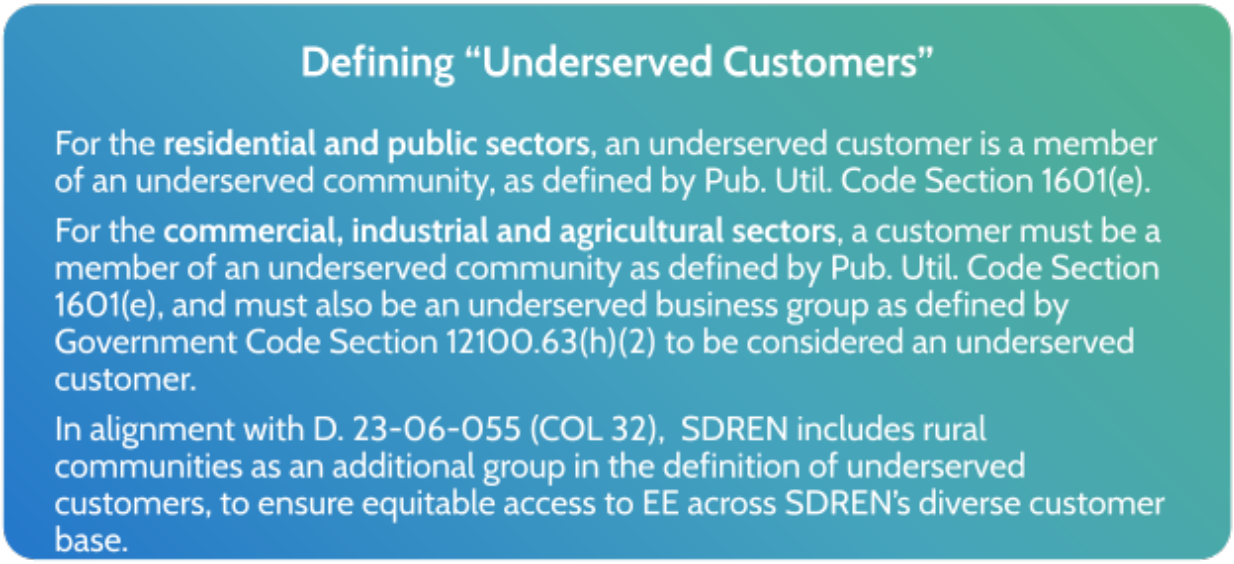
[38] *San Diego Foundation,* supra note 18.

increase—both due to temperature effects.[39] These impacts will conspire to make managing regional demand even more challenging. This demonstrates the importance of SDREN's program portfolio to support load shifting as a reliability measure, an important tool to prevent costly front of meter purchases, and a way to mitigate load increases as projected in the recently adopted Integrated Energy Policy Report.[40]

Equity Considerations

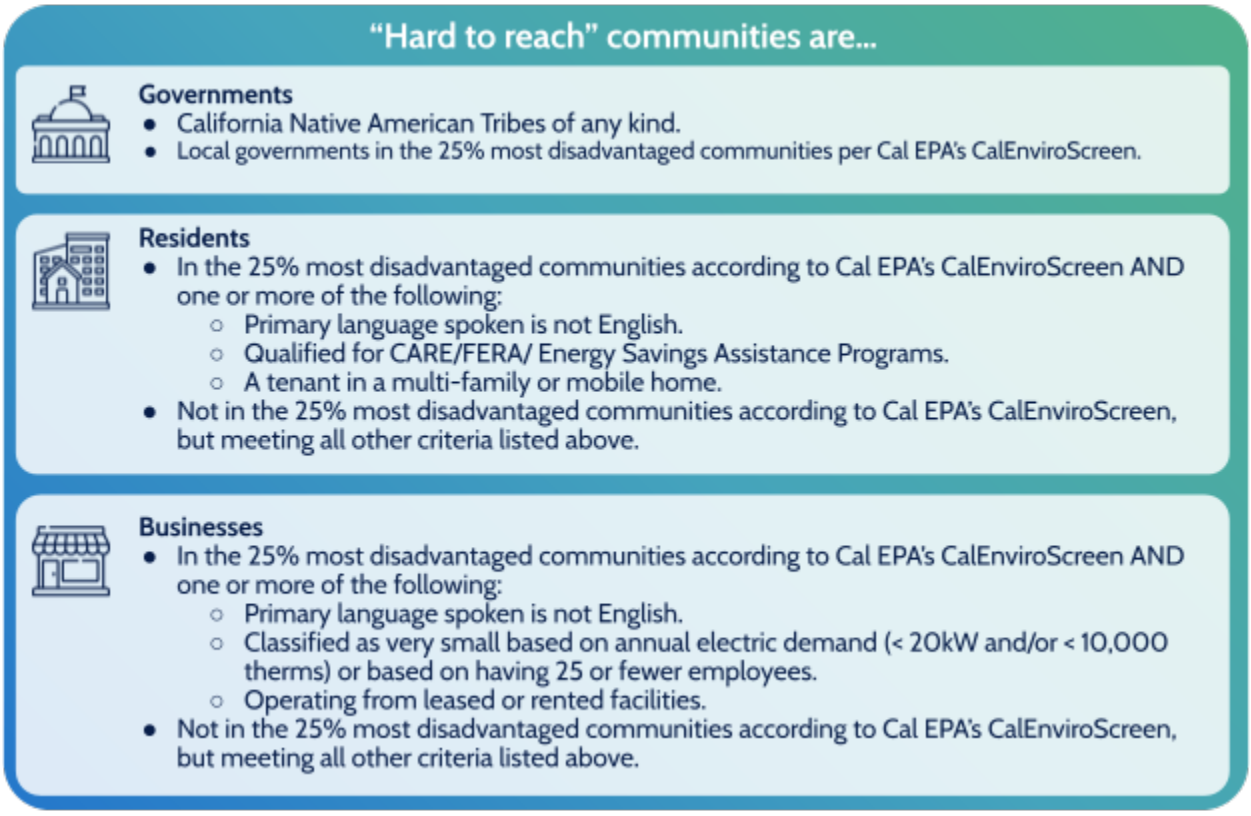
SDREN aims to ensure that no communities are left behind in the transformation to a clean energy economy. In alignment with the CPUC's equity segment, SDREN is using "**hard-to-reach customers**" and "**underserved communities**" to describe the target populations in their portfolio.

Figure 2.12 Defining Underserved[41] Customers in SDREN's Service Territory



[39] *Id.*
[40] Stephanie Bailey et al., *2024 Integrated Energy Policy Report Update,* CEC, Publication No. CEC-100-2024-001 (2024), https://www.energy.ca.gov/publications/2024/2024-integrated-energy-policy-report-update.
[41] Any residential or public customers living within an underserved community are considered an underserved customer. Other customers must also be an "underserved business group" as defined in CA GOV. CODE Gov. Code § 12100.63(h)(2) within an underserved community.

Figure 2.13 Defining HTR Customers in SDREN's Service Territory

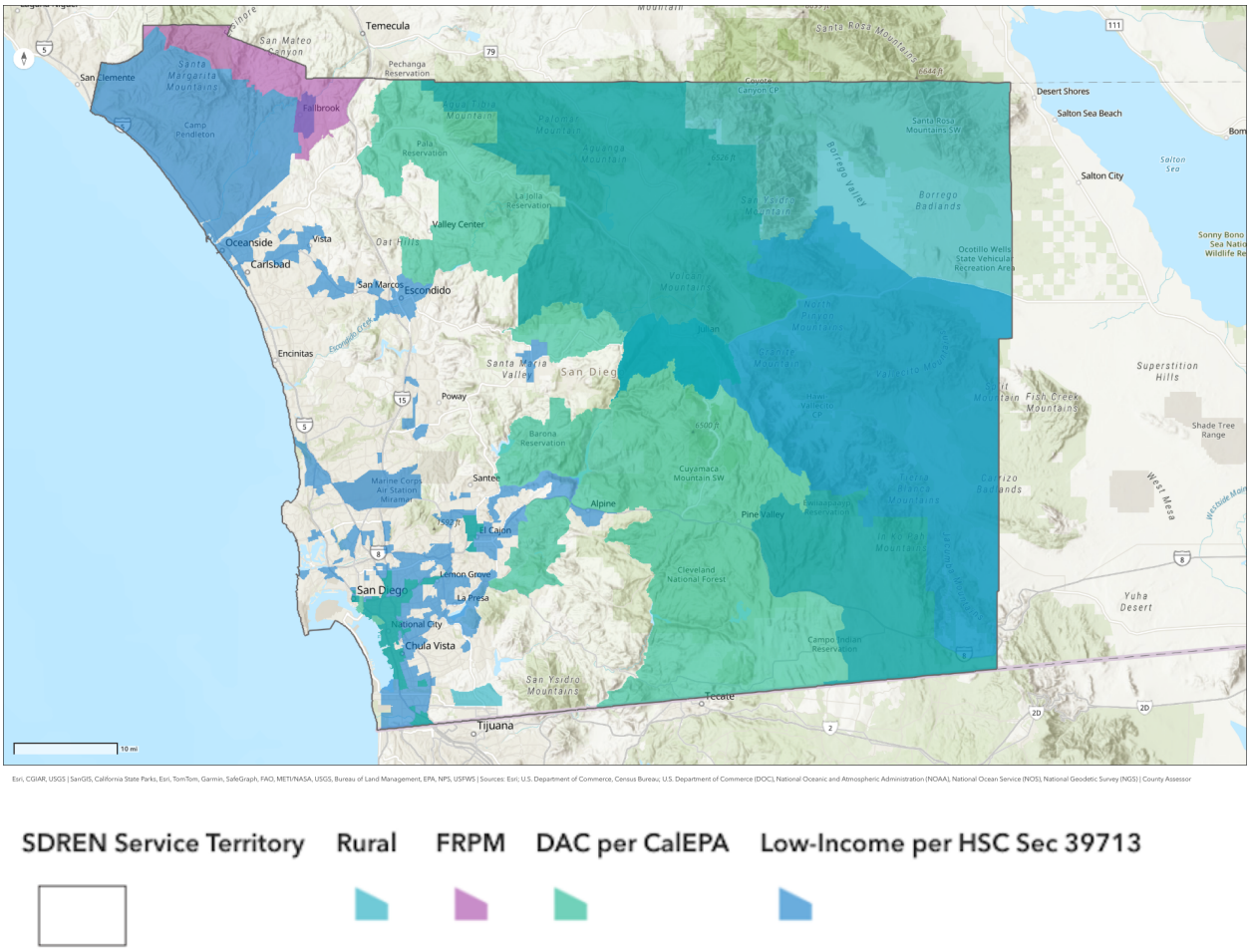


Based on these criteria, SDREN has determined that approximately 46% of the region's population lives in an underserved community. Given this, along with the demographic trends of a growing non-English speaking population, a geography with high cost of living, and the highest electric and gas rates in California, SDREN will devote the majority of its portfolio to programs designed to target HTR and underserved communities.

SDREN acknowledges the region's substantial disparities in poverty. Compared to their white counterparts, Latino/a San Diegans under the age of 18 were twice as likely to live in poverty, while young Black San Diegans were 2.5 more likely.[42]

[42] *San Diego Foundation,* supra note 18.

Figure 2.14 A map of the region with multiple indicators for underserved communities including CalEnviroScreen Disadvantaged Communities (DACs), Tribal lands, low-income communities, rural communities,[43] and free and reduced-price meals (FRPM)



SDREN has undertaken stakeholder engagement initiatives and will continue to gather input from stakeholders to inform the design and execution of programs that address long-standing barriers. SDREN will ensure that stakeholder engagement initiatives are accessible to communities who have experienced structural exclusion.[44]

Community Power, the City of San Diego, and the City of Chula Vista have committed ongoing investments to "**Communities of Concern,**" which are defined as the top 25% scoring areas from CalEnviroScreen, known as Disadvantaged Communities (DACs), as well

[43] Rural as defined by census tracts classified by the US Department of Agriculture Economic Research Services' Rural-Urban Commuting Area (RUCA).
[44] Stakeholder engagement further described in Chapter 8: Stakeholder Engagement.

as the additional census tracts identified by the cities of San Diego and Chula Vista through their Climate Equity Index (CEI) reports.

Community Power is committed to supporting populations that have been underrepresented in energy program participation historically and therefore have not received their fair share of associated program benefits. As such, Community Power has committed at least 50% of a program's non-administrative budget, to the extent allowed by funding sources, to participation from Communities of Concern. Community Power centers Communities of Concern in program design to enable participation by all customers.

In 2019, the City of San Diego developed the first-of-its-kind CEI, in partnership with several community-based organizations representing Communities of Concern or advocating for environmental justice policy development. Specifically, the City of San Diego identified Communities of Concern as areas with very low, low, and moderate access to opportunity, whereas the City of Chula Vista defined them as the top 25% scoring areas within its own analysis.[45] In an ongoing attempt to elevate community-based language and needs, SDREN will continue to consider any indicators or definitions proposed by Community Power's member agencies.

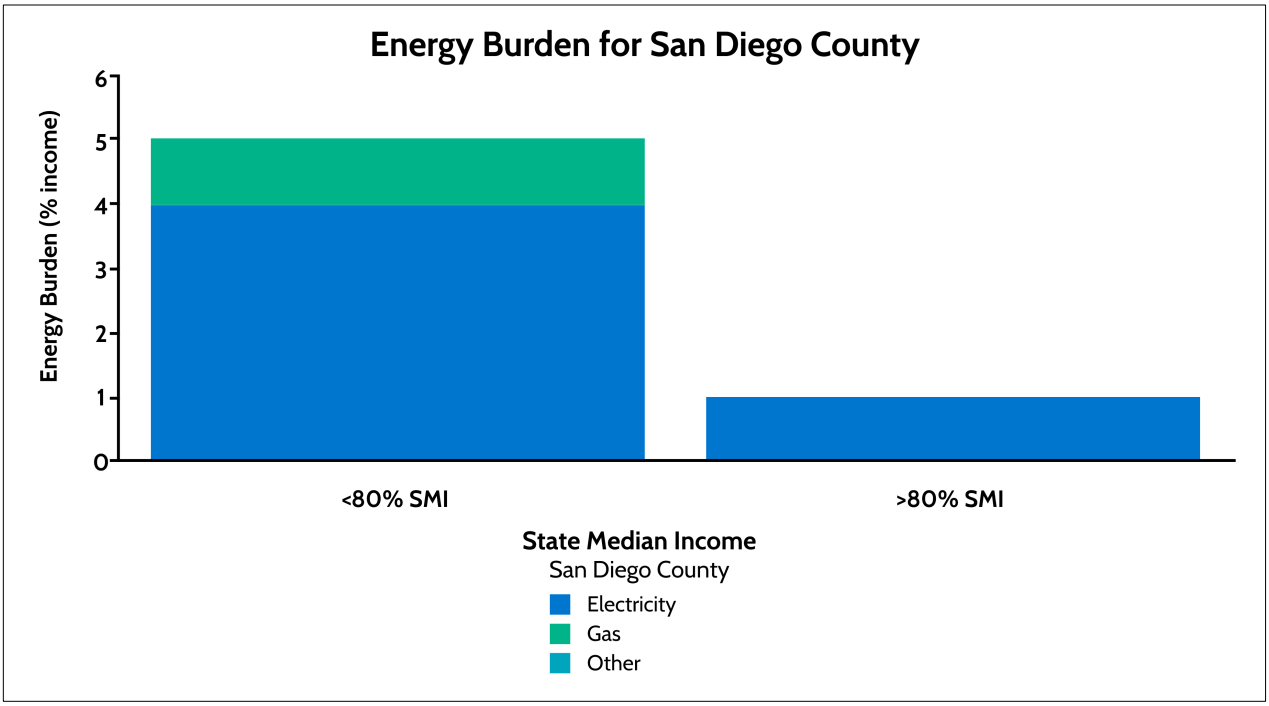
The goal of the CEI is to measure the level of access to opportunity residents have within a census tract and assess the degree of potential impact from climate change to these areas. With the CEI, the City of San Diego has identified Communities of Concern to include census tracts with very low, low, and moderate access to opportunity. These include Oceanside, Escondido, El Cajon, and National City. These regions are also considered underserved according to the CPUC's definition.

Energy costs and the energy burden for San Diego County residents disproportionately impact HTR and underserved communities. According to the San Diego Economic Equity Report published in 2023, an estimated 335,000 San Diegans were living below the poverty

[45] *Climate Equity Index*, CITY OF SAN DIEGO, https://www.sandiego.gov/sites/default/files/prbr210715a-item201b.pdf (last visited Feb. 11, 2026).

line. With about one in ten San Diegans not having enough income to pay for basic expenses, this demonstrates a significant need to reduce energy burden. According to the DOE's Low-Income Energy Affordability Data LEAD tool, in San D low-income households (less than 80% of state medium income) paid an average of 5% of their income for energy, while all households paid an average of 1%. SDREN's portfolio brings additional customized resources that are equipped to serve these more vulnerable populations and overcome typical barriers to program participation.

Figure 2.15 Energy burden of low-income households compared to other households in San Diego County[46]



[46] U.S. Dep't of Energy, State & Local Solution Center, Low-Income Energy Affordability Data (LEAD) Tool, https://www.energy.gov/scep/slsc/lead-tool (last visited Feb. 24, 2026).

Workforce



Over the last 50 years, the San Diego region's economy has changed from one reliant on military, naval shipping, agriculture, and fisheries to a more diversified economy including manufacturing, scientific research, communications technology, and tourism. The San Diego region's economy relies heavily on the service sector for the majority (72.2%) of its output. Major service sector industries include financial, trade, professional and technical services, communications, high-technology, and hospitality. With respect to the production of goods in San Diego County, manufacturing, construction, and agriculture are the largest industries, accounting for 7.3 percent, 5.3 percent, and 1 percent of total output, respectively.

San Diego's unemployment rate is currently 4.4%.[47] Jobs in professional, scientific and technical services, health care, and transportation and warehousing are driving growth in the San Diego region. Expansions in administrative and support services have also contributed to job growth in the region. According to San Diego's Policy & Innovation Center, there is a high degree of uncertainty on how recent federal tariff rulings will impact the region, and those uncertainties are impacting the current labor market.[48]

The RDF Technical Report estimates that no jobs in the region's fossil fuel-based industries will be displaced by 2030, even with contractions in fossil fuel demand.[49] However, job

[47] California Employment Development Department, *Monthly Labor Force Data for Counties: January 2026,* https://labormarketinfo.edd.ca.gov/file/lfmonth/sand$pds.pdf.
[48] Daniel Enemark, *San Diego's Labor Market Keeps Dropping,* POLICY & INNOVATION CENTER. (Aug. 2025), https://thinkpic.org/pic-intel/san-diegos-labor-market-keeps-dropping/ (last visited Feb. 11, 2026).
[49] Carol Zabin et al., *Putting San Diego County on the High Road: Climate Workforce Recommendations for 2030 and 2050*, INCLUSIVE ECONOMICS. (June 13, 2022) https://www.sandiegocounty.gov/content/dam/sdc/lueg/regional-decarb-frameworkfiles/Putting%20San%20Diego%20County%20on%20the%20High%20Road_June%202022.pdf.

displacements will occur between 2031-2050, as oil consumption in the region falls by 95 percent relative to the present level and natural gas consumption falls by 75 percent. The modeling used in the RDF Technical Report indicates that decarbonization will result in net job creation overall. Therefore, advancing the transition to a zero emissions economy is a critical part of regional decarbonization, as is developing a viable set of just transition policies for the fossil fuel workers who will experience job displacement between 2031-2050.

The San Diego region has the opportunity to meet demand for energy jobs that will support statewide goals as its younger population (28% under 18) grows. The Regional Decarbonization Framework projects overall net job creation due to decarbonization initiatives.[50] However, creating jobs is not enough to prevent negative impacts on workers. Ensuring the creation of high-road jobs is key. High-road jobs are defined by both job quality (i.e., family-supporting wages and benefits, long-term career pathways, and worker protections) and job access (i.e., access and entry-points to good jobs for local workers and training to support advancement). High-road jobs are a win-win approach for employers and communities as employers gain access to skilled and committed workers and community members access good careers.

Investments in growing, diversifying, and upskilling the workforce can support affordability and climate mitigation efforts. Increasing the labor pool of skilled workers will decrease project costs for customers, and also reduce costs associated with fixing poorly installed projects. Germane to climate mitigation, well-trained workers are key to delivering emissions reductions and achieving climate goals. At present, not many disadvantaged and hard-to-reach workers have the knowledge of energy efficiency, distributed energy resources, and building decarbonization to support climate projects. This makes it difficult for employers to find local candidates for these roles, slowing deployment of critical projects. SDREN's WE&T investments help build the skilled labor pipeline necessary to deliver the volume of high-

[50] Eric Larson et al., *Net-Zero America: Potential Pathways, Infrastructure, and Impacts - Final Report Summary*, PRINCETON UNIVERSITY. (October 29, 2021) https://netzeroamerica.princeton.edu/img/Princeton%20NZA%20FINAL%20REPORT%20SUMMARY%20(29Oct2021).pdf.

quality energy efficiency and decarbonization projects required to meet San Diego's clean energy, equity, and reliability goals on schedule.

Summary Tables of Expected Performance Metrics

SDREN's annual budget request and forecasts for 2028-2035 are outlined in the tables below.

Table 2.3 4-year Portfolio Budget Forecast Summary (2028-2031)

4-year Portfolio Budget Forecast Summary (2028-2031) ($175,038,485)					
	2028	2029	2030	2031	Total (4 years)
Total Budget	$41,219,821	$42,868,616	$44,583,355	$46,366,693	$175,038,485
Resource Acquisition Segment Budget	$5,641,004	$6,046,914	$6,474,464	$6,924,692	$25,087,075
Market Support Segment Budget	$13,435,638	$13,926,094	$14,434,756	$14,962,316	$56,758,804
Equity Segment Budget	$18,167,061	$18,800,208	$19,455,872	$20,134,875	$76,558,017
Codes and Standards Budget	$2,405,983	$2,478,162	$2,552,507	$2,629,082	$10,065,734
EM&V	$1,570,134	$1,617,238	$1,665,755	$1,715,728	$6,568,855
ED Portfolio Oversight	$0	$0	$0	$0	$0

Table 2.4 4-year Portfolio Forecast Summary (2028-2031)

4-year Portfolio Forecast Summary (2028-2031)						
	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-year)	Entire Portfolio (Total 4-year)
Total System Benefit (TSB)	$9,736,465	$10,528,750	$11,409,602	$12,274,389	$16,589,512	$43,949,206
Total Resource Cost (TRC) Ratio	0.26	0.27	0.28	0.29	0.56	0.28
Program Administrator Cost (PAC) Ratio	0.27	0.28	0.29	0.30	0.68	0.29
Societal Cost Test (SCT) Base	0.34	0.35	0.37	0.38	0.64	0.36
Societal Cost Test (SCT) High	0.34	0.35	0.37	0.38	0.64	0.36
Ratepayer Impact Measure Test Ratio (RIM)	0.25	0.25	0.25	0.26	0.16	0.25
Lifecycle GWh	59.55	61.34	63.18	65.07	235.56	249.13
First Year MW	0.57	0.59	0.61	0.63	0.00	2.40
Lifecycle MMTHERMS	3.34	3.44	3.54	3.65	0.00	13.98
Lifecycle Net Electric CO2 Metric Tons	7,641.09	7,068.66	7,182.47	7,364.57	34,001.83	29,256.78
Lifecycle Net Gas CO2 Metric Tons	17,741.25	18,273.48	18,821.69	19,386.34	-	74,222.75

Table 2.5 4-year Budget Forecast Summary (2032-2035)

4-year Portfolio Budget Forecast Summary (2032-2035) ($199,800,377)					
	2032	2033	2034	2035	Total (4-year)
Total Budget	$47,757,694	$49,190,425	$50,666,137	$52,186,121	$199,800,377
Resource Acquisition Segment Budget	$7,132,433	$7,346,405	$7,566,798	$7,793,802	$29,839,437
Market Support Segment Budget	$15,411,185	$15,873,521	$16,349,726	$16,840,218	$64,474,651
Equity Segment Budget	$20,738,922	$21,361,089	$22,001,922	$22,661,980	$86,763,912
Codes and Standards Budget	$2,707,955	$2,789,193	$2,872,869	$2,959,055	$11,329,072
EM&V	$1,767,200	$1,820,216	$1,874,822	$1,931,067	$7,393,304
ED Portfolio Oversight	$0	$0	$0	$0	$0

Chapter 3: Portfolio Strategies

Overview of SDREN Portfolio

SDREN's proposed portfolio strategy for the San Diego region builds off the foundation established through long-standing local collaborations in the region. The proposed portfolio strategy is informed by SDREN's values and principles to deliver on the goals of decarbonization, comprehensive energy efficiency services, and building the local energy economy.

Alignment with CPUC REN Criteria

SDREN's business plan aligns with the CPUC's Guidance (D.12-11-015 and updated in D.19-12-021) for Regional Energy Networks, which calls for RENs to conduct:

- Activities that utilities or CCA PAs cannot or do not intend to undertake.
- Pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful.
- Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap.

All programs described in the 2028-2031 portfolio plan meet at least one of the existing REN criteria listed above. In Table 3-1 below, each program is outlined and mapped to which REN objectives it fulfills. More detailed descriptions of each program can be found in the program cards.

As discussed in Chapter 11, SDREN recommends clarifying the REN eligibility criteria to expressly incorporate underserved communities. While existing criteria reference HTR markets, Commission policy has evolved to include broader equity-focused definitions. Explicit incorporation would ensure continued alignment between REN authorization standards and current Commission equity directives, including advancement of the ESJAP.

Overview of Proposed Programs

The table below highlights SDREN's proposed programs and alignment with REN objectives.

Table 3.1 Proposed Programs' Alignment with REN Objectives

Program Name	Program Description	REN Objectives Alignment
Small & Medium Business (SMB) Energy Coach	The SMB Energy Coach equity program raises awareness and increases adoption of EE and integrated demand side management (IDSM) practices and measures. It connects a dedicated energy coach to educate SMBs on the value of EE, support access to funding and financing, conduct facility assessments, offer technical assistance (related to EE, electrification, and IDSM), and direct install (DI) of EE measures. This program plays an important role in helping SMBs adopt measures that reduce peak period usage, supporting local reliability.	**Aligns with objectives 1 & 3** **Gap-filling activities:** ● Conduct ongoing landscape assessment and leverage joint cooperation memo (JCM) process to identify and fill service gaps. ● Intends to fill geographic and service gaps, to not overlap, and only to complement SDG&E equity offering. ● Support with access to other offerings and programs, including IDSM services. **Targets Commercial HTR markets as an equity program**
Efficient Refrigeration	The Efficient Refrigeration equity program provides EE and IDSM education, technical assistance, and no-cost DI efficient refrigeration equipment to support energy cost savings and non-energy benefits. It leverages other programs and resources to provide education on sourcing and promoting healthy food. It delivers community outreach events to promote program services and provide education on the benefits of EE and healthy food.	**Aligns with objectives 1 & 3** **Gap-filling activities:** Equity offering to target small local grocery stores, corner stores, and local small businesses that sell food products with DI measures not offered by other programs **Targets Commercial HTR markets as an equity program**

Program Name	Program Description	REN Objectives Alignment
Market Access Program (MAP)	The Market Access Program is a resource program that works with contractors to offer customized incentives to reduce energy use at peak times. It utilizes a population normalized metered energy consumption (NMEC) methodology to verify savings while paying incentives based on TSB achieved, encouraging long-life measures that deliver maximum grid benefit. Local trusted entities will lead customer engagement with targeted high-opportunity businesses, with a focus on HTR and underserved businesses. Because MAP targets reductions at the hours of highest system stress, it is designed to contribute to regional electric reliability and avoid potential front-of-meter procurement costs.	**Aligns with objective 3** **Gap-filling activities:** ● Work with local trusted entities for customer engagement with a focus on HTR and underserved businesses. ● Intends to fill geographic and service gaps, to not overlap with SDG&E's MAP, and only to complement SDG&E offering. **Targets Commercial HTR markets**
Energy Pathways Program (EPP)	The Energy Pathways Program is a market support program that increases access to EE and IDSM education and training resources needed to develop students' awareness of clean energy career pathways and helps them learn the necessary skills to enter the workforce.	**Aligns with objective 1 & 3** **Gap-filling activities:** ● Target high school students in underserved/HTR to promote program equity and skill development opportunities in areas with fewer opportunities. ● Partners with other local WE&T programs to leverage non-EE funding for non-EE activities. ● 1:1 coaching and direct connections to local employers with paid internships to support the career pipeline. **Targets HTR workforce markets.**

Program Name	Program Description	REN Objectives Alignment
Workforce Training & Capacity Building	The Workforce Training & Capacity Building program is a market support program that enhances the clean energy workforce, focusing on skill development for adult and incumbent workers. It targets both employees and employers to boost employee skill development and the employer's capacity to work on EE and IDSM projects. These workforce investments are essential to achieving SDREN's EE and decarbonization outcomes, as well as the CPUC's affordability objectives (see next section describing affordability strategies), because a trained and diverse labor pool increases installation quality.	**Aligns with objective 1, 2, & 3** **Gap-filling activities:** ● Work with local employers to determine emerging industry careers and necessary skills for incoming professionals to be successful in the industry. ● Delivers training in partnership with local agencies through network connection sites and standardized content. ● Works directly with employers to promote and offer professional development and training. **Piloting efforts to work directly with employers for capacity building and employee skill development** **Targets HTR workforce markets.**
Codes & Standards	The C&S program provides EE and IDSM policy and compliance support and enhances communication and experience between permitting authorities and permit applicants.	**Aligns with objectives 1, 2, & 3** **Gap-filling activities:** ● Leverage existing needs assessment and work with permitting agencies to identify gaps. ● Focus on facilitating, supporting, and accelerating the shift to building and transportation electrification with public permitting agencies and the C&S community (e.g., residential and commercial building permit applicants, contractors, architects, engineers, and other parties who engage directly in the building permitting process). This will include the adoption of new regulations, new review approaches, and approval of new

Program Name	Program Description	REN Objectives Alignment
		technologies and electrical service requirements, with particular focus on "replace on burnout" opportunities. ● Help develop local building performance standards and benchmarking approaches, including the evolution to grid-interactive buildings. ● SDG&E does not have access to permit technicians. This is an opportunity for SDREN. ● Focused on the existing building market. ● SDREN pilots Energy Code Coach services to fill gaps by serving as a dedicated expert to assist local agencies. **Targets Public HTR markets.**
Multifamily	The Multifamily equity program offers a two-pronged approach focusing on both multifamily property owners/managers and tenants to address EE and IDSM facility upgrades that impact common area maintenance and renter-specific in-unit utility bill savings. The program offers a systems tune-up assessment as an outreach strategy that identifies "quick win" savings and offers rebates that can be stacked onto other applicable utility, regional, or state incentives.	**Aligns with objectives 1 & 3** **Gap-filling activities:** ● Offers EE measures and serves buildings with two or more units not covered (or only partially covered) through existing programs. ● Equity program with focus on delivery to HTR customers, offering in-language outreach and anti-displacement policies. ● Renter-specific offerings, including direct install upgrades and education, with a focus on non-energy benefits. ● Help customers leverage external funding/financing as much as possible, including stacking of incentives when possible. **Targets residential HTR markets as an equity program**

Program Name	Program Description	REN Objectives Alignment
Single-Family	The Single-Family equity program offers home energy advisors for residents that serve as a personal concierge-style service to connect them to program information and funding/financing opportunities. The program's support services meet homeowner and renter needs. The program offers EE rebates, kits, and IDSM educational opportunities.	**Aligns with objectives 1 & 3** **Gap-filling activities:** ● Offer EE measures that are not covered through existing programs. ● Concierge-type services working with contractors and connections to other programs and services (CEC Equitable Building Decarbonization (EBD) program, etc.). ● Work with trusted advisors and in-language to engage with customers. ● Focus on EE offerings and education that will reduce costs and increase other non-energy benefits. ● Support equity communities with early decarbonization efforts. **Targets residential HTR markets as an equity program**
Climate Resilience Leadership	The Climate Resilience Leadership program provides customized and unbiased hands-on expert guidance and support services for EE and IDSM projects. It offers support from project identification to completion for public facilities and assets. Services include agency-wide benchmarking and strategic energy resilience planning. Targeted EE and electrification DI measures will be offered with a focus on underserved and HTR customers. The program also offers educational resources, and peer-to-peer learning opportunities.	**Aligns with objective 1 & 3** **Gap-filling activities:** ● As a market support program the primary goals are to build capacity for public agency participants through education, training, and technical services and to instill EE and demand management as best practices. ● Offer EE measures and serve facilities (and agencies) not covered through existing programs, with a focus on electrification measures. ● Offer procurement and construction phase project support. ● Support strategic energy resilience planning (IDSM).

Program Name	Program Description	REN Objectives Alignment
		• Support access to IDSM funding and financing. **Targets Public HTR markets.**
Tribal Engagement	The Tribal Engagement program offers a pathway for Tribal communities to develop, propose, and implement energy-related initiatives to address their unique needs and contribute to sustainability, resilience, and economic development within Tribal communities. Program resources include tailored no-cost EE and IDSM technical assistance, including a dedicated technical advisor to support the development and implementation of initiative application ideas and to champion their success.	**Aligns with objective 1, 2 & 3** **Gap-filling activities:** • No current EE offerings in the region are designed to engage Tribal communities specifically or to address their unique challenges. **Piloting efforts specifically to Tribal communities; there are limited CPUC-authorized energy efficiency and electrification programs specifically for Tribal communities at present.** **Serves HTR Tribal communities as an equity program**

This application includes the same programs authorized in the previous Portfolio Application (D.24-08-003), which will all be fully launched in 2026. SDREN recognizes that the SDG&E off-cycle Business Plan filed in April 2025, if authorized, would significantly impact the energy efficiency program landscape in the San Diego region. This application is currently under review by the CPUC with an anticipated decision in summer 2026. SDREN will continue to coordinate closely with SDG&E under their existing portfolio and will file an off-cycle Business Plan if deemed necessary following the CPUC decision on SDG&E's request to discontinue regional energy efficiency program administration.

Commission Driven Portfolio Strategies

Advance Affordability and Mitigate Overall Rate Impacts, Consistent with Executive Order N-5-24

Executive Order N-5-24 was issued in response to electric rate increases that have outpaced inflation as the state continues its transition to carbon neutrality by 2045. It directs the CPUC to examine ratepayer-funded programs and make recommendations that could "reduce costs to electric ratepayers without compromising public health and safety, electric grid reliability, or the achievement of the state's 2045 clean electricity goal and the state's 2045 economy-wide carbon neutrality goal." Since the issuance of this Executive Order, several reports have been published that highlight the value of energy efficiency programs in terms of affordability and discuss opportunities to better measure energy efficiency programs' impact. These include the CPUC response to EO N-5-24, State Auditor's report, and AB 3264 report (Report on Demand-Side Management Programs Pursuant to PUC Section 913.5).

SDREN's portfolio is designed to support affordability by reducing customer energy burdens, leveraging non-ratepayer funding (e.g., state grants and local CCA programs) and minimizing administrative overhead. The portfolio's design also ensures programs deliver measurable and durable energy efficiency benefits while enhancing grid reliability through load shifting and demand reduction. SDREN's approach directly responds to the findings of the recent State Auditor's report and AB 3264, both of which emphasize the need for transparency, improved oversight, and strategies that reduce bill impacts while meeting the state's climate goals.

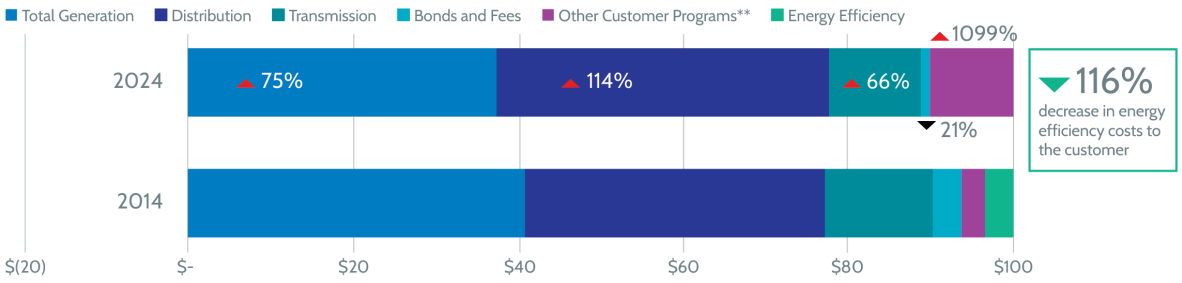
Energy Efficiency's Role in Affordability

Community Power and the County of San Diego sought REN authorization to invest in locally delivered tools that directly reduce customer bills—an area where local governments are uniquely positioned to intervene. In 2024, SDG&E estimates that its energy efficiency

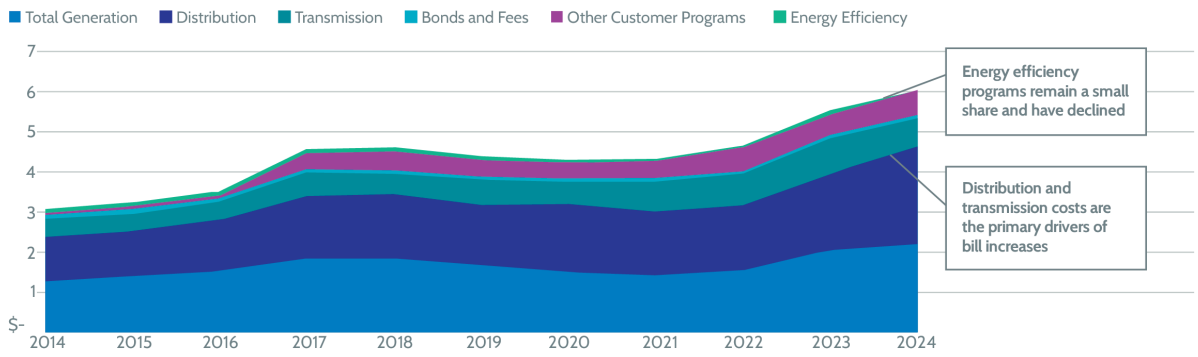
programs generated **$1.15 billion** in lifetime bill savings for customers in its service territory alone.[51] Across all IOU territories, projected lifetime bill savings for California customers total **$11.3 billion.**[52]

These substantial customer benefits are occurring alongside a notable shift in underlying cost trends. Over the past decade in SDG&E's territory, energy efficiency program costs have declined by **116 percent,**[53] while distribution costs have increased by **114 percent**[54] (see charts below). By helping customers reduce energy consumption, shift load, and leverage external funding, SDREN delivers meaningful bill relief—particularly for households with the highest energy burdens. In addition, by reducing peak-period demand, energy efficiency and integrated demand-side management help avoid or defer costly front-of-meter investments identified in statewide planning efforts, supporting long-term rate stability and grid reliability.

Figure 3.1 Historical Decline in Energy Efficiency Program Cost Share Relative to Other Bill Components



[51] *See* SDG&E 2024 Annual Report, *available at* CA ENERGY DATA & REPORTING SYSTEMS, https://cedars.cpuc.ca.gov/documents/standalone/list/ (last visited Feb. 11, 2026).
[52] *See* PG&E, SDG&E, SCE, AND SOCALGAS 2024 ANNUAL REPORTS, *available at* CA ENERGY DATA & REPORTING SYSTEMS, https://cedars.cpuc.ca.gov/documents/standalone/list/ (last visited Feb. 11, 2026).
[53] *See* CPUC ASSEMBLY BILL 67: REPORTS TO THE LEGISLATURE (2014-2024). Generation costs for San Diego Community Power and Clean Energy Alliance were sourced from audited yearly "cost of electricity" financial statements.
[54] *Id.*



Key Strategies SDREN Uses to Advance Affordability and Mitigate Rate Impacts

1. Making Affordability a Core Portfolio Outcome and Tracking It

Affordability is SDREN's Outcome #1: "Reduce energy burden and improve affordability." SDREN will track this outcome through the UVM #1 (% of customers anticipated to experience lower energy costs as a result of program participation, by sector) and the UVM #2 (total lifetime energy bill savings) as well as the CPUC's new Equity Bill Savings Indicators, ensuring transparency and alignment with ongoing CPUC discussions to establish bill savings as a goal construct for the equity segment. Tracking affordability outcomes allows SDREN to continually refine programs and demonstrate progress in reducing energy burden for San Diegans.

In addition to portfolio-level tracking, SDREN operationalizes affordability at the customer level through residential bill analyses offered to participants who express interest. SDREN's residential programs will offer bill analysis to customers who express interest. Possible activities include helping customers understand their energy usage, applicable rate options, and operational best practices for electrified technologies, such as heat pump water heaters, alongside demand response (DR) and electric vehicle (EV) charging, to identify additional bill savings opportunities.

2. Leveraging Non-Ratepayer Dollars

One of SDREN's core portfolio outcomes is to "maximize benefits to customers by leveraging additional funding to deliver IDSM strategies. Coordination of these resources will maximize benefits to the customer." Consistent with Executive Order N-5-24's directive to aggressively pursue external funding before relying on ratepayer resources, SDREN's portfolio is explicitly designed to stack, braid, and prioritize non-CPUC-ratepayer dollars. Collectively, these strategies reduce reliance on ratepayer-funded incentives, lower project costs, and maximize affordability for customers across the region.

Program-Level Funding Coordination and Concierge Support

SDREN operationalizes this strategy across its portfolio through embedded advisory and concierge models focused on securing external funding:

- Integrated Concierge / Advisor Services: Multiple SDREN programs embed dedicated staff whose primary role is to secure state, private, and local funding for participants, including EBD funds, GoGreen/California Alternative Energy and Advanced Transportation Financing Authority financing, tax credits, and TECH Clean California incentives.
- Tribal Engagement Program: Customized technical advisors support Tribal communities in identifying and securing external funding for Tribal-led initiatives.
- Single-Family Program: Home Energy Advisors act as concierge guides, connecting customers to financing, rebates, and co-funded opportunities.
- Climate Resilience Leadership Program: Project managers assist communities in overcoming capital cost barriers and pursuing external grant funding.

Regional and Intergovernmental Funding Coordination

SDREN also leverages regional partnerships and intergovernmental coordination to maximize the impact of non-ratepayer dollars:

- Equitable Building Decarbonization (EBD) Program Coordination: As part of the Southern California EBD region, Community Power and SDREN coordinate with the County of Los Angeles to establish customer handoff pathways, stack rebates, co-market offerings, and align implementation schedules. In coordination with the County's Climate Action Plan, this effort will also offer expanded opportunities for EBD implementation in unincorporated communities.
- State-Local Energy and Climate Coordination (SLECC): SDREN participates in SLECC to communicate regional funding needs and collaborate with state agencies on targeting federal and state resources.
- County of San Diego / NREL Distributed Energy Resource Study: The County has partnered with the National Laboratory of the Rockies (NLR, and formerly the National Renewable Energy Laboratory) to prepare a study to understand the potential capacity for infill renewable energy resources in the San Diego region, and identify opportunities for DERs to reduce system costs, support resilience, and lower energy bills across the region.
- Leveraging Local Climate Action Plans and Regional Collaboratives: SDREN is an active member of the San Diego Regional Climate Collaborative, which tracks funding opportunities and coordinates regional grant efforts.

Pursuing State and Local Funding and Other Non-Ratepayer Sources

Consistent with EO N-5-24, SDREN will continue to aggressively pursue state, local, and private funding to minimize costs borne by ratepayers. SDREN will:

- Track, apply for, and braid local and state funding sources
- Coordinate with Community Power program funding and, where appropriate, CEA funding
- Participate in monthly funding working groups organized by the California Climate and Energy Collaborative (CCEC) and the San Diego Regional Climate Collaborative
- Leverage implementation staff and County resources for grant development
- Report annually on local and state funding pursued and secured

One of SDREN's guiding principles is catalyzing collaboration. In its role as a regional energy leader and trusted partner, SDREN focuses on marshaling resources, expanding access to financing, building local capacity, and supporting integrated, comprehensive energy strategies. Leveraging and stacking financial resources is a key mechanism for spurring innovation and ensuring that climate and energy investments deliver maximum value. This coordinated regional approach ensures that San Diego homes and businesses benefit from climate investments while reducing overall portfolio cost impacts and maximizing benefits to local communities.

3. Channeling Customers to the Best-Value Program Even If It's Not SDREN

To reduce duplicative spending and keep costs low, SDREN uses a concierge/energy coach model to map all SDG&E and statewide offerings and direct customers to the program that maximizes their value, regardless of the PA. SDREN tracks these referrals through its UVM #3 (% of customers channeled to non-SDREN programs), ensuring customers receive the most cost-effective solution and amplifying ratepayer dollars' impact.

4. Using IDSM to Reduce Peak Costs and Customer Bills

IDSM is a central affordability strategy in SDREN's portfolio. Programs support load shifting and demand flexibility for technologies such as:

- Heat pump water heaters (HPWHs).
- Smart thermostats.
- Behind-the-meter storage enrolled in Distributed Energy Resource Management System (DERMS) platforms.

Reducing load during peak times lowers both system costs (mitigating future rate pressures) and customer bills, supporting the CPUC's affordability objectives. SDREN will also convene a regional IDSM working group that will support optimization of programs to maximize

customer benefits. These actions improve affordability while also supporting local and system reliability by reducing stress on the grid during critical hours.

5. Keeping Administration and EM&V Costs Low

SDREN adheres to the CPUC's caps for administration, marketing, education, and outreach (ME&O), and EM&V, with the clear majority of funding directed toward direct implementation. SDREN meets regularly with other PAs (IOUs and non-IOUs) regularly, and plans to meet to understand best practices for reducing administrative spending while ensuring compliance and performance.

6. Redeploying or Returning Unspent Funds

SDREN commits to:

- Following the CPUC definition of "committed funds"
- Redeploying uncommitted funds to higher-performing programs
- Returning remaining unspent funds at the end of the cycle

SDREN will provide clear public reporting on returned funds to align with EO N-5-24's call for transparency.

7. Prioritizing Equity to Address the Highest Energy Burdens First

SDREN allocates 44% of its portfolio to the equity segment, targeting HTR communities where energy burden is heaviest. SDREN prioritizes affordability gains with those customers who are most vulnerable that would not be served otherwise (see Chapter 2 subsection Regional Energy Profile for map demonstrating the region's energy burden). SDREN's long-term goal is to facilitate an equitable transition to a carbon-free building sector by 2050, with a focus on reducing energy burdens and increasing participation in underserved communities.

8. Investing in Quality Installations to Avoid Costly Redesigns or Redos

SDREN's programs place strong emphasis on quality installation, contractor training, and proper commissioning (e.g., flexible load technology). High-quality installations prevent system underperformance, customer dissatisfaction, and costly corrective work, further protecting ratepayers and participants. This is monitored by one of the market support indicators that tracks contractors trained to provide quality installs that optimize energy efficiency. These installation and training practices are reinforced by SDREN's WE&T programs, which build the skilled labor pipeline needed to deliver high-quality projects that achieve expected energy efficiency and decarbonization outcomes.

9. Coordination to Avoid Overlap and Customer Confusion

Through its JCM with SDG&E, alignment with statewide PAs, and joint eligibility/incentive mapping, SDREN avoids duplicative investments and ensures customers have a simple, coordinated experience. This supports the EO's directive to maintain an "efficient and effective" portfolio. Specific coordination efforts are detailed in Chapter 7.

10. Strong Oversight and Corrective Action to Ensure Program Performance

SDREN will require implementers to submit corrective action plans if performance lags and they will regularly assess opportunities to modify or sunset underperforming programs (see Chapter 5 Portfolio Management)—directly reflecting EO N-5-24's directive to increase cost discipline.

SDREN meets monthly with Energy Division staff, providing ongoing oversight and opportunities for performance alignment.

Highlighting the Value of Energy Efficiency in Advancing Affordability

Energy efficiency remains one of the lowest-cost, highest-value tools available for reducing energy bills. Every program in SDREN's portfolio advances affordability—either through direct participant bill savings or by reducing system costs and rate pressure.

Table 3.2 Program Strategies to Advance Affordability

Program Name	Strategies to Advance Affordability
SMB Energy Coach	• Provides no-cost direct install measures that reduce SMB utility bills immediately. • Delivers funding/financing assistance that reduces participant up-front costs and total project costs. • Offers technical assistance and energy reports that help SMBs adopt low and no-cost operational measures, reducing energy costs without capital expenditure.
Efficient Refrigeration	• Installs no-cost high-efficiency refrigeration equipment, eliminating a major capital barrier and reducing one of the largest SMB load categories. • Reduces ongoing bills through continuous load reduction from efficient units and low-GWP refrigerants (which can help compressors run shorter cycles and at lower intensity). • Provides community education that helps small grocers adopt operational practices that reduce spoilage, energy waste, and operating expenses.
Market Access Program	• Uses performance-based incentives tied to NMEC-verified savings, ensuring ratepayer funds pay only for delivered peak reduction and cost-effective TSB. • Aggregators bundle projects and leverage external funding (tax credits, local grants, state programs) to lower participant costs and reduce ratepayer subsidy levels. • Prioritizes high-load facilities and peak-period savings, reducing both customer bills and regional system costs that drive future rate increases.
Energy Pathways Program	• Builds a future workforce capable of delivering high-quality, cost-effective EE and electrification installations which, in the longer term, strengthens the regional labor pool, reducing contractor shortages that inflate project prices.

Program Name	Strategies to Advance Affordability
Workforce Training & Capacity Building	• Expands the pool of local, skilled contractors able to perform EE/electrification work, lowering costs and improving installation quality. • Delivers no-cost certifications and training that reduce workforce entry barriers and support the clean energy job pipeline required for affordable decarbonization. • Helps employers develop internal policies that support continuous training, reducing future workforce shortages and stabilizing market prices.
Codes & Standards	• Improves energy code compliance, reducing long-term energy waste in buildings and lowering energy burdens for residents (especially in older buildings). • Provides technical assistance to permitting agencies, accelerating approvals and reducing customer soft costs associated with delays and rework. • Leverages Community Power's Building Housing Stock Analysis and other data to inform permitting and code compliance actions, reduce energy use, and reduce energy bills in the building sector.
Multifamily	• Offers direct installation and rebates for both common areas and in-unit measures, reducing operating costs for owners and monthly bills for residents. • Stacks incentives from SDG&E and state programs, reducing the cost of deeper retrofits. • Supports anti-displacement strategies to ensure EE upgrades deliver bill savings without creating rent burdens.
Single-Family	• Offers no-cost direct install measures and rebates that reduce household energy burdens immediately. • Delivers comprehensive advisor services that help residents access state, local, and federal funding (e.g., financing, EBD, tax credits), reducing up-front costs. • Provides load flexibility measures (e.g., smart thermostats) that support peak load reduction, lowering both household bills and system costs.
Climate Resilience Leadership	• Provides no-cost direct install measures and technical assistance to reduce public agency energy bills, enabling reinvestment of savings into community services. • Supports incentive and financing applications, reducing capital expenditure for agencies and lowering the cost burden on ratepayers. • Improves grid reliability and reduces peak loads through technical assistance that identifies holistic EE and IDSM strategies.

Program Name	Strategies to Advance Affordability
Tribal Engagement	• Provides advisory assistance to Tribal communities designing initiatives to facilitate long-term energy planning and reduce energy burdens. • Offers grant funding and no-cost technical assistance to Tribal governments, reducing the financial burden of clean energy projects.

SDREN's portfolio is built to advance affordability and reduce rate impacts. It is fully aligned with Executive Order N-5-24 and recent state guidance emphasizing cost control, oversight, and leveraging available funds. Through its equity-first approach, regional coordination, funding leverage strategies, and disciplined cost management, SDREN ensures that San Diego households—particularly those facing the highest energy burdens—benefit from an efficient, affordable, and forward-looking energy efficiency portfolio.

Optimize TSB Achievement and Cost Effectiveness, as well as TSB Achieved per Ratepayer Dollar Spent

SDREN is committed to diligent and responsible use of ratepayer dollars to maximize benefits delivered to participants, communities, and California's electricity and fossil gas systems.

All SDREN programs are designed to fill market gaps and serve hard-to-reach customers, with 50% of the programs in the SDREN portfolio falling within the equity segment.

D.19-12-021 states that "Because RENs are designed to fill gaps and serve hard-to-reach customers, and because their portfolios are smaller, their program offerings are likely to be naturally less cost-effective than the larger portfolios of the utilities."[55] While SDREN's portfolio prioritizes serving equity participants not served by other programs in alignment with CPUC REN criteria, SDREN deploys a series of strategies to optimize cost-effective TSB delivery:

[55] *Decision 19-12-021,* at p. 82.

- **Performance-based incentives with a demand management focus:** SDREN's Commercial Market Access Program (resource acquisition) deploys performance-based incentives to project developers for delivering verified energy savings and peak demand reduction. The performance-based incentive structure ensures that ratepayer dollars result in claimable TSB.
- **Layered funding sources:** SDREN stacks funding sources, such as TECH Clean CA, to reduce program costs per participant and improve the cost-effectiveness of achieving TSB wherever feasible.
- **Project and measure mix optimization:** SDREN iteratively updates its project targeting strategies to ensure the portfolio focuses on measures that deliver high TSB and TRC.
- **Ongoing coordination with SDG&E and statewide programs:** SDREN will continue to collaborate with SDG&E and statewide program implementers via the JCM process and ongoing coordination to minimize overlap and prevent duplicative use of ratepayer funds. SDREN will also actively funnel eligible customers into SDG&E and statewide resource acquisition programs, as applicable.

While SDREN is committed to optimizing TSB, existing NTGR policies may not fully reflect the structural barriers faced by underserved and HTR customers, whose adoption of energy efficiency measures often depends on targeted programmatic intervention. As described further in *Chapter 11: Recommendations for New or Modified Energy Efficiency Policy*, SDREN recommends differentiated NTGR treatment for equity participants to better align attribution assumptions, cost-effectiveness screening, and TSB calculations with the Commission's equity objectives. SDREN also supports continued Commission engagement on broader cost-effectiveness reform, including development of concrete options to address recommendations identified by the State Auditor and ensure that evaluation frameworks appropriately capture long-term system and societal benefits. SDREN posits specific recommendations for next steps germane to energy efficiency cost-effectiveness reform in Chapter 11.

SDREN also seeks to maximize the non-TSB financial benefits delivered through ratepayer funds. Metrics capturing these benefits include:

- **SDREN Unique Value Metric:** percent (%) of customers anticipated to experience lower energy costs as a result of program participation, by sector
- **SDREN Unique Value Metric:** total lifetime energy bill savings
- **SDREN Unique Value Metric:** external funding leveraged to support SDREN programs/communities as a percent (%) of total budget spend
- **Equity Indicator:** median of equity target participants' expected first-year bill savings in equity segment, by sector

Advance Building Decarbonization Activities in Your Energy Efficiency Portfolios

SDREN aspires to be a regional leader focused on helping communities invest in strategies that hasten building decarbonization in alignment with state GHG reduction goals and CPUC objectives.[56] Beyond reducing energy use and GHG emissions, decarbonization ushers in a host of benefits that make communities and economies more resilient. Decarbonization can lower energy costs, increase access to clean energy, ensure safer and healthier homes and communities, reduce environmental burdens, and expand economic opportunity and high-quality jobs.

In line with the San Diego Regional Decarbonization Framework Technical Report[57] and informed by the CPUC ESJAP, the long-term goal for the SDREN is to **ensure an equitable transition to a carbon-free building sector in the San Diego region by 2050.** All of SDREN's programs support building decarbonization through education, workforce, C&S

[56] Order Instituting Rulemaking Regarding Building Decarbonization, CPUC Rulemaking (R.) 19-01-011 (Jan. 31, 2010), https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M264/K629/264629773.pdf.
[57] Gordon C. McCord et al., *San Diego Regional Decarbonization Framework Technical Report,* COUNTY OF SAN DIEGO (2022).

support, technical assistance and direct installation services. No fossil gas burning measures will be incentivized through SDREN's programs and the non-energy benefits of building decarbonization are highlighted in engagements with all customer groups. SDREN will also develop and promote best practice guides and peer learning opportunities that showcase replicable decarbonization projects across building types, especially those completed in HTR and underserved communities, to accelerate market confidence and adoption.

SDREN will continue to take a data-driven approach to help inform what strategies are needed to advance building decarbonization, with a focus on serving equity populations and integrating community and partner feedback. In October 2024, Community Power published a Building Housing Stock Analysis (BHSA), which was expanded in 2026 to cover all of San Diego County. The BHSA identified more than 840,000 buildings across the SDREN territory, approximately 85% of which are residential, and found that roughly 44% of buildings were constructed prior to California's first energy code, indicating widespread electrification readiness and infrastructure challenges. The analysis also highlights that approximately two-thirds of buildings are located in low- or moderate-income census tracts, reinforcing the need for targeted strategies to address overlapping structural, permitting, and financial barriers to decarbonization.

SDREN's portfolio of programs provides the technical and financial support needed to help these buildings decarbonize. SDREN will use these findings to prioritize building stock with the greatest electrification barriers and tailor decarbonization coaching, technical assistance, and funding support accordingly.

SDREN will also remain actively engaged in statewide and regional decarbonization working groups to ensure its strategies reflect the latest policy guidance, technical best practices, and community-informed insights. This currently includes serving as a community partner in the CEC's Existing Buildings Decarbonization Program working sessions, and ongoing engagement with the Disadvantaged Communities Advisory Group. SDREN will continue to identify and join additional working groups, such as county- or state-level decarbonization

collaboratives, as they emerge, ensuring its programs remain aligned with evolving statewide objectives and regional needs.

Through its portfolio, SDREN promotes decarbonization via education, coaching, technical assistance, and incentives for electrification measures that move customers away from fossil gas-burning technologies. These program interventions are complemented by SDREN's integration of IDSM, which supports building decarbonization through load shifting, smart controls, and electrification-ready planning, reducing both emissions and customer bills during peak periods. Example program interventions that drive decarbonization are outlined in Table 3.3. below.

Table 3.3 Portfolio Decarbonization Strategies

Sector	Program	Strategies
Public	Climate Resilience Leadership	• Direct installation of electrification measures, including heat pump water heaters. • Education and technical assistance to help participants identify and develop comprehensive decarbonization projects. • Support to layer SDREN incentives with non-ratepayer funding and financing. • Collect and share best practices with agencies on electrification and decarbonization projects to increase awareness and reduce risk aversion
Public	Tribal Engagement	• Provide culturally responsive technical assistance to support Tribally-led decarbonization planning. • Refer Tribal governments to Climate Resilience Leadership program for comprehensive audits identifying electrification and whole building energy savings projects and direct install opportunities. • Develop decarbonization collateral and educational material co-created with Tribal community partners that highlight successful electrification and resilience initiatives, uplifting best practices and locally-defined success

		metrics.
Residential	Single-Family	● Energy advising on home decarbonization planning. ● Direct installation of electrification measures, including induction stoves and heat pump water heaters. ● Support to layer SDREN incentives with non-ratepayer funding and financing. ● Produce educational materials that demonstrate the financial, comfort, and health benefits of electrifying older single-family homes, with an emphasis on underserved communities.
Residential	Multifamily	● Direct installation of electrification measures, including induction stoves and heat pump water heaters. ● Education and technical assistance to help property owners identify and develop comprehensive decarbonization projects. ● Support to layer SDREN incentives with non-ratepayer funding and financing. ● Create property owner educational materials showcasing electrification best practices and tenant benefit strategies.
Commercial	SMB Energy Coach	● Energy coaching on EE and decarbonization planning. ● Produce educational materials that highlight strategies to overcome capital constraints, split incentives, and operational barriers.
Commercial	Market Access Program	● Performance-based incentives for long-life measures that deliver verified energy and peak demand reduction.
Workforce, Education, & Training	Workforce Training and Capacity Building	● Connect workers in HTR and underserved communities with no-cost education and certifications to build the workforce needed to scale building decarbonization.
Codes & Standards	Codes & Standards	● Provide education to local permitting agencies about proven models for streamlined permitting for decarbonization projects.

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In alignment with the portfolio goals outlined in Chapter 5, SDREN will prioritize equity so that building decarbonization includes underserved and HTR communities and relieves the burden of increasing fossil gas rates. SDREN has the opportunity to meet the need for incorporating social equity considerations (e.g., tenant protections for multifamily projects) into building decarbonization policies. SDREN is focused on working with these communities and providing programs and resources that meet their needs. As emphasis on electrification grows at the local and state level, SDREN will continue to focus on regional coordination, tools, and capacity building alongside targeted investments for appliance replacements that address equity concerns and scale electrification in the region.

Figure 3.2 Regional Decarbonization Framework on Replacing Appliances



Focus Electric Savings at Peak Times with High Avoided Cost and TSB

The San Diego Foundation Regional Focus 2050 Study forecasts that "annual electricity consumption is expected to increase by more than 60% and peak loads by 70%. That will push consumption from the current level of approximately 20,000 gigawatt hours (GWh) to more than 32,000 GWH in 2050."[58]

Notably, "climate change accounts for approximately 2 percent of the expected rise in electricity consumption by 2050, and up to 7 percent of the increase in peak demand."[59]

[58] *San Diego Foundation*, supra note 18, at p. 98.
[59] *Id.* at 8.

Climate change will also impact system reliability unless adequate planning and investments are made and consumers modify their consumption patterns. Peak demand will increase due to higher frequency of heat waves. Summertime, when demand is highest, is also the time when electric utility operating efficiency is lower and line losses increase—both due to temperature effects. These impacts will conspire to make managing regional demand more challenging.

SDREN's implementation approach optimizes TSB by prioritizing electric savings during peak demand periods. By coupling energy efficiency with load flexibility and demand reduction, SDREN programs aim to reduce both overall consumption and system peak impacts. These strategies directly support energy affordability by helping to mitigate front-of-meter resources needed to meet peak demand. Core portfolio strategies include:

- **Targeting energy savings when grid value is highest:** SDREN programs prioritize measures that reduce energy consumption during peak periods. SDREN will utilize the Avoided Cost Calculator to inform ongoing measure targeting.
- **Education and customer engagement:** SDREN delivers load management education, outreach, and training activities focused on DR enrollment, smart controls, time-of-use (TOU), and bill savings awareness. SDREN coordinates with and refers customers to DR providers to expand customer participation in load flexibility programs.
- **Grid interactive building enablement:** SDREN provides technical support for commissioning controls and installing DR-ready equipment that enables automated load management.

Specific program strategies to drive peak demand reductions and maximize avoided-cost value and TSB include:

- **The Commercial Market Access program** provides performance-based incentives to project developers who deliver projects that realize verifiable peak demand reductions and energy savings. Incentives are based on TSB achieved, encouraging long-life measures that deliver maximum grid benefit. The program targets

commercial facilities with significant demand during peak periods, including restaurants, supermarkets, gyms, and recreation centers.

- **The Efficient Refrigeration program** offers high-efficiency refrigeration equipment to small corner stores and grocers, achieving continuous load reduction.
- Both **SDREN's single-family and multifamily residential programs** offer education and direct installation services to reduce household energy consumption during peak periods, maximizing TSB while delivering bill savings to participating homes. Eligible homes will be offered measures to support demand flexibility.
- The **Public Sector Climate Resilience Leadership program** targets public sector facilities with significant use during peak periods, including fire and police stations, public gyms and recreation centers, libraries, aquatic centers, and after-hours public healthcare facilities. Technical assistance supports identification of building controls and storage readiness to minimize grid stress and enhance community resilience.

Use of Meter-Based Savings Measurement

SDREN is proposing a **single resource acquisition program** that will comply with D.23-06-055 by using a **meter-based method** for savings measurement. Savings forecasts were developed taking into account program ramp-up and available incentive budgets, including incentive rate estimates in line with other similar programs. Savings claimed will be based on **actual savings realized** and will apply a population-level NMEC approach in alignment with the most current version of the CPUC's NMEC Rulebook.[60]

SDREN's other programs use deemed savings approaches and do not use the current custom process and meter-based methods to savings measurement as they will not be cost-effective with the target customers in equity and market support segmented programs.

[60] CPUC, Rulebook for Programs and Projects Based on Normalized Metered Energy Consumption Version 2.1 (Sept. 2025) https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/rolling-portfolio-program-guidance/nmec-rulebook-21-march-2025.pdf.

While SDREN recognizes the benefits of meter-based savings approaches, there are currently limitations to its effectiveness for certain customers. SDREN will actively engage in statewide working groups to overcome barriers and explore more cost-effective solutions for customers with smaller and less predictable loads. SDREN third-party implementers will also be encouraged to explore opportunities to incorporate meter-based savings approaches into the programs. SDREN will also incorporate approaches through the JCM process to support SDG&E third-party program providers with the delivery of meter-based savings projects, as appropriate.

Promote and Deploy "Exempt Measures"[61] in the Equity Segment

D.23-04-035 established a framework for determining the appropriate circumstances in which to deploy ratepayer funds for fossil gas energy efficiency measures, including exempt measures. It also provided guidance for determining whether gas measures are cost-effective and authorized working groups to develop technical guidance for identifying viable electric alternatives to gas measures. The decision directed PAs[62] to include within their 2028 energy efficiency applications a comprehensive strategy for deploying exempt measures in the equity segment, with consideration given to the unique implementation barriers faced by specific equity customer types, given that **"customers with the least resources and means likely face the greatest barriers to adopting these measures."**[63]

Across the portfolio, including SDREN's equity segment, programs promote exempt measures through education, outreach, and training and deployment of exempt measures to drive and deliver GHG reductions and bill savings for program participants. SDREN's portfolio

[61] *Decision Addressing Codes and Standards Subprograms and Budgets and Staff Proposal on Reducing Ratepayer-Funded Incentives for Gas Energy Efficiency Measures,* CPUC Decision 23-04-035 (Apr. 6, 2023), https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M505/K808/505808197.PDF. Decision 23-04-035 defines "exempt measures" as measures that result in gas savings but do not burn gas.
[62] *Decision 23-04-035*, at Ordering Paragraph 6 and Conclusion of Law 3.
[63] *Decision 23-04-035*, at p. 11.

of exempt measures includes pipe and ceiling insulation, low-flow showerheads, economizer repairs, and Heating, Ventilation, and Air Conditioning (HVAC) occupancy sensors deployed across the Residential, Commercial, and Public sectors.

SDREN's Workforce Training and Capacity Building program (market support) offers training, workshops, and certification support to build contractor expertise in the fundamentals of high-efficiency buildings. These workshops cover sealing and insulation as critical measures for both increasing occupancy comfort and reducing HVAC and water heating load, resulting in significant fossil gas savings.

While exempt measures offer significant energy savings potential, participant groups face unique barriers to implementing them. SDREN will continue to work with its program implementers through the Single-Family, Multifamily, SMB Energy Coach, and Tribal Engagement programs to deploy the strategies in **Table 3-4** to alleviate barriers to exempt measure implementation for equity participants.

Table 3.4 Strategies to overcome barriers to deploying exempt measures

Barrier	Sectors and Customers Impacted	Program Strategy
Lack of up-front capital for building upgrades	Underserved and HTR Residential, Commercial, and Public customers	• Offer incentives, including no-cost direct install services, to reduce up-front costs. • Assist participants with layering SDREN incentives with SDG&E on-bill financing and all available non-ratepayer funding and financing sources to reduce or eliminate up-front costs.
Lack of awareness of measures and their benefits	Underserved and HTR Residential, Commercial, and Public customers	• Develop marketing and outreach materials that succinctly illustrate the bill savings and equipment performance benefits of pursuing exempt measures. • Conduct no-cost site assessments and produce reports with tailored

		measure recommendations and financial analyses to help participants understand measure opportunities and quantify the long-term cost savings and occupant comfort benefits of implementation. ● Develop cross-sector training and leave-behind resources for building owners on easy-to-implement measures and maintenance practices that improve space and water heating system efficiency and reduce the energy demand of fossil gas appliances. Examples may include: how to install a low-flow showerhead and faucet aerators, and how to install below-door and window weather stripping.
Limited capacity to manage retrofit projects	Underserved and HTR Residential, Commercial, and Public customers	● Provide end-to-end energy advising services and project management support to supplement participant capacity and reduce administrative burdens.
Occupancy **comfort concerns**	Commercial and Public customers	● While many exempt measures, such as insulation and sealing, improve occupant comfort, program participants may be concerned that some exempt measures will reduce occupant satisfaction. For example, managers of gym facilities or fire stations may be concerned that the installation of low-flow showerheads will impact user satisfaction. SDREN develops tailored educational materials that address common occupant comfort concerns associated with target measures, as applicable.

Split incentives between tenants and building owners	Residential and Commercial customers (renter populations)	• In leased and rented commercial and residential spaces, building owners are typically responsible for paying for efficiency upgrades, while their tenants benefit from increased comfort and bill savings. SDREN addresses this challenge to deploy exempt and other measures through EE education, outreach, and advisory services to both landlords/property management companies and tenants. • Integrate exempt measures into home energy efficiency kits, offering a picklist of easy-to-install and **renter-friendly** products that improve gas appliance efficiency, reduce heating demand, and encourage behavioral change that will result in reduced fossil gas emissions. Products may include low-flow showerheads, faucet aerators, window and door weather stripping, foam insulation for hot water pipes, and shower timers.

SDREN aims to promote viable electric alternatives whenever possible. Still, we recognize that some customers may be unable to electrify existing fossil gas appliances. This may be due to renter status (and lack of control over appliances and replacement), space constraints, or other technical or logistical challenges. SDREN will prioritize marketing, outreach, and exempt measure installation for customers who cannot replace fossil gas equipment to support the long-term reduction of fossil gas emissions for all customers.

Further, many Tribal and rural communities rely on unregulated fuels, such as propane, to meet energy demands such as space and water heating; 4-9% of households in the county use non-regulated fuels for house heating fuel and are not eligible for CPUC-authorized

energy efficiency incentives.[64] SDREN will engage directly with Tribal communities through the Tribal program to better understand their needs in order to develop customized services and approaches to accompany existing SDREN programs. Support with exempt measures can be offered in compliance with energy efficiency guidance where an unregulated fuel is involved.

Finally, as discussed in more detail in *Chapter 11: Recommendations for New or Modified Energy Efficiency Policy*, SDREN recognizes that successful deployment of exempt measures in equity communities requires alignment between program design and evaluation methodologies. In markets where structural barriers suppress naturally occurring adoption, traditional NTGR assumptions may not fully reflect the intervention value of equity-targeted programs. SDREN therefore supports targeted refinements to attribution and cost-effectiveness methodologies to ensure that exempt measure deployment in underserved and HTR communities is accurately valued and remains consistent with the Commission's ESJAP and decarbonization objectives.

Increase Progress on CPUC's Environmental and Social Justice Action Plan Goals

SDREN's plan is guided by the state's focus on identifying and addressing barriers to advancing energy efficiency and decarbonization in hard-to-reach and underserved communities, as well as the CPUC's most recent ESJAP 2.0 update. To demonstrate its commitment to advancing the state's equity goals by serving environmental and social justice (ESJ) communities, SDREN is deeply aligned with the CPUC's ESJAP goals[65] as described below.

[64] United States Census Bureau American Community Survey, *House Heating Fuel* (2024), Help me update this citation to refer to this link: United States Census Bureau American Community Survey, House Heating Fuel (2024) - https://data.census.gov/table/ACSDT1Y2024.B25040?q=Bob%27s+Home+Heating+Cooling.

[65] *Environmental and Social Justice Action Plan,* CPUC, https://www.cpuc.ca.gov/ESJactionplan/ (last visited Feb. 11, 2026).

Table 3.5 SDREN Business Plan Alignment with ESJAP

ESJAP Goals	SDREN Alignment & Approach
Goal 1: Consistently integrate equity and access considerations throughout CPUC regulatory activities.	Equity and ESJ considerations are integrated throughout the SDREN Business Plan and will be included in all future regulatory filings. The SDREN governance structure considers ESJ priorities within its Advisory Committee. SDREN is currently expanding ESJ representation on the committee and members will be provided educational opportunities to better understand the regulatory and decision-making process.
Goal 2: Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health.	SDREN's short, mid-, and long-term goals drive for equitable decarbonization. Many of the programs' decarbonization strategies for transitioning from fossil gas to electrification will lead to improved air quality and health benefits for ESJ community members. All SDREN programs will engage with ESJ communities and SDREN will pursue opportunities to better understand and analyze impacts of programs on ESJ communities. SDREN will work across all eligible funding sources and support IDSM efforts to maximize impacts to these communities.
Goal 3: Strive to improve access to high-quality water, communications, and transportation services for ESJ communities.	SDREN will collaborate with regional partners to support improved access to additional high-quality services, such as clean transportation.
Goal 4: Increase climate resiliency in ESJ communities.	Climate resiliency is a key design consideration for programs that are focused on ESJ communities. Customized IDSM services will be integrated to support resilient ESJ communities. A key objective of both SDREN's Tribal Engagement program and Climate Resilience Leadership program are

	enhancing the resilience of Tribal communities and other public agencies to withstand and quickly rebound from climate challenges and emergencies.
Goal 5: Enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC's decision-making process and benefit from CPUC programs.	The SDREN Advisory Committee will include community-based organization (CBO) representatives and will consider ESJ representation in membership. Members will be given opportunities to participate and learn about the CPUC regulatory process. The SDREN Public sector Tribal Engagement program is intended to involve these communities in the planning process to develop program strategies.
Goal 6: Enhance enforcement to ensure safety and consumer protection for all, especially for ESJ communities.	Trusted local partners will be used for engagement and program outreach. SDREN will manage all program implementation contracts with protections built in to protect against fraud and unfair business practices. SDREN's C&S program will support enhancing the enforcement of codes to ensure safety and consumer protection for ESJ communities.
Goal 7: Promote high road career paths and economic opportunity for residents of ESJ communities.	SDREN's WE&T programs are focused on promoting high road clean energy career paths in close partnership with other agencies. These programs will engage and support ESJ communities.
Goal 8: Improve training and staff development related to environmental and social justice issues within the CPUC's jurisdiction.	All SDREN staff will be trained on ESJ issues and will work to support continued training on ESJ-aligned plans.
Goal 9: Monitor the CPUC's environmental and social justice efforts to evaluate how they are achieving their objectives.	SDREN will continue to monitor progress of CPUC ESJ efforts and will actively share and collect feedback, including supporting methodologies and metrics to track progress.

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Achieving ESJAP goals requires not only targeted intervention strategies but also evaluation frameworks that reflect structural market realities. SDREN's Chapter 11 policy recommendations regarding NTGR reform are intended to ensure that equity-targeted interventions are not disincentivized by attribution assumptions that undervalue equity program impacts.

Integrated Demand-Side Management (IDSM) Strategies

Integrating IDSM activities and services alongside energy efficiency is a cost-effective way to reduce bills, support grid reliability, and enable deeper decarbonization and resilience strategies across the region. Consistent with SDREN's goals of decarbonization and the portfolio strategy of customized customer support, IDSM opportunities will be integrated across all programs throughout the portfolio.

To support cohesive regional decarbonization, SDREN will convene a Regional IDSM Working Group composed of the area's load-serving entities, including Community Power, CEA, and SDG&E along with local governments and relevant stakeholders.

The Working Group will:

- Convene regional load serving entities (including CEA, Community Power, and SDG&E) to discuss IDSM opportunities, including building electrification, transportation electrification, DR, distributed generation, and storage, in order to optimize SDREN program design and delivery.
- Discuss regional grid needs (e.g., hosting capacity, distribution congestion) to inform program design, electrification priorities, and operational strategies.
- As appropriate, SDREN will refine IDSM activities and ensure alignment with regional energy and climate goals.

Table 3.6 Core IDSM Strategies and Activities

Focus Area	Key SDREN Activities

Equipment Specification	● Document IDSM programs' eligibility requirements, including equipment features and functionality, Original Equipment Manufacturer eligibility, DERMS integration, and compatibility with relevant codes, industry standards and workforce needs. ● Work with SDREN implementers to align, to the extent possible, program Qualified Product Lists with regional IDSM program requirements.
Identification, Installation and Commissioning	● Identification of IDSM opportunities based on customer preferences. ● Incorporate enrollment (e.g., device enrollment) support and process (e.g., terms and conditions acceptance) into SDREN programs, including marketplace offers, contractor partnerships, and CPUC Energy Division guidance on incentive stacking and Inflation Reduction Act (IRA) reporting. ● Integrate device commissioning requirements for IDSM programs (e.g., digital connectivity commissioning, DERMS integration) into contractor-driven SDREN program delivery. ● Ensure customer preferences, awareness, and education activities are integrated throughout the program delivery lifecycle.
Codes & Standards (C&S)	● Provide education and technical support to code officials on implementation of new requirements related to flexible load technologies (e.g., Title 24 compliance credits for storage and HPWHs, flexible demand appliance standards).
Workforce Education & Training (WE&T)	● Incorporate flexible load program requirements, incentives, commissioning processes and other IDSM program material into EE training modules for participating contractors. ● Educate and collaborate with participating contractors on inclusive outreach, customer acquisition, and sustained customer satisfaction with technology and behavioral interventions contributing to IDSM program goals.
Customer Education and Support	● Assist customers in applying for additional IDSM funding and incentives. ● Increase understanding of how load shifting can reduce energy bills. ● Incorporate information on the opportunities and benefits of IDSM program participation into customer education and outreach materials and workshops.

Technologies and Tools Supporting IDSM Integration

SDREN's IDSM strategy will promote deployment of technologies that enable energy efficiency, electrification, load flexibility, and distributed energy resource integration across all sectors where feasible. These include:

- **Flexible load and controls technologies:** smart thermostats, advanced building automation systems, lighting controls, and load management devices capable of responding to grid or price signals.
- **Electrification and efficient end-use equipment:** heat pump HVAC and water heating systems, induction stoves, and electric clothes dryers that can interface with DR and DER management systems.
- **DERs:** battery energy storage systems, rooftop PV, and EV charging that can be integrated through demand management platforms.

These technologies will be deployed in coordination with SDG&E, Community Power, CEA, and statewide programs such as TECH Clean California, Self Generation Incentive Program (SGIP), and California Market Transformation Administration (CalMTA) market transformation initiatives to ensure compatibility and interoperability. CalMTA activities are generally not customer-facing,[66] so SDREN's coordination with CalMTA will focus on interoperability. By prioritizing flexible, grid-interactive technologies, SDREN helps reduce peak system costs and customer bills while supporting a more reliable, decarbonized grid.

Sector Strategies for IDSM Approaches

SDREN's IDSM strategies will be implemented across all customer sectors:

- **Residential:** help residents and property owners understand and adopt IDSM technologies by offering in-language education, personalized guidance, and assistance accessing funding and financing resources.

[66] *FAQ: Market Transformation (MT)*, CalMTA, https://calmta.org/faq-market-transformation/ (last visited Feb. 11, 2026).

- **Commercial:** provide education and technical assistance to help businesses identify IDSM opportunities, integrate load flexibility into projects, and access available funding and incentives. Outreach will include resources for SMBs to incorporate IDSM strategies to drive more comprehensive projects.
- **Public:** provide technical assistance and education to help public agencies and Tribal communities integrate energy efficiency with IDSM opportunities. Support will include assistance with audits, design and procurement, funding and financing applications, and construction oversight. SDREN will also collaborate with code and permitting agencies to streamline approval processes for IDSM technologies and deliver joint education on energy efficiency, electrification, and grid flexibility. SDREN will also identify and elevate lessons learned from Tribal energy and resilience initiatives, and where appropriate and replicable, integrate relevant insights into broader public-sector IDSM strategies across the region.
- **Cross-Cutting WE&T:** expand awareness of IDSM career pathways and build workforce capacity by integrating IDSM topics into academic curricula, employer-led training, and professional certification programs. SDREN will connect students and jobseekers to opportunities in IDSM fields, address barriers faced by underserved participants, and leverage supplemental funding to strengthen and expand clean energy workforce initiatives.
- **C&S:** provide IDSM education and technical support to code officials and participating contractors.

Coordination with Other Administrators

SDREN will coordinate closely with other PAs and regional partners delivering IDSM programs—including SDG&E, Community Power, and CEA—to ensure consistent messaging, avoid duplication, and share best practices. This coordination will extend to other statewide and local demand-side initiatives where feasible, including CalMTA, TECH Clean California, and SGIP. If new CPUC-authorized multi-DER initiatives are introduced, SDREN will update its IDSM framework to remain aligned with state objectives and guidance.

Increase Workforce Education and Training to Better Deliver Quality Energy Efficiency Installations

One of SDREN's overarching portfolio goals is to **accelerate the clean energy economy through workforce opportunities** that improve the quality, affordability, and availability of energy efficiency installations.

As a regional leader, SDREN will mobilize and leverage resources to support the local workforce, grow regional energy efficiency and clean energy employment, and **promote high-road workforce development**, with a focus on job quality, career advancement, and equitable access for underserved communities. By increasing the number of skilled technicians trained in quality installation, diagnostics, and commissioning practices, SDREN's workforce initiatives directly enhance the persistence and realization rate of energy savings, ensuring that installed measures perform as designed and deliver verifiable reductions in energy use and GHG emissions. In turn, increasing the quantity and quality of the local workforce will contribute to increased affordability by reducing costs associated with remedying poor-quality installations.

SDREN administers two market support WE&T programs that fill gaps and support development of a clean energy workforce. These programs support clean energy career development and pathways for high school students, provide clean energy jobs training for new market entrants, and provide clean energy workforce training through employers. This approach ensures that education and training investments are not stand-alone, but rather integrated into SDREN's energy efficiency delivery ecosystem—creating a feedback loop where trained workers support higher-performing projects, which in turn reinforce the market demand for skilled labor.

Table 3.7 Strategies for Market Intervention Based on Target Audience

Target Audience	Strategy

Students grades 9 - 12	● Expose high school students, particularly in HTR and underserved communities, to clean energy career pathways through partnerships with local schools and community colleges. ● Encourage participation in Science, Technology, Engineering, Arts, and Mathematics (STEAM) programs and dual-enrollment college courses to build career readiness. ● Connect students with local employers for mentorship and hands-on learning opportunities that strengthen ties to the regional clean energy workforce.
Disadvantaged workers[67]	● Provide no-cost training, certifications, networking, and apprenticeship opportunities that prepare participants for entry-level and mid-skill EE and clean energy jobs. ● Provide wraparound services such as career coaching and mentorship to match participants with employers to secure jobs. ● Work with employers to design and deliver employee training to boost internal growth opportunities and employee retention. ● Target employees at CBOs, public agencies, contractors, and labor unions for workforce training pathways. ● Explore worker placement programs to build capacity and support workforce development. ● Coordinate closely with SDREN programs, with a focus on residential programs, to create placement opportunities for trained workforce.

[67] *Decision Adopting Standard Contract for Energy Efficiency Local Government Partnerships,* CPUC Decision 19-08-006, Attach. B at p. 6 (Aug. 1, 2019) defines "disadvantaged Worker" as a worker that meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool.

Employers connected to EE deployment	• Guide employers to develop policies to encourage employee training opportunities, funding for external training. • Survey local employers to determine emerging industry careers and necessary skills for incoming professionals to succeed. • Support and work alongside employers to understand and overcome barriers to offer targeted EE training for staff. • Conduct targeted employer surveys to identify emerging clean energy occupations and skill requirements. • Stack opportunities available to employers by connecting them to other workforce development programs.

SDREN's WE&T programs will build capacity across the entire energy workforce pipeline from students and entry-level trainees to experienced technicians and employers through:

- **Education and exposure** to clean energy and energy efficiency careers at the 9-12 grade levels.
- **Technical and credentialed training** focused on quality installation, commissioning, and safety.
- **Employer engagement** to align training with market needs and emerging technologies.
- **Integration with SDREN programs**, particularly residential and commercial offerings, to connect training with real project opportunities.

Through this integration, workforce education and training serves as a foundational driver of SDREN's portfolio outcomes by improving measure quality, boosting realization rates, and accelerating building decarbonization by ensuring that installations are performed to the highest standards of efficiency and safety.

Propose your preferred approach to regular reporting of demographic energy efficiency program participation information, as required by D.23-06-055 (OP 23)

D.23-06-055 directed PAs to work with the Reporting Project Coordination Group to jointly submit a report addressing key demographic data questions outlined in the decision no later than September 1, 2025[68] (referred to herein as the OP23 Joint Demographic Data Report). SDREN appreciates the value of capturing demographic data to track program participation themes and ensure programs are reaching underserved and hard-to-reach populations.

In alignment with the OP23 Joint Demographic Data Report, SDREN agrees that using geographic and publicly available data is the most cost-effective and scalable method for assessing energy efficiency program participation by demographic and agrees that data collection should be voluntary and not a requirement for program participation. SDREN is also aligned with the report's consensus on collecting minimal information like census block groups that can be tied to other demographic information by evaluators. SDREN notes that some programs inherently require specific data to be collected to verify program eligibility, particularly to confirm equity customers meet CPUC definitions of HTR and/or underserved.

Based on the recommendations from the OP23 Joint Demographic Data Report, SDREN will report on demographic energy efficiency program participation information via the following mechanisms:

- **Leveraging publicly available geographic and demographic data**, including the SANDAG Open Data Portal and US Census data. Data to be collected via public data sources may include census tracts and disadvantaged community status.
- **Leveraging utility bills and customer data shared by participants or via SDG&E data requests** over the course of project development when necessary for program

[68] *Decision 23-06-055*, at Conclusion of Law 38 and Ordering Paragraph 23.

eligibility screening and applicable incentive approvals. Data to be collected via customer bills and/or SDG&E data requests may include facility addresses, rate/tariff, participation in California Alternative Rates for Energy (CARE), Federal Emergency Relief Administration (FERA), or Energy Savings Assistance (ESA) participation, and preferred billing language.

- **Incorporating optional and voluntary demographic data collection questions within existing program participant satisfaction surveys.** Data to be collected via participant engagement and survey methodology may include job title, age, gender identity, and primary language.

As recommended by CCRREN in the OP23 Joint Demographic Data Report, SDREN will tailor its data collection approach to individual segments. For example, individualized participant data points such as age, gender, and primary language may be most appropriate for the Residential, Workforce, Education, and Training sectors. In contrast, data collected for the Public sector will focus more on jurisdictional demographics and governance structure rather than data about individual program contacts. Commercial data collection may involve optional surveys inquiring about the number of full-time staff and annual revenue.

In alignment with the report recommendations, SDREN proposes that demographic data points should be captured through existing claims processes wherever possible, minimizing changes to current reporting processes and reducing administrative burden. Demographic data should be reported only after clear CPUC guidance, and PAs should be given six months to implement new collection processes. To the extent possible, SDREN will utilize existing data collection and reporting processes, including claims, to minimize additional administrative time. SDREN proposes to report all non-claims-related demographic data on an annual basis. Implementers will also share demographic reporting data on a regular basis.

Overcome Sector and Segment Specific Challenges

SDREN's portfolio was designed to overcome persistent structural, financial, and informational barriers that have historically limited participation, equity, and effectiveness

across customer groups. The following subsections outline the key challenges by segment and sector, and the strategies SDREN will deploy to address them.

Resource Acquisition

Resource acquisition programs have the primary purpose of and short-term ability to deliver cost-effective avoided cost benefits to the electricity and natural gas systems.[69] A central challenge in this segment is ensuring that technical assistance and project development support translate into completed projects and measurable energy savings, particularly among SMB customers that face participation barriers such as limited capital or staffing. These strategies help SMBs manage operating costs and stay viable in the face of rising rates.

SDREN's single resource acquisition program, the Commercial sector Market Access Program (MAP), is structured to directly link incentives to verified metered savings, ensuring that program investments yield tangible system and customer benefits. By grounding incentive payments in actual performance, the program fosters accountability and sustained energy savings while expanding participation among SMBs that may otherwise lack access to similar opportunities.

SDREN's approach focuses on building market confidence through transparent measurement, reliable delivery partners, and targeted technical assistance. The MAP's structure helps streamline participation for contractors and aggregators, allowing them to bundle multiple smaller projects into a scalable portfolio of savings opportunities. This design supports regional decarbonization and energy reduction goals while helping businesses manage costs, improve facility performance, and strengthen resilience.

Market Support

Market support programs have the primary objective of supporting the long-term success of the energy efficiency market. Market fragmentation, lack of sustained funding for workforce

[69] *Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process*, CPUC Decision 21-05-031, at p. 14 (May 20, 2021).

training, and insufficient technical capacity within public agencies have historically constrained market transformation. While incentives are a driving force of energy efficiency retrofits, they must be paired with technical assistance and project advising to help participants take full advantage of energy efficiency offerings.

SDREN's market support portfolio includes a Public sector program designed to provide tailored energy efficiency project development support to integrate energy efficiency and IDSM as a standard practice in municipal facilities.

The energy efficiency market's success relies on a qualified workforce. SDREN's two WE&T Market Support programs create clean energy career pathways for high school students and working professionals. Through coordinated workforce partnerships and educational activities, SDREN aims to address the region's growing shortage of skilled clean energy workers and ensure equitable access to clean energy career opportunities.

Equity

Equity programs have the primary purpose of bringing energy efficiency to HTR and underserved customers and disadvantaged communities. Key barriers include limited financial resources, language and cultural barriers, and lack of trust in energy programs. These customers often face competing priorities and limited technical bandwidth to pursue energy efficiency opportunities.

SDREN addresses this challenge by working with local communities to implement programs suited to their needs. For example, SDREN's Tribal Engagement program (Public) enables Tribal communities to lead the design of energy efficiency and decarbonization initiatives most aligned with their energy challenges and priorities. Additionally, SDREN's equity portfolio seeks to maximize nonenergy benefits delivered in HTR and underserved communities through program interventions. For example, the Efficient Refrigeration program (Commercial) encourages participating stores to stock their high-efficiency refrigerators and freezers with fresh, healthy, and affordable food products.

Residential

SDREN offers two Residential programs, one for multifamily and one for single-family customers. Residential customers in HTR and underserved communities often receive limited outreach from energy efficiency programs, and residents may be confused by the number of program offerings available to them and may have limited bandwidth to pursue energy efficiency. Additional barriers include the split incentive between renters and landlords, language access challenges, and low awareness of available incentives.

SDREN's residential programs include support from Energy Advisors who will offer technical guidance and demystify funding opportunities, increasing energy efficiency accessibility. The residential programs highlight non-energy benefits and incorporate a pathway to decarbonize through energy efficiency and IDSM technical assistance and education about "healthy homes." This approach reduces participation barriers while positioning residential energy efficiency as an entry point to broader decarbonization measures.

Commercial

SDREN's three Commercial sector programs fill gaps and coordinate closely with SDG&E programs. SDREN's Commercial sector supports SMBs by raising awareness and increasing adoption of energy efficiency and other IDSM practices and measures. Common barriers include limited staff capacity, competing operational priorities, lack of upfront capital, and the split incentive problem between tenants and building owners.

These programs offer energy coaching, direct install measures, and performance-based incentives to alleviate the cost and technical barriers to participation. Further, many small businesses lease their space and do not control facility investments in energy efficiency. SDREN provides energy efficiency education and advisory services to both landlords and tenants to address split incentive challenges. By integrating technical assistance with financing and education, SDREN's approach ensures that SMBs can implement improvements despite structural and financial constraints.

Public Sector

Public agencies often have limited staff capacity and technical expertise to identify energy efficiency and decarbonization opportunities that improve the energy resilience of public facilities. Additional barriers include fragmented funding sources, long procurement processes, and the need to balance competing community priorities.

SDREN's portfolio includes two Public sector programs. One is a market support program designed to alleviate barriers to comprehensive energy efficiency implementation in public facilities through end-to-end technical assistance, energy planning support, tailored project development support, and direct installation of energy efficiency measures. The second is an equity program that collaborates with Tribal communities to determine program design and delivery with the goal of advancing climate resilience on Tribal lands. Together, these programs address institutional and capacity barriers by embedding long-term planning, funding alignment, and culturally responsive engagement into public-sector energy management practices.

Cross-Cutting – Workforce, Education and Training (WE&T)

Most clean energy careers require specialized education or training, which can make entering the clean energy workforce challenging for both underserved high school students and adult workers. Barriers include lack of access to credentialing programs, limited employer engagement, and underrepresentation of women and people of color in clean energy job pipelines.

SDREN's two market support WE&T programs fill gaps and support the development of a clean energy workforce representative of vulnerable populations, with opportunities to build more resilient communities. These programs support clean energy career development for high school students, provide clean energy jobs training for new market entrants, and offer clean energy workforce training through employers. By aligning workforce programs with employer needs and educational institutions, SDREN ensures regional training leads to lasting, high-quality job placements. In doing so, SDREN's WE&T investments help build the

skilled labor pipeline necessary to deliver the volume of high-quality energy efficiency and decarbonization projects required to meet San Diego's clean energy and climate goals on schedule.

Cross-Cutting – Codes & Standards (C&S)

The C&S program is focused on improving local code compliance and accelerating the adoption of reach codes. Local permitting agencies face challenges including limited staff resources, inconsistent enforcement practices, and communication gaps between building officials and contractors, all of which slow progress toward decarbonization goals.

SDREN's C&S program will supplement and complement the SDG&E C&S programs and all statewide C&S programs. SDREN's program provides local agencies with energy efficiency and decarbonization policy and compliance support and enhances communication and experience among permitting authorities and permit applicants. The program fills gaps in the current SDG&E program, which primarily focuses on advocacy at the California Energy Commission (CEC) and Department of Energy (DOE) related to appliance and building standards. By providing targeted local training and technical support, SDREN's C&S efforts strengthen local implementation capacity and ensure consistent application of advanced codes across jurisdictions to reduce the compliance gap with Title 24 code.

Promote Responsible Management and Disposal of Removed Refrigerant and Incorporate Low-GWP Refrigerants/Ultra-Low GWP Refrigerants

Hydrofluorocarbon refrigerants (HFCs) are "super" GHGs that are currently being phased out in accordance with federal requirements[70] and per CA Senate Bill 1206. However, significant support is needed to accelerate the San Diego region's safe transition to Low Global Warming Potential (low-GWP) refrigerants. While the primary driver for low-GWP refrigerants is GHG reduction and regulatory compliance, pairing refrigerant transition with

[70] American Innovation and Manufacturing Act of 2020, 42 U.S.C. § 7675 (2020).

high-efficiency equipment and proper commissioning also reduces energy consumption, lowering operating costs for participating customers. Low-GWP refrigerants are incorporated into the portfolio using the strategies outlined in Table 3.8 below.

Table 3.8 Strategies for Incorporating Low-GWP Refrigerants by Sector

Portfolio Sector/Program	SDREN Supporting Strategy
Residential, Commercial and Public	• Offer education about low-GWP refrigerants with customers receiving relevant measures or recommendations within technical assistance offered. • Requirements for installers to use low-GWP refrigerants in newly installed equipment. • Support proper reclamation of HFC refrigerants in addition to providing measures with low-GWP refrigerants.
Codes & Standards	• Provide information to all local permitting agencies and other market actors about the HFC phase out and low-GWP refrigerants along with code requirements.
Workforce Education & Training	• Incorporate training to participants on proper installation and management of low-GWP refrigerants and proper reclamation of HFC-based refrigerants, along with education about phase out and benefits of low-GWP.

Additionally, SDREN will coordinate with the Market Transformation Administrator should new HVAC and refrigeration initiatives be introduced to address new low-GWP changes and regulations.[71]

[71] *Decision 21-05-031*, at p. 60.

Spur Innovation to Advance a Technology, Marketing Strategy, or Delivery Approach in a Manner Different from Previous Efforts in your Energy Efficiency Portfolios

Grounded in SDREN's principles of environmental equity, collaboration, and community-driven design, the portfolio incorporates the strategies outlined in Table 3.9 to spur innovation.

Table 3.9 Strategies for Innovations Based on SDREN Principles

SDREN Principle	SDREN Strategies for Innovation

Environmental Equity	• Focus on methods that maximize non-energy benefits for equity customers such as:
	  ○ Engage multiple markets to identify best strategies to reach equity customers.
	  ○ Incorporate environmental justice priorities and opportunities into all program solicitations and invite proposers to suggest innovations that are aligned with these priorities.
	• Provide compensation for CBOs that engage with and support SDREN. SDREN will also provide any needed energy education and training to these groups in order to build staff capacity and more effectively contribute to SDREN goals.
	• Incorporate IDSM and flexible load programming throughout the portfolio to ensure all customer groups contribute to demand management and benefit from associated bill savings and resiliency benefits. Examples include promotion of programmable HPWHs and thermostats, support for digital connectivity commissioning, and enrolling customer storage equipment into a DERMS to reduce both system and customer costs during peak load times.

Collaboration	• Prioritize collaboration, coordination and flexibility in program design to fill gaps and develop future innovations through the following strategies:

	○ Work with local energy PAs and implementers to optimize coordinated service delivery and ensure resources are used efficiently. ○ Work with SDREN Advisory Committee members and other regional partners, such as CBOs and local governments, to inform approaches that reflect local needs and priorities, and maximize advantages for local communities. ● Leverage and marshal financial resources, provide access to financing, and integrate/stack funding sources. ○ This includes state funding opportunities, such as TECH Clean CA and the CEC EBD DI Program, as well as regional offerings, such as SDG&E programs, where feasible. ● Convene a Regional IDSM Working Group composed of the area's load-serving entities, including Community Power, CEA, and SDG&E along with local governments and relevant stakeholders to ensure IDSM and flexible load activities are delivering the greatest value to the grid.
Community-Driven	● Engage communities at early stages of planning to ensure the services that are developed and delivered reflect local needs and priorities and invest in community-based program delivery. ● Identify success measures reflective of desired community outcomes, informed by Community Power's Community Power Plan and the County of San Diego's Regional Decarbonization Framework. ● Create SDREN Advisory Committee that includes CBOs to advise on outreach and enrollment, provide feedback on program evaluation reports, and recommend program improvements. ○ Ongoing engagement will focus on collecting feedback to inform the 2028-2035 Portfolio Plan. This will also be informed by the community-based pilot led by the Southern California Regional Energy Network (SoCalREN).[72]

[72] *Decision 23-06-055*, at Ordering Paragraph 30.

	• Offer a Tribal program designed to ensure community-driven and culturally-centered design and service delivery. ○ Embed lessons learned from Tribal communities who may have previously completed energy and/or resilience projects

Incorporation of Community-Based Program Design

Community-Based Program Design that Advances Equity and ESJ Action Plan Goals (D.23-06-055, OP 31)

Following its authorization in 2024, SDREN hired staff and commenced solicitations to engage third party implementers. Each implementer has worked closely with SDREN to develop updated Implementation Plans for its ten programs, all of which will be fully launched in 2026. These programs were shaped by the extensive community outreach efforts described in Chapter 8, including listening sessions, surveys, and local government engagement. Additionally, Table 3.9 (above) highlights several community-based strategies SDREN applies across its portfolio to advance equity and the CPUC's ESJ Action Plan.

This Business Plan Application is largely informed by SDREN's first Business Plan Application, which was developed through extensive stakeholder and community engagement conducted in 2023. As a result, SDREN did not undertake a similarly expansive, standalone stakeholder engagement process for this application, instead relying on previously gathered input and established community engagement structures to inform portfolio design and refinement.

Across program design, implementation, and governance, SDREN employs multiple strategies to ensure meaningful community involvement, responsive design, and equitable outcomes, consistent with D.23-06-055, OP 31. SDREN collaborated with all other PAs on implementing OP 24, which culminated in a memo of recommended community

engagement indicators that was appended to its 2025 MCAL. SDREN will track and report on community engagement activities for equity segment communities through the Annual Report Narrative and spreadsheet pursuant to D. 23-06-055 Ordering Paragraph 24. "These qualitative and quantitative indicators will be used to gauge the quantity and quality of engagement with ESJ communities and CBOs, as well as outreach activities, to ensure accountability of the equity segment of the portfolio."[73]

SDREN Program Strategies that Promote Meaningful Community Involvement and Advance Equity

1. Community-Driven Program Design Based on Regional Engagement

SDREN's program portfolio reflects input gathered through Community Power's community listening sessions conducted during the development of the Community Power Plan, direct engagement with local governments, CBOs, and feedback from residents and businesses across Communities of Concern. This engagement shaped:

- Program eligibility criteria.
- Outreach strategies.
- Customer support models (e.g., concierge navigators).
- Quality installation and workforce requirements.
- Equity indicators in the UVM framework.

This approach ensures the portfolio reflects local values, needs, and barriers and supports ESJ Action Plan goals to meaningfully involve ESJ communities in program design.

2. Partnership with Community-Based Organizations During Implementation

SDREN acknowledges that cultivating trusted, long-term relationships with ESJ communities and their representative organizations is often a challenge for PAs; however, these relationships are fundamental to delivering programs that are responsive to community

[73] *Decision 23-06-055*, at p. 68.

needs and effective in advancing equity. Several SDREN programs directly integrate CBOs and local partners as part of their delivery models. Examples include:

- The Single-Family program, which funds local community partners to conduct outreach, provides language-accessible education and connects residents to stacked incentives.
- The Climate Resilience Leadership program, which works with community groups to identify resilience priorities and support projects in neighborhoods with high climate vulnerability.
- Multifamily and Small Business programs, which rely on community-led outreach to reach HTR customers and deliver trusted, culturally-relevant information.

These partnerships operationalize ESJ Action Plan Guiding Principle 2: "Recognize and reduce barriers to participation for ESJ communities." Community Power also launched the "Power Network" in February 2025, a coalition of local, community organizations who are dedicated to empowering their communities. Through the Power Network, organizations establish a formal relationship with Community Power and can enter contracts to perform services on behalf of Community Power, such as outreach support and translation services. They are also encouraged to share feedback on Community Power's service and offerings, as well as shape advocacy efforts around sustainability. SDREN plans to leverage relationships and best practices from the Power Network to strengthen engagement with CBOs and will explore opportunities to align and synergize engagement activities to improve efficiency, consistency, and outcomes for the communities served.

3. Tribal-Led Program Development and Implementation

The SDREN Tribal Engagement program is designed to promote meaningful involvement of Tribal communities and support energy sovereignty. Strategies include:

- Customized technical assistance for Tribal communities.
- Support for Tribally-led program design and project development.
- Assistance securing external funding and building long-term capacity.

- Respectful coordination aligned with Tribal consultation norms.

This program advances multiple ESJ Action Plan goals, including increasing clean energy investments in Tribal communities and ensuring culturally-appropriate engagement.

SDREN will explore opportunities to incorporate insights from Tribal community energy planning and resilience initiatives into broader equity program design, particularly in areas related to distributed energy resources and load flexibility.

4. Concierge and Energy Advisor Models to Support ESJ Communities

SDREN's Single-Family, Multifamily, Commercial, and Tribal programs use a concierge/energy coach model to remove participation barriers for ESJ communities by:

- Helping customers navigate programs across all PAs.
- Securing stacked incentives and local/state funding.
- Providing multilingual and culturally-appropriate support.
- Reducing administrative burden for customers who lack time, resources, or technical knowledge.

This model directly supports ESJ Action Plan Objectives 1.1 and 2.1 by increasing program accessibility, reducing procedural barriers, and providing personalized assistance.

5. Workforce Approaches that Prioritize Local and HTR Contractors

SDREN's WE&T strategies seek to:

- Build local capacity within ESJ communities.
- Recruit contractors from underrepresented communities.
- Train workers on high-quality installation practices.
- Utilize a network of clean energy professionals from diverse and representative backgrounds as coaches and mentors to improve equitable access to industry-specific guidance and knowledge and support participants' long-term career success.
- Expand contracting opportunities for small, local, minority-owned businesses.

- Provide one-on-one support to connect participants to resources.
- Provide multilingual educational outreach materials.

This approach contributes to equitable economic development and supports the ESJ Action Plan goals around job access and workforce inclusion.

6. Co-Design and Continuous Feedback Loops

Across programs, SDREN is embedding feedback mechanisms including surveys, focus groups, participant and stakeholder interviews, and contractor feedback to ensure programs evolve with community needs. SDREN's implementers will adjust outreach, eligibility, and delivery strategies based on direct input from ESJ customers.

Ongoing Structures to Integrate Community-Based Feedback into Future Program Design

Community Power and County of San Diego Leadership

As public agencies, Community Power and the County of San Diego prioritize serving community needs. They embed equity into all energy service delivery. Their governance structures ensure SDREN decisions reflect public values.

SDREN Advisory Committee with CBO Representation

The SDREN Advisory Committee comprised of Tribal representatives, CBOs, local governments, and technical experts provides ongoing input on:

- Program design and modifications.
- Outreach strategies.
- Equity outcomes.
- Funding and resource coordination opportunities.

This structure provides a durable and accountable mechanism for incorporating community voices into portfolio management.

Tribal Engagement and Consultation Processes

SDREN's Tribal Engagement program formalizes mechanisms for listening, consultation, and partnership with Tribal governments to ensure Tribal community needs continue to shape program offerings over time. SDREN will also intake best practice and lessons learned from Tribal communities who have already completed energy and/or resilience projects to extrapolate learnings to improve SDREN's program services.

Community Feedback Channels via Outreach and Web Tools

SDREN will collect input at outreach events, workshops, and through its website to ensure programs remain responsive. This includes:

- Feedback forms.
- In-person comments.
- Event-based engagement.

SDREN will integrate this feedback into program refinements and future cycle development.

By combining community-driven program design, CBO partnerships, Tribal-led strategies, concierge support models, equity-focused workforce investments, and ongoing governance structures, SDREN fully satisfies the requirements of D.23-06-055, Ordering Paragraph 31. SDREN's portfolio is built to meaningfully involve communities, align with ESJ Action Plan goals, and ensure that programs deliver equitable, community-centered outcomes across the San Diego region.

Chapter 4: Forecast Methodology and Zero-Based Budgeting

Demonstration of the Reasonableness of Request

Overview

SDREN's program portfolio is aligned with REN directives and designed to drive energy efficiency and decarbonization within San Diego County, with a focus on serving HTR and underserved customers. Program-level budgets were developed using a zero-based budget approach. The proposed budgets are calibrated to deliver programs to the targeted customer segments within the SDREN service territory; SDREN is confident proposed budgets will deliver significant positive customer impacts. The requested budgets are commensurate with the program and portfolio budgets previously approved by the CPUC for SDREN and RENs in other IOU territories. The proposed budgets also reflect SDREN's focus on supporting an equitable and affordable transition to a decarbonized San Diego region.

SDREN's proposed budget conforms to CPUC guidance[74] and the Energy Efficiency Policy Manual.[75] The budget breakdown in the SDREN 2028-2035 EE Application Excel Sheets includes the following categories and costs:

- **Administration:** the budget forecast allocates 9% of the total portfolio budget across programs and portfolio support to administrative activities not associated with program implementation. SDREN will meet regularly with other PAs, such as the

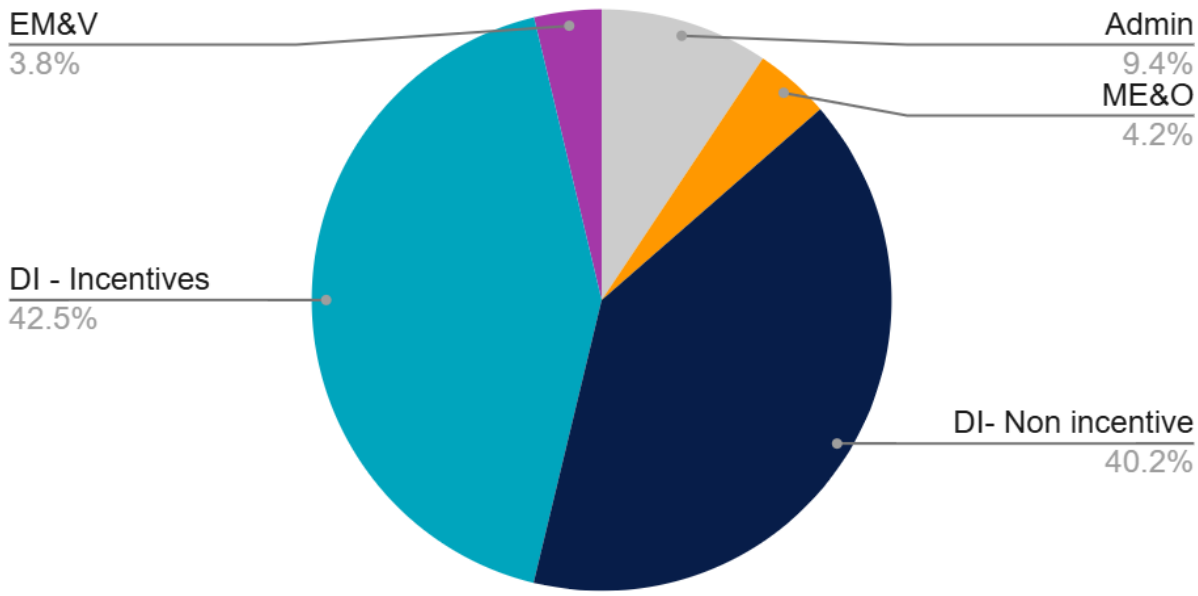
[74] *Decision 21-05-031*, at pp. 32-33 (providing direction on program administration and implementation costs).
[75] CPUC, ENERGY EFFICIENCY POLICY MANUAL VERSION 6.0 (2020), https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/eepolicymanualrevised-march-20-2020-b.pdf.

other RENs, to understand best practices for decreasing the overall budget allocation to administration.

- **Marketing, Education, and Outreach (ME&O):** 4% of ME&O has been allocated across programs and portfolio level support, consistent with guidance in the EE Policy Manual.[76] ME&O budget allocations include outreach activities such as customer engagement materials, enrollment support, and educational workshops.
- **Direct Implementation - Incentives:** this has been allocated at the program level for any program that offers incentives for measures that deliver TSB. The allocation by program has been determined based on the estimated incentive value disbursed through the program and energy savings targets achieved for measures installed.
- **Direct Implementation - Non-Incentives:** this allocation has been made at the program level and is based on the services and resources that the programs will deliver including implementer labor, technical assistance, workforce education and training activities, and energy savings validation. It has been developed to align with the incentive program forecast when applicable.
- **EM&V:** 4% has been allocated at the portfolio level in accordance with D.21-05-031 and in alignment with the 2028-2035 EE Application (Exhibit 4 - 2028-2035 EE Application Workbook).

[76] *Id.*

Figure 4.1 Budget Allocations by Cost Category (2028-2035)



Forecast Methodology

To ensure the reasonableness of its funding request, SDREN applied a zero-based justification framework in alignment with CPUC Decision D.21-05-031 and the Energy Efficiency Policy Manual, building on the analysis and assumptions approved in its prior Business Plan Application. Under this approach, each program's proposed funding level was reviewed to confirm the purpose, contribution, and cost-effectiveness of each activity or expenditure prior to including it in the portfolio.

SDREN assessed each function for its specific contribution to portfolio goals, alignment with CPUC directives, and necessity to achieve measurable customer and system benefits. Budgets reflect only those costs deemed essential to deliver the approved service level and achieve SDREN's portfolio goals and outcomes, consistent with previously authorized program designs.

When developing forecasts, SDREN relied on the same core analytical inputs used in its prior application. These assumptions are further corroborated by market pricing observed through SDREN's competitively bid and awarded program implementation solicitations, which are consistent with the cost structures assumed in the previously approved Business Plan Application.

- Anticipated participation rates, market size and opportunity, technology adoption curves, and equity-focused outreach requirements.
- Delivery type and measurement methodology (e.g., deemed savings, NMEC, direct install, technical assistance, training etc.).
- Sector-specific and regional cost drivers, including implementer labor, materials, and incentive levels.
- Benchmarks from comparable REN portfolios to ensure proportionality and reasonableness.

This methodology confirms that SDREN's proposed funding is both necessary and sufficient to achieve the Commission's intended outcomes for REN portfolios.

To support continuity of service and account for inflationary pressures expected in the latter half of the portfolio cycle, SDREN applied a uniform 3% annual budget escalation assumption for years 2028–2035 across all programs. This escalation reflects anticipated increases in labor, materials, and participation as decarbonization and electrification activity grows regionwide. The adjustment maintains program steady-state operations, ensures sufficient resources to meet rising customer demand, particularly among HTR and underserved communities, and preserves cost reasonableness over the full 2028–2035 period.

Methodologies to Forecast Budget and Benefits by Segment

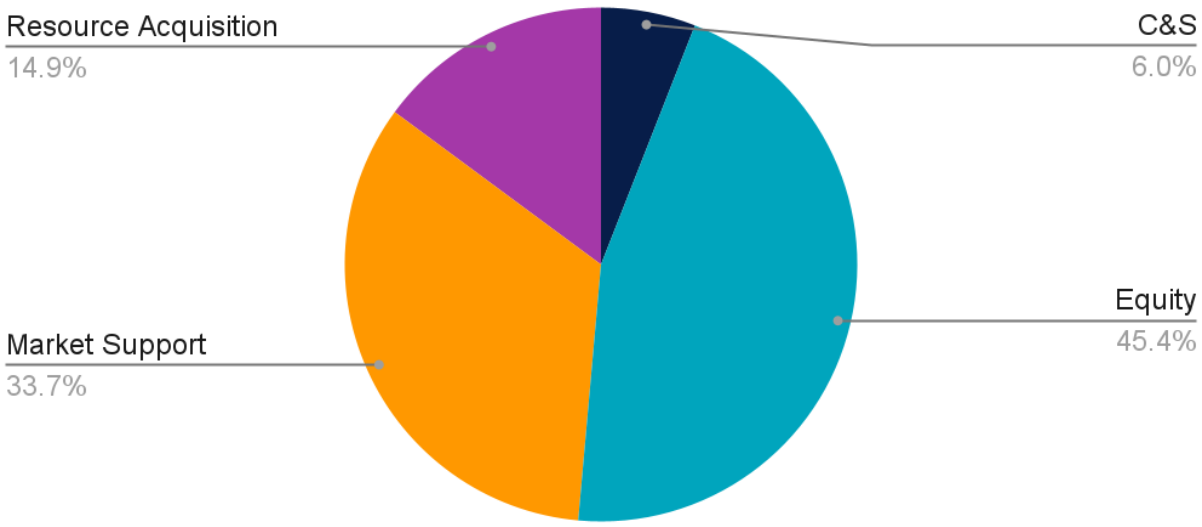
Segment-level budgets were derived from SDREN's analysis of how each activity contributes to achieving measurable benefits under the resource acquisition, market support,

equity, and C&S segments. Allocations reflect the level of investment required to achieve those outcomes efficiently and equitably.

SDREN's portfolio includes programs in all segments, with the majority of its budget allocated to the market support and equity segments. SDREN's segmentation approach and budget distribution align with broader portfolio objectives to complement existing and emerging offerings to accelerate equitable decarbonization throughout San Diego County.

The budget allocation by segment is illustrated in the figure below.

Figure 4.2 SDREN 2028-2031 Budget Allocation by Segment



Resource Acquisition

SDREN's resource acquisition segment budget is $25,087,075, representing 14.9% of SDREN's proposed 2028-2031 budget (excluding EM&V). SDREN will offer a single resource acquisition program: the Commercial Market Access Program (MAP), which incentivizes projects that reduce peak demand usage and deliver verifiable energy savings. This program will help SDREN advance decarbonization, reduce energy burdens, reduce energy consumption, increase reliability, and increase participation in and access to EE programs. Outreach efforts will focus on small to medium-sized HTR and underserved commercial

customers that may be missed or passed over by other programs. The program is intended to deliver $16.6M in TSB.

Forecasts for SDREN's resource acquisition segment were developed using a function-based justification approach consistent with the zero-based budgeting framework per D.21.05-031.[77] The methodology links forecasted participation levels, incentive values, and delivery costs of the program's population-level NMEC measurement method.

The MAP leverages historical data from comparable market access and pay-for-performance programs administered by other PAs, including Community Power's Smart Home Flex program, to estimate participation rates and average savings per site.

Budget and benefit forecasts were derived from the following key inputs:

- **Average incentive cost per kilowatt-hour (kWh)/kilowatt (kW) saved**, benchmarked to existing CPUC-approved market access programs.
- **Projected number of aggregated project bundles per year**, informed by regional market size and contractor capacity.
- **Administrative and implementer labor requirements** tied to number of enrolled aggregators, amount of customer recruitment/community engagement, NMEC data processing, project verification ongoing M&V, and incentive payment processing.
- **Expected TSB** based on verified savings values and load reduction potential during summer peaks.

This forecast ensures that requested funding levels are commensurate with achievable energy savings and are proportional to the small and medium business market potential in SDREN's service territory.

[77] *Decision 21-05-031*, at Finding of Fact 12: "Zero-based budgeting requires analyzing each function for its contribution and costs before including in a budget, and does not allow expenses to continue just because they were approved in the past, if they no longer serve an important function."

Codes & Standards

The C&S segment budget is $10,065,734, representing 6% of the SDREN proposed 2028-2031 budget (excluding EM&V). The segment mirrors the cross-cutting C&S sector, which includes a single program. SDREN's C&S segment is intended to complement existing efforts at the state and regional levels by supporting decarbonization-related code enforcement, compliance, and adoption of reach codes.

The C&S landscape requires a localized approach due to the current gaps, barriers, and challenges that permitting agencies face and the urgent need to rapidly scale up compliance to meet decarbonization goals. SDREN's program will provide tailored support to help agencies navigate the intricate energy code compliance landscape effectively. Given agencies' needs and REN C&S successes noted in other regions, the budget was developed based on insights from other REN C&S programs.

Forecasts for SDREN's C&S segment were developed in alignment with the Commission's zero-based budgeting framework (D.21-05-031). The methodology relied on the following key inputs:

- Benchmarking of resource requirements from comparable REN C&S programs (SoCalREN, Bay Area Regional Energy Network (BayREN), and Tri-County Regional Energy Network).
- Projected number of jurisdictions and permitting agencies served, based on regional market assessment data.
- Estimated volume of technical assistance hours and training delivered per year, scaled to local agency capacity and participation potential.

This approach ensures that SDREN's proposed C&S budget is proportional to achievable outcomes and supports the measurable advancement of decarbonization-aligned building practices, including the adoption of reach codes and improved compliance rates across participating agencies.

Market Support

SDREN's market support segment budget is $56,758,804, representing 33.7% of SDREN's proposed 2028-2031 budget (excluding EM&V). There are three market support programs in the portfolio, one in the Public sector and two in the Cross-Cutting WE&T sector.

SDREN's investment in the market support sector will support the long-term success of the EE market in the San Diego region by investing in a strong workforce and the public agencies that represent and lead the region. The allocation of budget to this segment is imperative for SDREN to deliver on all three of its portfolio goals: advancing decarbonization, providing comprehensive services that improve outcomes for HTR and underserved communities, and accelerating the clean energy economy through workforce opportunities.

Forecasts for SDREN's market support segment are consistent with the zero-based budgeting framework outlined in D.21-05-031. The methodology relied on the following inputs:

- Benchmarking against other REN market support programs, including BayREN and SoCalREN, to establish cost and staffing assumptions for workforce training, technical assistance, and engagement activities.
- Estimated number of participants trained and agencies served, informed by regional workforce data, partner capacity, and historical participation rates from comparable programs.
- Projected number of workforce placements, certifications, and partnerships formed, scaled to achievable regional outcomes.
- Allocation of non-incentive implementation costs (e.g., training delivery, curriculum development, technical assistance, and program administration) proportional to expected program reach and participant engagement levels.

This methodology ensures that SDREN's proposed market support budget is proportional to the scale of Workforce and Public sector capacity needs within the region and reasonable relative to achievable long-term benefits. By linking projected costs to tangible participation,

training, and partnership outcomes, SDREN's forecasts demonstrate alignment with the CPUC's objectives for sustained market transformation and equitable workforce development.

Equity

SDREN's equity segment budget is $76,558,017, representing 45.4% of SDREN's proposed 2028-2031 budget (excluding EM&V). Consistent with SDREN's Guiding Principle 1 (to advance environmental equity) and Portfolio Goal 2 (to improve outcomes for HTR and underserved communities), SDREN has allocated the most significant portion of its budget to equity segment activities. This focus area fills a gap in the region since SDG&E's portfolio allocates only a small fraction of its budget on equity segment activities.[78]

As part of the market assessment that informed this application, SDREN developed a geographic analysis identifying HTR and underserved areas based on definitions adopted in D.23-06-055. This analysis determined that **46% of the SDREN population lives in an underserved community** (see Figure 2.15 in Chapter 2, Portfolio Summary).

SDREN proposes a total of five equity programs in the Commercial, Public, and Residential sectors. The total budget allocated to each sector within the equity segment is outlined in table 4-1 below. Over half (55%) of the total segment budget is allocated to direct install measures. This strategy, in alignment with SDREN's portfolio vision, enhances SDREN's ability to ensure HTR and underserved communities are not left behind in the clean energy transition.

Forecasts for SDREN's equity segment were developed in alignment with the zero-based budgeting framework (D.21-05-031). The forecast incorporated the following key inputs:

- Regional demographic and equity mapping results identifying priority communities and customer segments as defined in D.23-06-055.

[78] SDG&E, *Energy Efficiency Mid Cycle True Up Advice Letter Pursuant to D.21-05-031*, Advice Letter 4747-E/ 3469-G (filed Sept. 1, 2023).

- Participation potential derived from census and utility data on income-qualified and HTR households, small businesses, and public agencies.
- Cost benchmarks from comparable REN-administered and IOU equity programs to estimate implementation and measure delivery costs.
- Direct install measure cost assumptions based on current statewide workpapers and implementation pricing, scaled to anticipated participation levels.

Projected benefits were estimated using deemed savings values from the Electronic Technical Reference Manual (eTRM) for applicable measures, combined with forecasted participation rates per customer type and delivery channel.

This methodology ensures that the proposed equity segment budget is commensurate with achievable participation and forecasted savings outcomes, while maintaining proportional investment in the regions and populations most in need. By grounding forecasts in local demographic data and achievable savings assumptions, SDREN demonstrates that its requested funding levels are reasonable, impact-driven, and aligned with CPUC directives to advance equitable decarbonization.

Methodologies to Forecast and Allocate Program Budget and Benefits by Sector

Overview

The sector-level budget and benefits forecasts apply the same zero-based justification framework as described in the previous section. Each sector's funding level was established by evaluating its relative contribution to SDREN's portfolio goals, regional energy use, and market need.

Budget allocations reflect:

- Each sector's **share of regional electricity consumption** and potential for energy savings (see Figure 4.3).

- **Equity weighting** based on HTR and underserved customer concentrations identified in SDREN's market assessment.
- **Distinct delivery requirements** across sectors. For example, this may include incentives and NMEC verification in Commercial programs, technical assistance for public agencies, and direct install or education services in Residential programs.

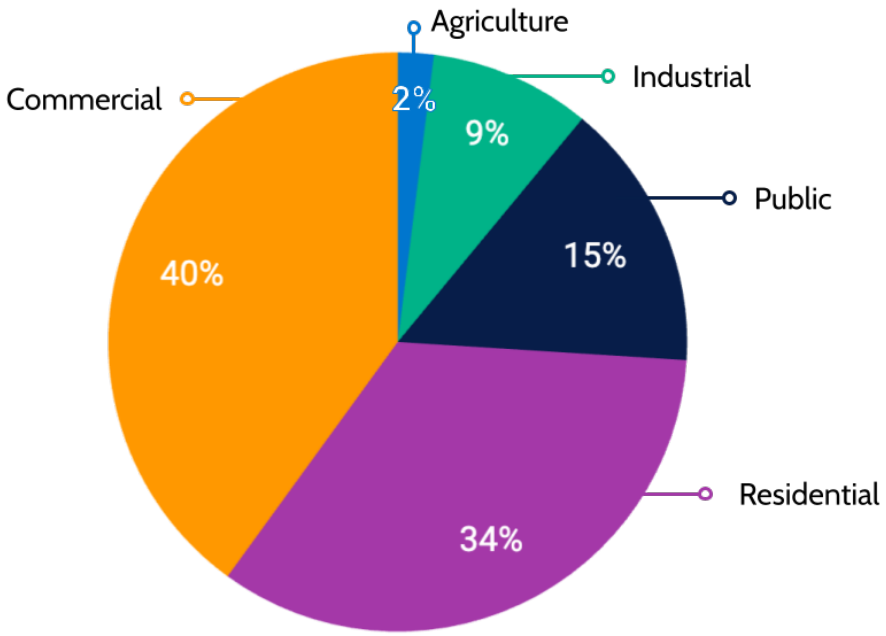
This approach ensures that resources are distributed proportionally to achievable impacts within each market and that all sectors contribute to SDREN's decarbonization, equity, and workforce development goals.

The resulting allocations are shown in the figures and tables below, demonstrating consistency between SDREN's portfolio structure and regional energy and equity priorities.

Sector-Level Allocations

SDREN's portfolio includes the Commercial, Public, Residential, and Cross-Cutting C&S and WE&T sectors. The portfolio's focus and budget allocation across the targeted sectors of Commercial, Residential, and Public are in close alignment with the distribution of electricity consumption of these sectors across SDG&E's territory.

Figure 4.3 SDG&E 2018-2020 Average Electric Consumption by Sector[79]



The Commercial, Residential, and Public sector budget allocations also reflect the portfolio objectives related to decarbonization and providing comprehensive services. SDREN's investment in the Cross-Cutting sector supports the portfolio objectives related to accelerating the clean energy economy through workforce education and training and codes and standards offerings.

The budget allocation by sector is illustrated in the graphic below.

[79] *Prepared Direct Testimony of Brian Prusnek and Clinton Chien on Behalf of Southern California Gas Company (Ex. 1)*, SOCALGAS, at p. 9 (filed Mar. 4, 2022).

Figure 4.4 SDREN 2028-2031 Budget Allocation by Sector

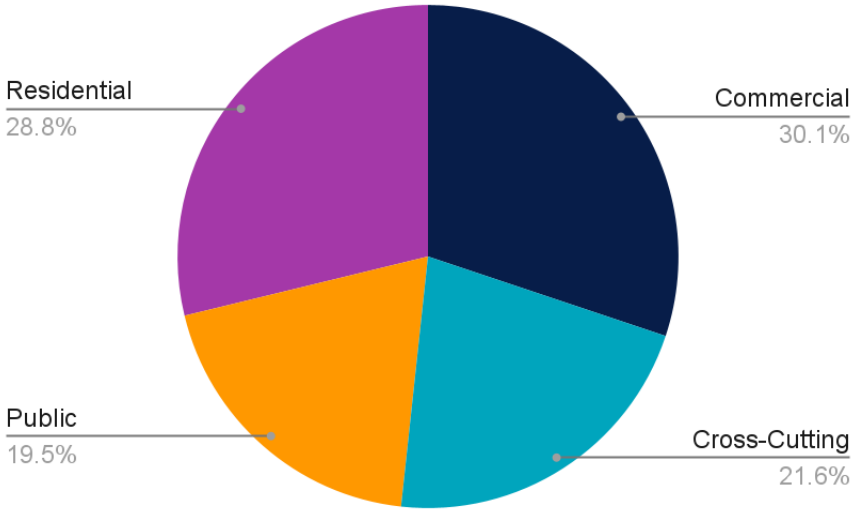


Table 4.1 Distribution of Programs and Budgets Among Sectors for 2028-2031

Sector	Number of Programs	2028-2031 Budget	% of Portfolio Segmentation
Residential	2	$43,758,311	29%
Commercial	3	$45,792,372	30%
Public	2	$29,657,654	20%
Cross-Cutting: WE&T	2	$23,780,005	16%
Cross-Cutting: C&S	1	$9,059,161	6%
Total	**10**	$152,047,502	100%

Commercial Sector

SDREN proposes three Commercial sector programs with a total four-year budget of $45,792,372, representing 30% of the SDREN portfolio. The Commercial sector accounts for the largest share of electricity consumption within SDG&E's service territory, comprising 40% of the total usage.[80] Approximately 77% of SDG&E Commercial sector customers fall

[80] *San Diego Gas & Electric Company (U 902-M) 2024-2027 Energy Efficiency Rolling Portfolio Business Plan Prepared Testimony (Ex. 2),* SDG&E, at p. 57 (filed Mar. 4, 2022).

into the small commercial category (<20 kW); nearly two-thirds of all commercial customers have fewer than five employees.[81] This market context, coupled with the fact that all but one of the planned EE programs within the commercial sector will be focused on equity goals, justifies SDREN's focus on this sector. The forecasting approach and budget drivers for each commercial sector program are outlined below:

SMB Energy Coach (Equity)

- SMB market size and savings potential based on available SDG&E account and energy consumption information
- Participation assumptions reflect the concierge-style delivery model, where a dedicated Energy Coach reduces customer acquisition and administrative barriers
- Budget forecasts scale with anticipated growth in Energy Coach caseloads, accounting for labor costs associated with outreach, facility assessments, technical assistance, and coordination with installation contractors and external incentive programs.
- In-language outreach requirements, culturally responsive engagement,
- Historical direct install delivery costs from similar programs (e.g. SDG&E SW Commercial Direct Install)
- Energy savings and TSB projections are derived from eTRM measure package values for direct install measures

Efficient Refrigeration (Equity)

- Estimated number of small grocery stores, corner stores, and food-selling SMBs in San Diego County, with targeted emphasis on businesses located in HTR and food-insecure communities.
- Participation rates reflect the program's no-cost, direct install model, which minimizes capital and operational disruption barriers and enables high adoption among time- and resource-constrained business owners.

[81] *Id.* at 71.

- Equipment and installation costs for high-efficiency refrigeration units, informed by current market pricing and scaled to expected annual installation volumes.
- Energy savings and TSB estimates rely on eTRM measure package values for refrigeration replacements
- Forecasts incorporate moderate growth over time as contractor capacity expands and community awareness increases

MAP (Resource Acquisition)

- Participation assumptions are informed by regional commercial market size, aggregator capacity, and benchmarking against comparable market access and pay-for-performance programs administered by other RENs.
- Administrative and implementation cost drivers include aggregator onboarding, customer acquisition, NMEC data processing, M&V, and incentive payment administration.
- Projected participation from qualified aggregators capable of delivering bundled projects that achieve peak demand reductions and long-life energy savings.

Cross-Cutting Sector

Approximately 22% of SDREN's portfolio is allocated to the Cross-Cutting sector, which includes both C&S and WE&T programs.

- C&S: SDREN is proposing a single codes & standards program with a total four-year budget of $9,059,160, representing 6% of the total portfolio budget. The budget is based on SDREN's evaluation of C&S market needs within San Diego County and is commensurate with total budget allocations of other REN C&S budgets that support IOU and statewide efforts. The C&S sector program fills gaps and is critical to accelerating a decarbonized energy future in San Diego County. The SDREN program will offer customized support to permitting agencies in Title 24 compliance and the adoption of reach codes.

- WE&T: SDREN's portfolio includes two WE&T programs with a total four-year budget of $23,780,005, representing 16% of the total portfolio. The allocation of other REN WE&T budgets ranges from 5% (SoCalREN) to 24% (Central California Rural REN). The transition toward decarbonized buildings, coupled with substantial investments in a clean energy economy (e.g., the Equitable Building Decarbonization Program), creates a heightened need for a skilled workforce to deliver on local and state climate and energy goals. SDREN is dedicated to addressing the shortage of workers with essential skills to support the transition to clean energy.

The forecasting approach and budget drivers for each cross-cutting sector program are outlined below:

C&S - C&S

- Forecasts are based on the number of local permitting agencies within SDREN territory and their varying levels of capacity, staffing, and code enforcement maturity.
- Budget assumptions are driven by the delivery of technical assistance, Energy Code Coach services, training workshops, data analysis, and peer-to-peer learning activities.
- Cost drivers include subject-matter expert labor, training development, data support tools, and sustained technical assistance required to address complex and evolving code requirements.
- Forecasts account for the current Title 24 moratorium, with emphasis on compliance, enforcement, and readiness for future code cycles rather than adoption of new codes.

Energy Pathways Program- Market Support

- Forecasts are based on anticipated participation from high schools, educators, and students across the region.
- Budget assumptions are driven by curriculum delivery costs, mentorship and coaching services, dual-enrollment coordination, internship placement support, and partnership development with employers and educational institutions.

- Cost drivers include educator training, student support services, stipends for paid internships, and coordination with postsecondary and industry partners.
- Forecasts assume moderate scaling over time as partnerships mature and articulation agreements expand.

Workforce Training & Capacity Building - Market Support

- Informed by regional workforce demand for EE, electrification, IDSM, and decarbonization skills, as well as contractor capacity constraints identified through stakeholder engagement.
- Budget projections are driven by the cost of training delivery, certifications, employer-led workshops, career coaching, and multilingual outreach.
- Participation assumptions reflect strong demand for no-cost training among incumbent workers and new entrants, particularly from HTR and underserved communities.
- Cost drivers include curriculum development, trainer labor, training materials, participant support services, and coordination with employers and unions.
- Forecasts assume increasing alignment with SDREN sector programs over time, improving placement outcomes and reinforcing a closed-loop workforce pipeline.

Public Sector

The Public sector will offer two programs with a total four-year budget of $29,657,654, representing 20% of the SDREN portfolio. SDREN has allocated a significant budget to this sector because it has historically been underserved. Existing IOU programs in the sector are resource acquisition programs, which tend to leave small customers behind due to strict cost-effectiveness requirements. Furthermore, during coordination discussions with SDG&E, SDREN identified a programmatic gap that formed when SDG&E's third-party implemented K-12 schools program closed. SDREN's programs fill this gap and ensure public agencies are served equitably and comprehensively. The forecasting approach and budget drivers for each public sector program are outlined below:

Climate Resilience Leadership - Market Support

- Forecasts are based on the number and diversity of eligible public agencies within SDREN territory.
- Participation assumptions reflect the high-touch, project-manager-led delivery model, which addresses procurement, staffing, and technical barriers that otherwise suppress uptake in this sector.
- Budget forecasts are driven primarily by non-incentive implementation costs, including technical assistance, energy audits, portfolio analyses, resilience roadmaps, procurement support, and project management services.
- Energy savings and TSB projections rely on deemed workpaper values from eTRM for direct install measures and identified project pipelines.
- Cost assumptions incorporate longer project development timelines typical of public agencies, including multi-year planning horizons and layered decision-making processes.

Tribal Engagement - Equity

- Number of federally recognized Tribal communities within SDREN territory and anticipated participation levels informed by relationship-building timelines rather than transactional enrollment models.
- Budget projections reflect the program's community-driven design, with resources allocated to technical assistance, grant funding, initiative development, and culturally responsive engagement.
- Participation assumptions recognize that trust-building and initiative co-design require sustained engagement and flexible pacing
- Cost drivers include dedicated technical advisors, initiative application support, access to specialized expertise, and implementation planning assistance.

Residential Sector

SDREN proposes two Residential equity programs with a total four-year budget of $43,758,311, representing 29% of the overall portfolio. SDREN has allocated a significant portion of its budget to this sector since the Residential sector is the largest customer group in SDG&E territory, and it is currently challenging for HTR and underserved residential customers to participate in and fully benefit from the clean energy program landscape. The forecasting approach and budget drivers for each residential sector program are outlined below:

Single Family - Equity

- Forecasts are based on the number of single-family households in HTR and underserved communities within SDREN territory, with emphasis on renters and low-income homeowners.
- Participation assumptions reflect the Energy Advisor concierge model, which lowers informational, trust, and administrative barriers relative to traditional rebate programs.
- Budget projections are driven by a mix of direct install measure costs, advisor labor, and outreach through trusted CBOs and community partners.
- Energy savings and TSB estimates rely on eTRM measure packages for installed measures.
- Cost drivers include in-language outreach, multi-channel customer support, landlord engagement for renter households, and follow-up services to support deeper upgrades.

Multifamily - Equity

- Forecasts are informed by the regional stock of multifamily properties.
- Budget forecasts are driven by EE and IDSM education, technical assistance, energy audits, systems tune-ups, direct install measures, and rebate support for common-area and in-unit upgrades.

- Energy savings and TSB estimates rely on eTRM measure packages, with recognition that project pipelines often develop over multiple years.
- Cost drivers include landlord-tenant coordination, anti-displacement engagement, in-language education, and contractor support.

Methodologies and Calculations Used to Derive a Zero-Based Budget (D.21-05-031, COL 22, OP 8)

In accordance with CPUC Decision D.21-05-031 (Conclusion of Law 22; Ordering Paragraph 8), SDREN developed its program and portfolio budgets using a zero-based budgeting framework. Consistent with this approach, SDREN evaluated each proposed activity, expenditure, and program function for its direct contribution to portfolio goals before inclusion in the funding request.

The proposed budgets build directly upon the analysis and assumptions underlying SDREN's previously approved Business Plan Application. SDREN has not identified any material changes in market conditions, program delivery costs, or policy direction since that filing that would warrant substantive revisions to its budget assumptions. Accordingly, budget forecasts for the 2028–2031 period remain largely consistent with those previously approved, and reflect validated cost structures informed by prior planning, market assessments, and competitively procured program implementers.

For each segment and sector, SDREN's budgeting process followed a consistent, zero-based justification framework building on the analysis in its previously approved Business Plan Application and confirming the continued reasonableness of those assumptions:

- **Define core functions and objectives:** each program element was reviewed to confirm alignment with CPUC directives and SDREN's portfolio goals (decarbonization, equity, and workforce development).
- **Quantify resource requirements:** forecasts were built from the minimum resource levels necessary to achieve intended participation, savings, and equity outcomes.

- **Validate reasonableness of costs:** line item estimates were benchmarked against comparable REN and IOU program budgets to ensure cost efficiency and proportionality to anticipated outcomes.

Across all cost categories, segments, and sectors, the resulting portfolio reflects only essential expenditures required to achieve SDREN's desired portfolio outcomes.

Program Modifications from 2024-2027 Portfolio Cycle

There are no proposed modifications across portfolio segments or significant budget shifts from the 2024-2027 cycle.

Chapter 5: Portfolio Management

Overview for 4-Year Plan and 8-Year Plan: Key Metrics and Outcomes

Portfolio Goals

SDREN's portfolio complies with CPUC requirements and rulings. It addresses the CPUC's goals for RENs to deliver programs and activities that fill gaps and complement IOU offerings with a focus on HTR customers.[82] SDREN has the following goals for its overall portfolio:

- **Advance decarbonization**. Beyond reducing energy use and GHG emissions, decarbonization ushers in a host of benefits, making communities and economies more resilient. Decarbonization can lower energy costs, increase access to clean energy, ensure safer and healthier homes and communities, reduce environmental burdens, and expand economic opportunity and high-quality jobs.
- **Provide comprehensive energy efficiency services that improve outcomes for underserved and HTR communities.**[83] SDREN's portfolio of services are centered around minimizing barriers to participation for underserved and HTR communities.
- **Accelerate the clean energy economy through workforce opportunities.** As a regional leader, SDREN mobilizes and leverages resources to support the local workforce and support the creation of energy-related jobs and skills that benefit local communities. SDREN's goal is to support a high road approach to grow the regional clean energy economy and create new opportunities for the local workforce, with a focus on underserved communities.

[82] *Decision Approving 2013-2014 Energy Efficiency Programs and Budgets*, CPUC Decision 12-11-015 (Nov. 8, 2012), *reasserted in Decision 19-21-021*.
[83] *Decision 23-06-055* (defining HTR communities).

In line with the San Diego Regional Decarbonization Framework Technical Report[84] and informed by the CPUC ESJ Action Plan, the long-term goal for the SDREN is to **ensure an equitable transition to a carbon-free building sector in the San Diego region by 2050.**

SDREN prioritizes equity so that underserved and HTR communities are included in building decarbonization and are not burdened by increasing fossil gas rates. SDREN has the opportunity to meet the need for incorporating social equity considerations into building decarbonization policies. SDREN is dedicated to collaborating with these communities and offering programs and resources tailored to their specific needs.

The short and mid-term goals will support progress in reaching the region's long-term goal of full decarbonization, as follows:

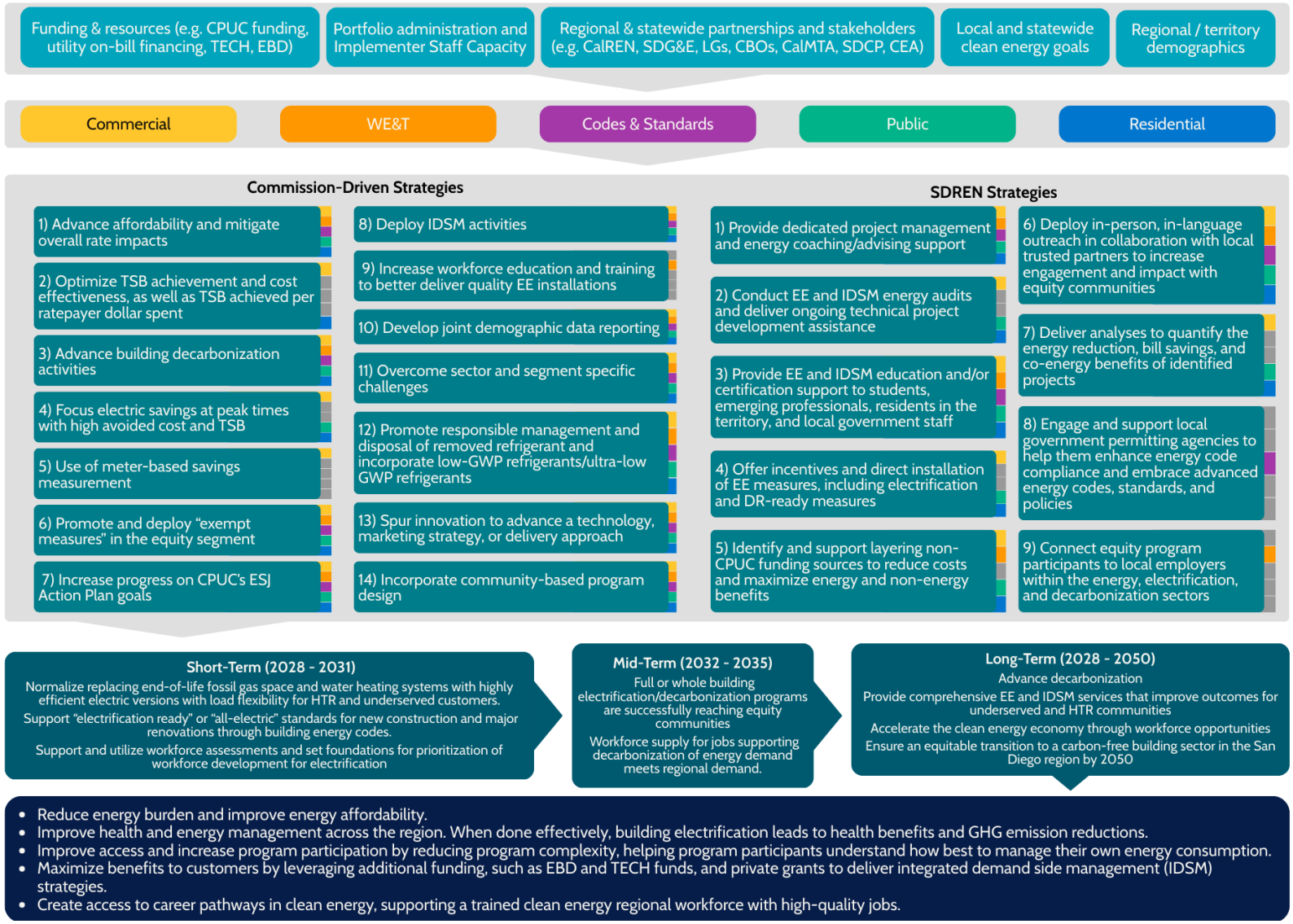
- **Short-term goal** by the end of the four-year SDREN Portfolio Plan period (2031):
- Normalize replacing end-of-life fossil gas space and water heating systems with highly efficient electric versions with load flexibility for HTR and underserved customers.
- Support "electrification ready" or "all-electric" standards for new construction and major renovations through building energy codes.
- Support and utilize workforce assessments and set foundations for prioritization of workforce development for electrification.
- **Mid-term goal** by the end of the eight-year period of the SDREN Strategic Business Plan (2035):
    - Full or whole building electrification/decarbonization programs are successfully reaching equity communities.
    - Workforce supply for jobs supporting decarbonization of energy demand meets regional demand.

[84] *County of San Diego,* supra note 57.

Portfolio Level Logic Model

The SDREN Portfolio Logic Model provides a visual roadmap connecting activities and outcomes across the 4-year (2028-2031) and 8-year (2031-2035) horizons. It illustrates how SDREN's inputs, including funding, staffing capacity, partnerships, and alignment with regional and statewide goals, drive both CPUC-directed and SDREN-specific strategies. These strategies are implemented across all sectors to produce measurable near-term and long-term outcomes. The model illustrates how SDREN's activities contribute to key portfolio outcomes outlined in the section below, aligning with the Commission's strategies identified in Chapter 3.

Figure 5.1 SDREN Portfolio Level Logic Model



Portfolio Outcomes

By bringing together regional perspectives, deepening partnerships, and cultivating community-led strategies, SDREN will continue to develop meaningful multi-benefit solutions and help the San Diego region equitably transition to a carbon-free building sector by 2050. If executed successfully, SDREN's mid-term goals of (1) full electrification/decarbonization programs successfully reaching equity communities[85] and (2) a balanced supply and demand for jobs supporting decarbonization will deliver the following outcomes by 2035:

- **Portfolio Outcome 1.** Reduce energy burden and improve energy affordability. As customers move from fossil gas to electric appliances, they should not see increased costs.
- **Portfolio Outcome 2.** Improve health and energy management across the region. When done effectively, building electrification leads to both health benefits and a reduction in GHG emissions.
- **Portfolio Outcome 3.** Improve access and increase program participation by reducing program complexity and helping program participants understand how best to manage their own energy consumption. Education is at the foundation of an equitable transition and ease of access to all resources.
- **Portfolio Outcome 4.** Maximize benefits to customers by leveraging additional funding to deliver integrated demand side management (IDSM) strategies. Coordination of these resources will maximize benefits and affordability to the customer.
- **Portfolio Outcome 5.** Create access to career pathways in clean energy, supporting a trained clean energy regional workforce with high-quality jobs.

SDREN's portfolio application includes ten programs, organized by segment and sectors, as follows:

[85] *Decision 23-06-055* (defining equity communities).

- **Segments:** resource acquisition, market support, equity, and C&S.
- **Sectors:** Commercial, Cross-cutting (Workforce, Education, & Training and Codes & Standards[86]), Public, Residential.

SDREN will measure progress toward achieving goals and delivering outcomes for each program, segment, and sector through progress trackers that include various targets, indicators, and metrics, which will be reported on a quarterly or annual basis. In addition to tracking progress at the program, segment, and sector levels, SDREN will continue to track and report progress at the portfolio level. A vast majority of indicators and metrics are detailed in the SDREN 2028-2035 EE Application Workbook (Exhibit 4). They include indicators for equity and market support segments from D.23-06-055, the "common metrics and indicators" from D.18-05-041—both recently refined and adopted via Resolution E-5351, and SDREN's UVMs. The common metrics include both portfolio and sector-level metrics. Pursuant to D. 23-06-055 Ordering Paragraph 24, SDREN also tracks and reports on community engagement indicators for equity segment communities through the Annual Report Narrative and spreadsheet and will follow commission reporting requirements as they evolve.

Unique Value Metrics

SDREN has established a set of UVMs and identified additional key metrics/indicators at the portfolio, sector, and segment level that will measure progress towards eight-year business plan outcomes (see Table 5.1 below). Data methodologies and targets for tracking progress have been established for these UVMs and are outlined in the SDREN 2028-2035 EE Application Excel Sheets.

[86] Codes & Standards is categorized as both a distinct segment and a cross-cutting sub-sector.

Table 5.1 UVM Overview and Reporting Approaches

Unique Value Metric (UVM)	Description of What It Measures	Tracking and Reporting Approach, Including Targets Where Applicable	Strategic Importance to REN Portfolio
% of customers anticipated to experience lower energy costs as a result of program participation, by sector	Anticipated reduction in energy bills as a direct result of program participation.	SDREN quantifies and tracks estimated bill savings in dollars resulting from identified projects. **Target:** 84% by 2035	Supports **Portfolio Outcome 1:** Reduce energy burden and improve energy affordability. Supports **Portfolio Outcome 2:** Improve energy management across the region.
Total lifetime energy bill savings ($)	Total anticipated lifetime energy bill savings realized by customers as a result of SDREN program participation, inclusive of claimed savings and additional bill savings where feasible.	SDREN estimates lifetime energy bill savings using program-appropriate calculation methodologies. Program-specific assumptions and methods will be documented through annual reporting and refined over time through EM&V. Target: n/a (indicator)	Supports **Portfolio Outcome 1** by capturing the full customer affordability impacts of SDREN programs, including benefits not reflected in claimed savings. Supports **Portfolio Outcome 2** by improving energy management across the region.
% of customers channeled to non-SDREN programs	Proportion of program participants referred to non-SDREN programs through the	SDREN tracks the number and percentage of participants referred	Supports **Portfolio Outcome 3:** Improve access and increase program participation.

	provision of SDREN services.	out to non-SDREN programs. **Target:** 53% by 2035	
External funding leveraged to support SDREN programs/ communities as a % of total budget spend	Additional, non-ratepayer funds secured to layer with SDREN funding to deliver EE services and benefits to program participants.	SDREN tracks the dollar value of external funding secured as a percentage of SDREN's portfolio's spend. **Target:** 24% by 2035	Supports **Portfolio Outcome 4:** Maximize benefits to customers by leveraging additional funding.
Count of newly educated or credentialed individuals	Number of program participants who receive education or credentials through participation in SDREN programs.	SDREN tracks the number of unique participants in WE&T programs and the count of participants who successfully secure industry credentials as a result of participation. **Target:** N/A (indicator)	Supports **Portfolio Outcome 5:** Create access to career pathways in clean energy.
% of equity customers served compared to total customers served	Proportion of SDREN program participants who fall within CPUC-defined criteria for equity customers.	SDREN will collect participant demographic and site data to quantify the number of underserved and/or hard-to-reach customers as defined by D.23-06-055. **Target:** 75% by 2035	Supports **Portfolio Outcome 3:** Improve access and increase program participation. Supports **Portfolio Outcome 2** as equity populations are more likely to be disproportionately exposed to emissions that come

			from gas-emitting appliances.

SDREN's UVMs reflect SDREN's unique position as a trusted facilitator of regional energy solutions that increase affordability, increase investments in underserved/HTR communities, expand local clean energy workforce opportunities, and creatively layer programs and funding sources to maximize benefits delivered to program participants and San Diego communities.

SDREN is committed to deep collaboration with other energy efficiency PAs, as well as local, regional, state, and federal stakeholders, to stay informed about changes in the energy program landscape and guide customers to the best and most cost-effective program pathways for their needs.

SDREN collects and maintains all participant data points necessary to report on UVMs and track progress toward desired portfolio outcomes. SDREN works with program implementers to report on these UVMs on an annual basis, or more frequently, as directed by the Commission.

SDREN will conduct an evaluation, measurement, and verification (EM&V) study to refine its goals and UVMs. The study will support the development of the appropriate methodologies, baselines, and targets to align with SDREN's goals for the portfolio. The EM&V study, to be solicited in Q2 2026 with efforts to launch approximately six months later, will be designed to deliver on SDREN's mid- and long-term goals. This study will aim to coordinate with other RENs' efforts to develop a REN Benefit Metric as described in Chapter 9. Since a majority of the SDREN portfolio supports the market support and equity segments,[87] SDREN will also

[87] *Decision 23-06-055,* at p. 71: "...because the majority of the REN portfolios is dedicated to equity and market support offerings, new goals covering these primary purposes should be important accountability mechanisms for RENs.[...] It is our intention that a goals development process for the market support and equity segments will follow a timeline that aligns goals adoption to the next portfolio cycle beginning in 2028.[...] Market support and equity goals are ultimately expected to be long-term, broken into four-year increments, and will begin in 2028. This approach is also intended

coordinate with the joint PAs' work, such as that flowing from the 2025 Joint PA Advice Letter proposing equity and market support goal constructs,[88] to establish equity and market support metrics and goals.

Strategies to Optimize Portfolio and Manage Risk

Approach to Setting and Tracking Goals

A comprehensive set of goals and metrics, as outlined in this Portfolio Application, is central to SDREN's strategy for optimizing its portfolio. SDREN establishes clear program level goals as the foundation for performance management, allowing the portfolio to remain aligned with CPUC directives, regional needs, and SDREN's portfolio goals. SDREN's metrics go well beyond TSB and cost-effective metrics and include program performance metrics, equity and market support metrics, common metrics, and unique value metrics. The sections below describe how SDREN sets these goals and how it uses them to guide continuous portfolio improvement.

SDREN uses a structured, data-driven approach to set program goals across the Business Plan Application portfolio period from 2028-2035. SDREN's goal setting process is also grounded in statewide policy direction to ensure the portfolio meaningfully contributes to GHG reductions, load flexibility, and equity objectives. Goals are developed by:

- **Regional market characterization analyzing sector-specific needs**, including equity mapping, energy burden data, and building stock characteristics (as described in Chapter 2).

to allow the RENs to continue to work on their proposed Total Community Benefit metric, included in rebuttal testimony, if they so choose."

[88] *PG&E's Filing on Behalf of the Energy Efficiency Portfolio Administrators for Goal Constructs Associated with Equity and Market Support Indicators [Pursuant to Decision 23-06-055, Ordering Paragraph 25]* (Aug. 1, 2025). As of the writing of this Business Plan, the CPUC has yet to dispose of the Advice Letter.

- **Evaluating achievable participation levels**, informed by program delivery type, segment served, anticipated program referrals, and historical participation in similar REN and IOU programs.
- **Modeling forecasted savings and TSB** using the CPUC approved methodologies, tools, and eTRM values.
- **Aligning goals with SDREN's long-term objective** to facilitate an equitable transition to a carbon-free building sector by 2050.
- **Calibrating goals through implementer input**, ensuring program targets are realistic, measurable, and achievable within approved budgets.

SDREN's approach to integrate these data driven goals and metrics into their portfolio management is guided by several key strategies, as detailed below.

Continued refinement of their established systems and tracking foundation: SDREN recognizes the critical importance of robust tracking and reporting systems to maintain a comprehensive record of program participation and results. These systems ensure that all aspects of their portfolio are systematically monitored and evaluated. This foundational approach allows SDREN to maintain transparency, accountability, and a complete understanding of their programs' impact. Continually refining SDREN's established systems enables flexibility in adapting to future reporting requirements.

Regular access to metrics and progress: to ensure that their portfolio remains dynamic and adaptable, SDREN will develop a customer relationship management (CRM) platform and data systems capable of generating automated reports for analysis and progress tracking. This real-time performance tracking provides SDREN with up-to-date insights into the progress of their programs. It allows them to promptly identify successes and challenges, offering opportunities for continuous improvement. This timely feedback loop benefits both SDREN and their program implementers, empowering them both to make informed decisions and adjust strategies as needed, while also informing future planning activities.

Prioritization of goals and metrics that are clearly understood: SDREN recognizes that clarity is paramount in their goal-setting and metric selection. Prioritizing goals and metrics

that are clearly understood by all stakeholders involved ensures that everyone is working toward a common purpose. This clear understanding fosters alignment and shared commitment to achieving the desired outcomes.

Adaptability and adjustment to new metrics and goals: SDREN's portfolio approach remains nimble, allowing them to adapt to any new metrics and goals as directed by the CPUC. SDREN also adjusts targets in response to evolving market trends or the unique needs of local communities. This adaptability ensures that their programs remain responsive to changing circumstances and are well-positioned to achieve their objectives.

Goal setting and regular progress reporting from implementers: SDREN places strong emphasis on goal setting and regular progress reporting by its program implementers. SDREN sets regular reporting schedules while also adhering to any CPUC reporting timelines and requirements. Regular reflection on progress toward programmatic goals will ensure that all stakeholders are informed of successes and challenges, which can open dialogue to pivot and/or enhance implementation activities.

Adjustments to programs to optimize delivery of goals and priority metrics: SDREN seeks to optimize the delivery of goals. Strategies that may be implemented to achieve this include modifying program strategies, reallocating resources, or introducing new initiatives to ensure that SDREN is consistently on track to achieve goals, while continuing to ensure programs comply with REN CPUC directives.

SDREN's approach to using goals and metrics for portfolio optimization is built upon a foundation of systematic tracking, regular reporting, and evaluation of progress. These strategies ensure that SDREN not only meets their goals but also continuously refines and enhances their programs to maximize impact.

How SDREN Will Stay On-Target

As described above, SDREN recognizes the importance of establishing systems and procedures for tracking and reporting to monitor portfolio progress and ensure it stays on

track to achieve its targets. One key element of these plans involves SDREN's implementation of a CRM software platform. SDREN's CRM tracks progress across all SDREN programs. This platform forms the backbone for collecting, storing, and managing data related to program targets. Further, third party implementers will be expected to use their own tracking databases when appropriate; their data will be shared with SDREN for upload and import to SDREN's CRM.

To oversee data collection and reporting, a dedicated reporting lead will collaborate closely with program implementers. The lead will be responsible for coordinating the data collection efforts across various programs, ensuring that data is collected accurately and in a timely manner, while ensuring adherence to any CPUC reporting requirements.

SDREN is committed to ongoing assessment and analysis of portfolio reports. These reports will be broken down by sector, segment, and individual program, enabling a granular evaluation of performance. The reports will cover key performance metrics and status, including energy savings, TRC, and TSB. Continuous assessment ensures that SDREN is informed of progress and allows for the timely identification of potential areas of concern. Any metrics appearing to be at risk of not meeting the 4-year portfolio targets or goals will be promptly flagged. SDREN will subsequently initiate a structured process and will request that implementers develop a corrective action plan that specifies the actions, strategies, and resources needed to get the targets back on track.

Approach to Risk Management

SDREN's approach to portfolio risk management considers various unpredictable events associated with data, external resources/tools, climate, and health.

Data Risks

San Diego Community Power (Community Power) maintains a comprehensive cybersecurity program designed to protect customer data and ensure the confidentiality, integrity, and availability of critical systems. Our cybersecurity controls align with the NIST Cybersecurity

Framework (CSF) and incorporate elements of ISO/IEC 27001 and CIS Controls to ensure robust protection across all Community Power environments. Relevant Community Power policies include the Information Technology and Security Policy, Records Retention Policy, Customer Dat Confidentiality Policy, Advanced Metering Infrastructure Data Security and Privacy Policy, and Data Governance Policy. Specific safeguards implemented by Community Power include:

- **Access Control & Authentication:** Community Power uses multi-factor authentication (MFA), role-based access control, least-privilege permissions, and routine access reviews to ensure that only authorized users access sensitive customer data.
- **Data Protection & Encryption:** Customer data is encrypted at rest and in transit using industry-standard protocols. Community Power follows established backup, retention, and secure-disposal procedures.
- **Monitoring & Threat Detection:** Community Power employs continuous monitoring, endpoint protection, email security controls, and automated threat-detection systems.
- **Employee Training:** All Community Power staff complete cybersecurity awareness training at onboarding and annually, including training on phishing, social engineering, and data handling requirements.
- **Incident Response:** Community Power maintains a formal Incident Response Plan with clearly defined roles, communication procedures, escalation workflows, and compliance with California breach-notification laws.
- **Vendor & Third-Party Security:** Vendors with access to customer or operational data must comply with applicable regulations, including CCPA, PCI DSS, and industry-specific requirements. Community Power conducts due diligence and reviews security controls prior to engagement.
- **Data Governance:** Community Power's Data Governance Policy ensures proper classification, stewardship, access management, and secure retention/destruction of customer information.

Community Power continuously evaluates and enhances its cybersecurity program to address evolving risks, emerging threats and regulatory obligations. This ensures that customer data, operational systems, and mission-critical processes remain protected at all times.

Relational Risks

SDREN also recognizes that cultivating and sustaining strong relationships across diverse community partners, Tribal governments, and local agencies can be challenging, particularly as staff turnover or shifting regional priorities occur. By maintaining ongoing communication structures and formalizing collaboration channels, SDREN reduces this relational risk and preserves continuity in service delivery.

Policy Risks

SDREN consistently looks to leverage other programs, including their resources and tools, to support portfolio goals. These external programs, while helpful, are at risk of being eliminated or changed outside the control of SDREN. For example, several SDREN programs intended to leverage federal resources that will sunset sooner than anticipated (e.g., IRA) or are at risk of being eliminated (e.g., ENERGY STAR Portfolio Manager) as the federal government continues to withdraw support for many clean energy programs. As a PA directed to fill gaps in service offerings, SDREN intends to remain nimble, adjusting service offerings as needed to meet portfolio goals when changes in external programs arise. This can include strategies such as searching for additional tools or resources or offering additional services to fill gaps left by these unexpected changes. This further emphasizes the importance of SDREN's program portfolio and other local REN-led programs in mitigating unanticipated risks to the region, as they increase reliability and help meet the County's long-term goal of decarbonization by 2050.

In addition to changes in external programs, SDREN must also be prepared to navigate shifts in the regulatory landscape. California Assembly Bill 130 (AB 130) establishes a moratorium on local amendments to residential building standards from October 1, 2025 through June 1, 2031, restricting jurisdictions' ability to adopt reach codes or local amendments beyond

statewide Title 24. While this moratorium limits opportunities for jurisdictions to pursue residential reach code development, it underscores the importance of strengthening compliance with existing code requirements. SDREN will monitor AB 130's implications closely and evaluate how the moratorium may affect planned residential decarbonization pathways, customer participation and permitting workflows. If AB 130 constraints affect the viability of certain program approaches, SDREN will adapt its portfolio strategy accordingly, re-targeting segments, refining outreach, and prioritizing alternative offerings to ensure continued progress toward portfolio goals. Importantly, the moratorium does not diminish the need for SDREN's C&S support. Most jurisdictions already face capacity constraints, inconsistent enforcement practices, and complex permitting workflows, and therefore require substantial assistance simply to meet existing Title 24 requirements. Helping permitting agencies understand, interpret and enforce the current code remains a critical and high-value area of work throughout the moratorium period.

Climate Change Risk

As the threat of climate change looms, it is imperative for any program portfolio to have a risk management strategy in place. The San Diego region, like many others in the state, has faced a range of unpredictable events, including pandemics, wildfires, flooding, and droughts. These occurrences have underscored the necessity of proactive planning for unforeseen challenges.

Natural Disaster and Crises Risk

The County of San Diego's Office of Sustainability and Environmental Justice (OSEJ) is a co-administrator of SDREN. This relationship equips SDREN to conduct region-wide assessments following any unpredictable event. Through these assessments, SDREN can swiftly gauge the impacts of events such as natural disasters or crises, enabling them to make data-informed decisions on program adjustments and resource allocations. SDREN is also able to quickly coordinate with SDG&E in these circumstances so resources can be mutually mobilized as needed.

While unpredictable events can present challenges, they also create opportunities for targeted and creative solutions. Such events may lead to increased program participation as communities seek solutions to address their immediate needs. SDREN's integrated monitoring and evaluation systems allow for adaptive management so staff can pivot strategies, reallocate resources, and maintain continuity of services even under evolving circumstances. SDREN is positioned to identify and implement approaches that address the evolving priorities of their stakeholders and provide value during times of crisis.

COVID-19 Risk

While Community Power was not administering customer programs at the onset of the COVID-19 pandemic, the broader lessons from that period continue to inform SDREN's approach to risk management. The pandemic highlighted the need for flexible operational structures, secure digital systems, and workforce readiness to maintain continuity under rapidly changing conditions.

Other Relevant Considerations and Approaches

Today, SDREN incorporates these principles into its ongoing risk strategy by maintaining robust remote work capabilities, ensuring strong IT and data security practices and equipping staff with tools that support smooth collaboration regardless of circumstance. These measures strengthen SDREN's ability to continue delivering services during public health events, natural disasters, extreme weather, grid emergencies or other unexpected disruptions.

The County of San Diego's equity-centered public health approach provides a valuable model for understanding community-level vulnerabilities during crises. SDREN applies similar principles—an equity focus, data-driven decision-making, transparent communication and measurable outcomes—to ensure program adjustments remain responsive to evolving community needs.

By embedding these practices into daily operations, SDREN is positioned to sustain program delivery, adapt to emerging risks and support regional resilience even under uncertain conditions.

Approach to Flexible Portfolio Management

SDREN has set forth clear high-level goals and crafted **portfolio, segment, and sector-specific strategies** to deliver outcomes that align with their overarching vision. As a smaller non-IOU PA, SDREN is well positioned to respond to unexpected events or market adjustments, enabling them to remain agile in the face of change.

Drawing lessons from other regional energy networks that have showcased their ability to adapt and adjust program offerings, incentives, or open and close programs to respond to market changes, SDREN is similarly committed to managing their portfolio, segments, and sectors with adaptability in mind. SDREN's primary focus is on overall management, ensuring that each program contributes to their overall vision and adheres to SDREN's core values.

Community Power, serving as the lead PA, will continue to oversee, manage and regularly assess if adjustments are necessary within the portfolio to properly manage portfolio, sector or segment outcomes. These assessments will occur via forecasts, tracking and regular evaluation of outcomes, and review of schedules and costs against established forecasts. SDREN's Advisory Committee will also provide feedback to ensure target audiences are reached. SDREN will consider forming sector-specific ad hoc committees that include subject matter experts who will be informed on program assessments. These experts will guide and advise sector strategies to ensure alignment with the overarching portfolio vision.

SDREN will monitor market trends and emerging opportunities to identify where SDREN could effectively fill gaps. This includes any changes to the SDG&E energy efficiency portfolio, such as the closing of a third party program. SDREN will regularly coordinate with SDG&E on opportunities to fill gaps, including opportunities to develop offerings that leverage additional programs or funding opportunities for San Diego communities. If an issue

or opportunity is identified, SDREN will work collaboratively with appropriate partners to make adjustments to scopes, budgets or schedules to meet the portfolio's needs. This adaptability extends to the closing or developing of new programs as circumstances dictate. All of these activities will focus on both administrative efficiency and portfolio effectiveness.

Planned Procedures and Course Correction if Off-Track

As detailed above and in Chapter 2, Community Power will continue to oversee the SDREN portfolio, taking responsibility for the oversight and management of goals and outcomes, including key metrics. While it's important to note that as a regional energy network, SDREN is focused on serving underserved and hard-to-reach communities that historically have been more resource intensive to serve, SDREN is committed to managing the portfolio to deliver on key metrics. These metrics include TSB, SDREN's unique value metrics, and program-specific metrics, all of which will be achieved within budget over the 4-year program period. We recognize that efforts are underway towards the adoption of common long-term market support and equity goals following the adoption of equity and market support indicators through Resolution E-5351, and submission of "PG&E's Filing on Behalf of the Energy Efficiency Portfolio Administrators for Goal Constructs Associated with equity and market support Indicators [Pursuant to D.23-06-055, Ordering Paragraph 25]". The majority of SDREN's portfolio falls within the equity and market support segments and once these goals and metrics are finalized, SDREN will also oversee progress toward their achievement.

All programs will be implemented by third party implementers, so when metrics are off track, Community Power will work closely with the implementer to course correct and ensure that goals are achieved. Corrective actions will be determined based on the nature of the performance issue and the relative priority of the goal itself. These corrective actions will be established at the program level and tailored to the specific delivery model and implementation timeline of each program. In the event that SDREN's portfolio, segment, or programs are noted to be off-target based on the regular assessments described in the

section above, SDREN will engage its implementer(s) to develop a corrective action plan. SDREN will embed guidance into its contractual documents with each implementer that will specify and outline procedures for the implementer to initiate the plans. Once reviewed and approved, the implementer will put the plan into action and the issue will be monitored until it is resolved.

In addition to implementer-driven corrective action plans, SDREN will continue ongoing portfolio performance check-ins with ED staff. SDREN meets monthly with ED, creating a regular opportunity to discuss performance trends, identify emerging issues, and seek input on potential program modifications that could improve savings and TSB. Once programs have launched and gained enrollment momentum, SDREN intends to use these meetings to collaboratively assess whether program adjustments are warranted. If modifications do not sufficiently address persistent underperformance, SDREN will take action to sunset or discontinue such programs, consistent with Executive Order N-5-25's directive to the CPUC to phase out programs that are no longer delivering meaningful outcomes.

This structured feedback loop with implementers, ED staff, and SDREN's internal governance ensures that the portfolio remains adaptive, accountable, and aligned with performance expectations throughout the program cycle.

Third-Party Programs

As the lead PA for the SDREN portfolio, Community Power will be responsible for soliciting and managing contracts, tracking performance, and making decisions to deliver on goals. Neither Community Power nor the County of San Diego will be directly implementing programs. Following its authorization in 2024, Community Power issued solicitations for all programs and has executed contracts with third party implementers to deliver all approved programs. Each contract has a term that aligns with the 2024-2027 portfolio period, with a clause that allows for the possibility of contract extensions where and when appropriate. All of the implementation responsibilities will be solely with the implementer.

Solicitation Strategy

As Community Power serves as the lead PA responsible for procurement, Community Power's procurement process will be followed for SDREN.

As a public agency, Community Power's procurement processes are open and transparent. All contracts above $150,000 are reviewed and executed by the Community Power Board unless the Board delegates authority to its Chief Executive Officer. Contract approvals are placed on Board agendas and discussed at public Board meetings that are subject to the Brown Act. Community Power's Procurement Policy[89] establishes practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.

At present, SDREN has completed solicitations for all programs. The scope of solicitations was based on the program cards included in SDREN's application approved in August 2024. Solicitations considered market changes since submitting the Portfolio Plan including new legislation, new CPUC decisions and guidance, SDG&E programs, or new programs such as the CEC Equitable Building Decarbonization DI Program. All programs included in SDREN's 2024-2027 Portfolio Plan were solicited within six to nine months of SDREN's authorization date. SDREN plans to solicit services for EM&V studies by Q2 2026. SDREN is not proposing any new programs in this Business Plan Application; however, should new programs be proposed mid-cycle, SDREN intends to also solicit implementers within six months of approval of said programs.

[89] *Procurement Policy,* SD COMMUNITY POWER (adopted Jul. 28, 2022), Procurement Policy can be viewed here: https://sdcommunitypower.org/wp-content/uploads/2022/12/Community Power-Procurement-Policy_Adopted_2022.07.28.pdf. Updates to the delegated contract and signature authority portion of the procurement policy are contained in SD COMMUNITY POWER, RESOLUTION 2025-17 (adopted Sept. 25, 2025), https://sdcommunitypower.org/wp-content/uploads/2025/11/2025-17-Revised-Delegated-Contract-and-Signature-Authority-Policy.pdf.

Third Party Risk Distribution

SDREN will follow processes and protocols established for Community Power, including the following, to mitigate and distribute risk across its portfolio:

- **Procurement policy,** which establishes administrative procurement practices that facilitate transparent and efficient business operations, as well as provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.
- **Supplier diversity** protocols to encourage diverse businesses to seek contracting opportunities with Community Power. While not required to do so in its capacity as an energy efficiency PA, Community Power is committed to providing resources on the Supplier Diversity Program to ensure eligible vendors have the awareness and support they need to pursue certification. Community Power encourages all eligible vendors to seek certification through the CPUC Supplier Clearinghouse. Per California Senate Bill 255 (2019), CCAs like Community Power are required to report to the CPUC on spending with diverse businesses, as defined by CPUC General Order 156.
- **Inclusive and sustainable workforce policy,** which demonstrates that Community Power's commitment to inclusion extends to its supply chain. Where appropriate and consistent with applicable law and other Community Power policies (including its Procurement Policy), Community Power will strive to support a diverse and inclusive supply chain by:
- Using local businesses and providing fair compensation in the purchases of services and supplies.
    - Proactively seeking services from local businesses and from businesses that are taking steps to protect the environment.
    - Engaging in efforts to reach communities of concern, to ensure an inclusive pool of potential suppliers.
    - Collecting information from vendors and project developers on their status as a woman, minority, disabled veteran, and/or LGBT business enterprise.

- Encouraging reporting from project developers and vendors on inclusivity in business staff.
    - Being transparent about these practices and lessons learned.
    - Providing contact information for staff who can answer worker questions about this policy.

SDREN activities related to distribution of third-party programs falls under the oversight of Community Power's Finance and Risk Management Committee, a standing committee of the Community Power Board, subject to the Brown Act, whose purpose, as stated in section 5.10.2 of Community Power's JPA Agreement, includes providing input and oversight on matters related to financial policies and procedures and risk management policies and procedures.

Statewide Assessment

Based on D.23-06-055 (COL 7), PAs propose your assessment process for statewide programs.

In response to Ordering Paragraph 2 of Decision 23-06-055, PAs participated in a working group process to develop a proposed framework for assessing statewide energy efficiency programs. The working group was initially convened by the IOUs to develop a preliminary proposal, which was subsequently refined through a broader PA process that included RENs and MCE (the singular CCA who currently has apply-to-administer PA status). The objective of the working group effort, as reflected in the IOU-developed preliminary proposal, was to establish a structured methodology for evaluating whether programs should be maintained, redesigned, localized, sunset, transferred, or elevated to statewide delivery, and to guide the selection of lead administrators where applicable. However, the inclusion of redesign, localization, and other potential evaluation outcomes was not a consensus position among PAs. Rather, these outcomes reflected the IOUs' initial interpretation of Ordering Paragraph 2 as enabling such actions, and multiple PAs indicated that Commission interpretation and

confirmation are warranted regarding the scope of permissible evaluation outcomes under Ordering Paragraph 2. These and other non-consensus issues are described later in this section.

The proposed framework (included in Attachment C) is intended to support a right-sized and efficiently delivered statewide portfolio by applying a series of assessment criteria related to strategic alignment, delivery model risk, equity outcomes, customer and ratepayer impacts, and portfolio coordination. The framework is organized around gatekeeping and evaluation questions designed to inform program classification and administrative responsibility across resource acquisition, market support, and equity segments.

While the working group produced a consolidated proposal, several material issues did not reach consensus among PAs. These include, but are not limited to:

- the scope of the assessment process, including whether it should apply only to existing statewide programs or also be used to elevate or down-level local and regional programs;
- the appropriate regulatory venue and timing for conducting assessments;
- applicability of dual fuel or single fuel;
- attribution and cost-effectiveness impacts on non-IOU PAs if local or regional programs are elevated to statewide delivery; and
- responsibility for undertaking the assessment.

Because these issues reflect unresolved policy questions rather than implementation details, several PAs, including SDREN, have indicated that formal Commission guidance is needed to resolve them. Clarification from the Commission will be necessary to define the scope, timing, and regulatory pathway for any statewide assessment process and to ensure that assessments are implemented in a manner that preserves authorized portfolios, avoids unintended cost-effectiveness impacts, and aligns with Commission objectives for equity, coordination, and administrative efficiency.

SDREN participated in the working group process and provided feedback through the survey included in Attachment C. SDREN expressed qualified support for the development of an assessment framework, conditioned on key principles: that the process not be used to relitigate currently authorized programs and that it be conducted by an independent third party. SDREN further recommended that "customer affordability," rather than "ratepayer affordability," be used as an assessment guideline, given that individual programs cannot reasonably be isolated as drivers of broader system-level cost trends.

These conditions reflect SDREN's portfolio management priorities and its role as a regional PA focused on filling gaps in service delivery, advancing equity outcomes, and tailoring programs to local market conditions. SDREN's portfolio is designed to complement IOU and statewide offerings rather than replace them, and to deliver targeted services to underserved and hard-to-reach communities that may not be effectively reached through uniform statewide delivery models.

SDREN anticipates that a statewide assessment framework, if adopted by the Commission, could influence future program design, coordination, and administrative responsibilities across PAs. As part of its portfolio management and risk management strategy, SDREN will monitor the development and implementation of any adopted assessment process and will engage to ensure that regional programs are evaluated using criteria that reflect their equity objectives, gap-filling role, and coordination mechanisms, including Joint Cooperation Memoranda. SDREN will incorporate any final Commission-adopted assessment framework into its portfolio management practices in a manner consistent with Commission direction and with the goal of preserving effective regional delivery models while supporting statewide coordination and efficiency.

Chapter 6: Segmentation and Sector Strategy

Portfolio Sector Strategy

The following is an overview of SDREN's strategies for each portfolio sector in descending order based on priority for investment.

Residential

SDREN runs two Residential programs, both of which address equity. Both fill gaps in current SDG&E offerings to multifamily and single-family customers by providing customized support and education. Because residential customers are often confused by the number of program offerings and entry points, pairing behavioral engagement is a key strategy to demystify funding opportunities for residents. Programs highlight non-energy benefits and incorporate a pathway to electrification through education about "healthy homes." The total eight-year budget for Residential programs is $93 million, representing 25% of the overall portfolio.

Commercial

SDREN offers three Commercial sector programs that fill gaps and coordinate closely with SDG&E programs. Two are equity programs supporting small to medium businesses by raising awareness and increasing adoption of energy efficiency and other IDSM practices and measures. These programs deploy a direct install approach to alleviate the cost barrier to participation and allow store owners, who often have limited staff capacity and capital to invest in energy efficiency equipment, to participate in energy efficiency program offerings. The third program is a resource program providing incentives to commercial customers that

realize peak demand reduction and verifiable energy savings. The total eight-year budget for the Commercial sector is $99 million, representing 26% of the SDREN portfolio.

Public Sector

The Public sector segment offers two programs that fill gaps in SDG&E services. One is a market support program that offers customized and unbiased end-to-end energy efficiency project services to public agencies within San Diego County. The second is an equity program that collaborates with Tribal communities to determine program design and delivery. There are no current Tribal specific strategies or programs offered by SDG&E. The total eight-year budget for the Public sector is $64 million, representing 17% of the SDREN portfolio.

Cross-Cutting – Workforce, Education and Training (WE&T)

SDREN includes two market support WE&T programs that fill gaps. These programs support clean energy career development for high school students, provide clean energy jobs training for new market entrants, and offer workforce training through employers. In doing so, SDREN's WE&T investments help build the skilled labor pipeline necessary to deliver the volume of high-quality energy efficiency and decarbonization projects required to meet San Diego's clean energy and climate goals on schedule. The total eight-year budget for the Cross-Cutting WE&T sector is $51 million, representing 13% of the SDREN portfolio.

Cross-Cutting – Codes & Standards (C&S)

There are two types of codes and standards programs implemented by energy efficiency portfolio administrators: regional and statewide. Regional codes and standards programs are designed to enhance compliance with Title 24. These regional programs can be administered by any PA. Statewide codes and standards programs, also known as "Codes and Standards

Advocacy" programs, primarily advocate for improvements to Title 24. At present, only IOU PAs have implemented the statewide C&S program.

Both SDREN and SDG&E implement complementary regional C&S programs. SDREN's program provides local agencies with policy and compliance support and enhances communication and experience among permitting authorities and permit applicants.

SDG&E contributes SDG&E ratepayer dollars toward PG&E's implementation of the statewide C&S advocacy program, which primarily focuses on advocacy at the CEC and DOE related to appliance and building standards. SDREN's C&S program is vital to ensuring that compliance with standards updated via the statewide advocacy programs actually materialize.

SDREN also holds monthly coordination calls with SDG&E to coordinate program services, optimizing benefits to participants and the region. Programs designed for permitting agencies and local governments focus on Title 24 compliance education and adopting Title 24 reach codes.

The total eight-year budget for the Cross-Cutting C&S sector is $19 million, representing 5% of the SDREN portfolio.

Table 6.1 Budget Distribution by Sector

Budget Distribution by Sector ($374,838,862)									
	Sector								
Budget	Residential	Commercial	Industrial	Agricultural	Public	Cross-Cutting	EM&V	Portfolio Support	Total Budget
2028	$10,374,030	$10,543,145	$0	$0	$6,957,731	$7,849,449	$1,570,134	$3,925,333	$41,219,821
2029	$10,742,103	$11,127,402	$0	$0	$7,253,848	$8,084,932	$1,617,238	$4,043,093	$42,868,616
2030	$11,123,491	$11,739,900	$0	$0	$7,562,344	$8,327,480	$1,665,755	$4,164,385	$44,583,355
2031	$11,518,687	$12,381,925	$0	$0	$7,883,731	$8,577,305	$1,715,728	$4,289,317	$46,366,693
Total (4-Year)	$43,758,311	$45,792,372	$0	$0	$29,657,654	$32,839,166	$6,568,855	$16,422,127	$175,038,485
2032	$11,864,248	$12,753,383	$0	$0	$8,120,243	$8,834,624	$1,767,200	$4,417,996	$47,757,694
2033	$12,220,175	$13,135,985	$0	$0	$8,363,850	$9,099,662	$1,820,216	$4,550,536	$49,190,425
2034	$12,586,781	$13,530,064	$0	$0	$8,614,766	$9,372,652	$1,874,822	$4,687,052	$50,666,137
2035	$12,964,384	$13,935,966	$0	$0	$8,873,209	$9,653,832	$1,931,067	$4,827,664	$52,186,121
Total (4-Year)	$49,635,588	$53,355,398	$0	$0	$33,972,067	$36,960,770	$7,393,304	$18,483,249	$199,800,377
Cumulative Total (8-Year)	$93,393,899	$99,147,771	$0	$0	$63,629,721	$69,799,936	$13,962,160	$34,905,376	$374,838,862

Portfolio Segmentation Strategy

SDREN's segmentation strategy is a direct reflection of its vision, core values, and guiding principles. The distribution of programs and budgets across equity, market support, resource acquisition, and C&S segments was developed to advance SDREN's three overarching goals: **advancing decarbonization**, **providing comprehensive and equitable energy efficiency services**, and **accelerating the clean energy economy through workforce opportunities**.

Guided by its commitment to **environmental equity**, **collaboration**, and **community-driven change**, SDREN prioritizes investments that deliver the greatest benefit to underserved and hard-to-reach communities, strengthen local market capacity, and build lasting regional partnerships. The segmentation framework ensures that SDREN's portfolio both complements IOU offerings and channels resources toward long-term, community-centered transformation.

This approach aligns SDREN's 4-year Portfolio Plan and 8-year Business Plan with the CPUC's intent for regional energy networks to fill gaps, drive innovation, and deliver equitable outcomes across all market segments.

SDREN's portfolio spans all four CPUC-defined segments: **equity, market support, resource acquisition, and codes & standards**. Each serves a distinct but complementary role in advancing equitable decarbonization and market transformation goals. The following section summarizes SDREN's segmentation approach, key strategies, and budget allocations across these segments.

Equity Segment

All programs within the SDREN portfolio have been designed with the CPUC's equity objectives in mind, regardless of segmentation. SDREN's alignment with the CPUC's ESJAP is described in Chapter 3.

Nearly half (44%) of SDREN's portfolio is directed to equity programs that support underserved and HTR communities. These programs will be key in driving progress toward SDREN's long-term goal of achieving equitable decarbonization in the San Diego region. SDG&E currently dedicates only about 5%[90] of its portfolio to equity programs. As a result, SDREN's investments are intentionally weighted toward the equity segment to fill this regional funding gap and ensure that underserved and HTR communities have meaningful access to clean energy programs.

To support this goal, SDREN has integrated the following strategies into its equity programs:

- Focus outreach on underserved and HTR customers.
- Provide in-person, equitable, and inclusive outreach and support services.
- Offer customized energy programs and strategies shaped by community input.
- Offer 1:1 support to connect customers to all other available programs, services, and funding opportunities.
- Offer direct installation of energy efficiency measures.

Additionally, SDREN will help customers leverage other resources and programs to maximize the benefits to these communities.

Market Support

One of SDREN's portfolio goals is to increase awareness, understanding, and participation in energy programs. Achieving this goal will reduce the energy burden for communities, increasing affordability and alleviating market confusion. SDREN's market support strategy, comprising approximately one third (32%) of its portfolio, bolsters the clean energy workforce in underserved communities by providing clean energy career pathways for high school students, training adults who are incumbent or new to the clean energy job market, developing skills, and helping employers to increase career opportunities. In doing so, SDREN's WE&T investments help build the skilled labor pipeline necessary to deliver the

[90] SDG&E ADVICE LETTER 4747-E/3469-G, 2024-2027 ENERGY EFFICIENCY PORTFOLIO MID-CYCLE TRUE UP (filed Nov. 4, 2025).

volume of high-quality energy efficiency and decarbonization projects required to meet San Diego's clean energy and climate goals on schedule.

A centerpiece of SDREN's market support strategy is to engage public sector agencies to adopt decarbonization measures. SDREN supports over 100 public agencies across the County, including cities, school districts, water agencies, and other special districts to implement energy efficiency and decarbonization strategies, including agency-wide benchmarking and strategic energy resilience planning. Customized, unbiased, hands-on expert guidance and support from project start to finish will enable public agencies to accelerate the adoption of urgently-needed clean energy actions.

Resource Acquisition

SDREN has allocated nearly 14% of its budget toward the resource acquisition segment. SDREN recognizes that SDG&E already invests heavily in this segment and is projected to exceed TSB goals.[91] To complement and not duplicate those efforts, SDREN offers one program designed specifically to reach **small and medium-sized commercial customers** that may otherwise be underserved.

The Market Access Program provides performance-based incentives to aggregators who deliver projects that reduce peak demand and achieve verifiable energy savings, contributing a meaningful share of SDREN's overall TSB while focusing on HTR and underserved businesses not anticipated to be served by SDG&E programs. By reducing peak demand, the MAP also leads to avoided costs of the transmission and distribution system and increased regional reliability.

By emphasizing performance-based outcomes, MAP supports SDREN's broader objectives to advance decarbonization, reduce energy burdens (thereby increasing affordability), and increase participation in energy efficiency programs. This approach ensures that SDREN's resource acquisition activities remain complementary to IOU offerings while addressing

[91] *Id.*

market gaps within the regional Commercial sector and reducing load on the system when it is needed most.

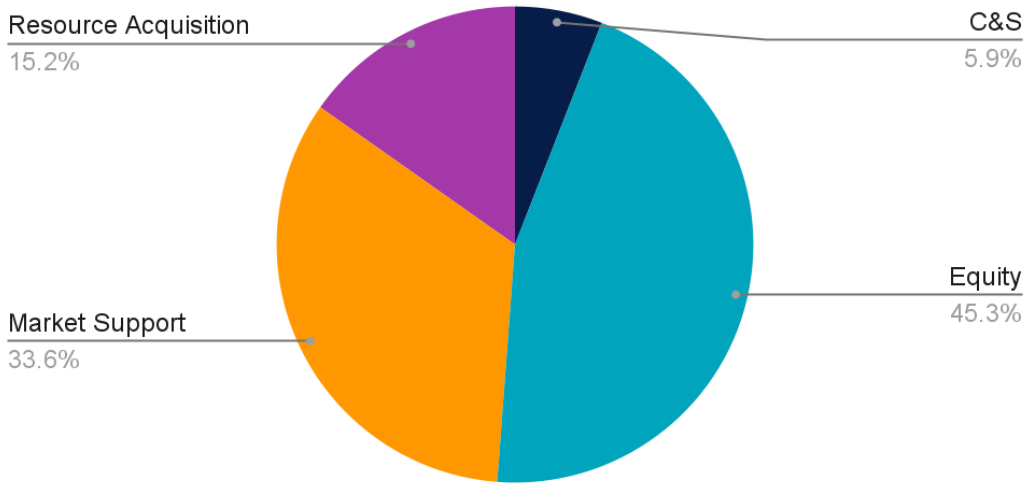
Codes & Standards

Approximately 6% of SDREN's portfolio budget is allocated toward C&S activities for a program focused on decarbonization-related code enforcement, compliance, and adoption of reach codes. SDREN recognizes that C&S activities are a demonstrated strength of RENs and key to realizing the savings forecasted by the IOU's Statewide C&S advocacy programs. As such, SDREN's budget allocation is commensurate with spending by other RENs within this segment.

Portfolio Level Segmentation Summary

SDREN's portfolio includes programs in all segments, with the majority of its budget allocated to the market support and equity segments. The strategies driving its segmentation approach and budget distribution are aligned with broader portfolio objectives to complement existing and emerging offerings, accelerating equitable decarbonization throughout San Diego County. SDREN's detailed segmentation strategy is described in detail in the sections below.

Figure 6.1 SDREN 2028-2035 Budget Allocation by Segment



Eight-Year Segmentation Outlook

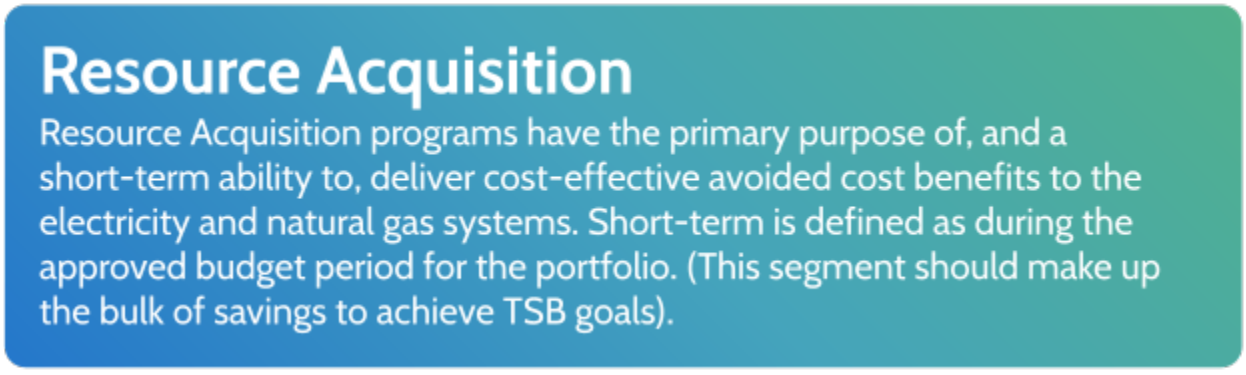
Over the eight-year Business Plan period (2028–2035), SDREN will maintain its emphasis on the equity and market support segments while strengthening cross-segment coordination to maximize community benefits and system value.

Equity and market support investments will continue to represent the majority of the portfolio, supporting long-term market transformation and equitable decarbonization. SDREN will refine program design and budget allocations based on evaluation, measurement, and verification (EM&V) findings, regional needs, and evolving state policy priorities to sustain the region's transition to a carbon-free economy.

Resource Acquisition

As described in the preceding section, SDREN's resource acquisition efforts are intentionally focused and complementary to SDG&E's broader resource acquisition portfolio. While SDG&E invests heavily in this segment and is projected to exceed TSB goals, SDREN's approach targets gaps in market coverage, specifically, underserved small and medium-sized business commercial customers.

Figure 6.2 Defining Resource Acquisition



For SDREN, this segment is forecasted to deliver the bulk of savings contributing to TSB goals.

The segment includes one commercial sector program, the Market Access Program (MAP), which focuses on projects that reduce peak demand and deliver verifiable energy savings through a population NMEC approach. This program advances decarbonization, reduces energy burdens (thereby increasing affordability), and increases participation in and access to energy efficiency programs.

MAP's outreach efforts focus on small to medium-sized HTR and underserved commercial customers that may be missed or passed over by other programs. Because these target participants are exclusively commercial, SDREN's resource acquisition program is not forecasted to serve any single-family or manufactured home customers during this plan period.

SDREN does not intend to expand or withdraw any programs within its resource acquisition portfolio during this business plan cycle.

Resource Acquisition Goals, Strategies, and Outcomes

For the 2028-2031 portfolio period, SDREN will pursue the goals, strategies, and outcomes in the table below for the resource acquisition segment. These efforts align with the ESJAP Goals 2 and 4 by investing in clean energy resources, improving climate resilience, and supporting ESJ businesses.

Table 6.2 Resource Acquisition Goals, Strategies, and Outcomes

Goals	Strategies	Outcomes
• Accelerate implementation of EE and IDSM measures. • Accelerate load flexibility program participation. • Provide short-term benefits to electricity and fossil gas systems, as measured by TSB.	• Leverage incentives and commissioning process for load flexibility alongside EE measure purchase and installation. • Focus on commercial customers that are underserved by other regional market access programs.	• Establish emerging EE technologies such as heat pump water heaters with DR integration capabilities as the standard practice. • Normalize device commissioning and enrollment in load flexibility programs as a standard business practice by contractors.

• Achieve verifiable energy savings and peak demand reductions. • Increase HTR and underserved businesses' participation in EE programs.	• Work with trusted local advisors to support access to programs.	• Fully realize the potential of EE through comprehensive whole building retrofits that capture 'stranded' to-code energy savings at the meter. • Give small and medium businesses that have previously not participated in EE multiple benefits through participation.

SDREN's sole resource acquisition program, MAP, uses a population NMEC methodology to verify energy savings and calculate performance-based incentives tied to TSB. This approach rewards long-lived, cost-effective measures that provide maximum grid value, particularly those reducing summer and year-round peak demand.

By applying the population NMEC method, the MAP identifies high-opportunity projects at facilities with significant load flexibility potential. Incentives are paid to aggregators based on NMEC-verified savings, motivating them to ensure that each project achieves or exceeds forecasted performance. This design aligns with state and regional goals to reduce system peak demand.

The MAP program uses an aggregator model, enabling market actors such as contractors to identify and bundle projects across multiple small and medium business sites. This structure streamlines customer participation and minimizes administrative burden, particularly for businesses that may lack the capacity to pursue traditional rebate programs. The NMEC framework ensures that savings are based on metered performance, not prescriptive assumptions, creating a transparent feedback loop that aligns incentives with actual load reduction outcomes.

Resource Acquisition Sector Served

SDREN's resource acquisition program focuses exclusively on small and medium businesses within the commercial sector, given the sector's outsized share of regional energy use and

unmet efficiency potential. SMBs represent approximately 77 percent of commercial accounts in SDG&E's territory (with connected loads under 20 kW) and roughly 40 percent of total regional electricity consumption.[92]

Many of these businesses face similar barriers: limited access to capital, constrained staff resources, and lack of tailored efficiency programs. By targeting this segment, the MAP fills a critical market gap, helping participants reduce operating costs, improve indoor comfort and air quality (which supports healthier environments), and contribute to regional load reduction during peak periods.

Market Support

Figure 6.3 Defining Market Support



Multiple sub-objectives for the segment have been identified and are listed below:[93]

- **Demand:** build, enable, and maintain demand for energy-efficient products and services in all sectors and industries to ensure interest in, knowledge of, and awareness of how to obtain energy efficient products and/or services.
- **Supply:** build, enable, and maintain supply chains to increase the capability of market actors to supply energy-efficient products and/or services, and to increase the ability, capability, and motivation of market actors to perform/ensure quality installations that optimize energy efficiency savings.

[92] *SDG&E*, supra note 80, at p.57.
[93] *Decision 23-06-055,* at p. 58.

- **Partnerships:** build, enable, and maintain partnerships with consumers, governments, advocates, contractors, suppliers, manufacturers, community-based organizations and other entities to obtain delivery and/or funding efficiencies for energy-efficient products and/or services and create added value for partners.
- **Innovation and Accessibility**: build, enable, and maintain innovation and accessibility in technologies, approaches, and services to increase value, decrease costs, increase energy efficiency, and/or increase scale of and access to energy-efficient products and services.
- **Access to Capital:** build, enable, and maintain increased and equitable access to capital and program coordination to increase affordability of and investment in energy-efficient projects, products, or services.

SDREN's market support strategies are intentionally structured to advance these five sub-objectives by building regional capacity, strengthening market infrastructure, and expanding equitable access to clean energy opportunities. Table 6-3 below illustrates how SDREN's activities align with and reinforce each sub-objective across its programs, creating a cohesive approach that connects workforce development, public sector engagement, and funding coordination to broader market support and resource acquisition goals.

Table 6.3 How SDREN Strategies Address Market Support Sub-Objectives

Market Support Sub-Objective	How SDREN's Strategies Address It
Demand	SDREN drives awareness and participation in EE and IDSM through targeted outreach, workforce training, and education for public agencies and residents. Programs build long-term understanding of the benefits of energy efficiency, decarbonization, and flexible load participation.
Supply	Workforce and employer-led training programs expand the number of qualified professionals capable of delivering quality EE and electrification projects. SDREN strengthens supply chains by coordinating with local contractors, CBOs, and educational institutions.

Partnerships	SDREN builds and sustains partnerships among PAs, local governments, CBOs, and industry actors to align offerings, avoid duplication, and share resources. Collaboration with SDG&E, Community Power, Clean Energy Alliance and other partners ensures cohesive regional delivery.
Innovation and Accessibility	SDREN offers concierge-style technical assistance for public agencies and flexible, modular workforce training for emerging clean energy technologies. These approaches make participation easier and more inclusive for HTR communities.
Access to Capital	SDREN assists public agencies in securing external funding and stacking incentives as they are available (e.g., IRA tax credits, CEC Equitable Building Decarbonization funds) to increase affordability and accelerate project implementation.

Market Support Goals, Strategies, and Outcomes

For the 2028-2031 portfolio period, SDREN will pursue the goals, strategies, and outcomes listed in Table 6.4 below for the market support segment. The strategies related to public agencies will support the state in meeting ESJAP goals 2 and 4 by increasing climate resiliency and investment in clean energy resources to benefit ESJ communities. Strategies related to workforce development will address the ESJAP goal 7 to promote high road career paths and economic opportunity for residents of ESJ communities.

Table 6.4 Market Support Goals, Strategies and Outcomes

Sector	Goals	Strategies	Outcomes
WE&T	• Build participant workforce capacity. • Enhance workforce training pathways.	• Provide comprehensive workforce educational and wraparound services to build skills and match participants with employers. • Coordinate with job placement programs to support workforce development.	• Increase the supply of skilled employees entering into the clean energy workforce necessary to meet state and local climate goals. • Increase opportunities for job training and certifications. • Connect participants to high road jobs.

	• Strengthen employee skills and support professional growth focused on clean energy careers.	• Partner with local community college districts to provide college-level courses and skill development opportunities.	• Increase participating organizations' staff retention and internal promotional opportunities.
Public	• Increase capacity, awareness, and understanding of the benefits of energy efficiency, decarbonization and IDSM strategies. • Help public agencies address and adapt to climate change by reducing GHG emissions and increasing energy resilience.	• Offer comprehensive project management and technical assistance services to identify and install projects. • Deliver education and training to public agencies. • Deliver customized decarbonization and resilience roadmaps. • Provide energy analysis reports at the portfolio and project level. • Directly install EE and flexible load measures. • Channel project opportunities to other applicable EE and IDSM programs. • Help agencies secure internal and external funding for decarbonization projects.	• Agencies improve their energy resilience, increase preparedness for climate-related emergencies, and decarbonize their facilities and assets. • Public agencies demonstrate awareness of benefits of DERs and integrate policies and actions as standard practice. • Agency awareness of energy consumption and costs. • Integration of EE and IDSM recommendations into existing or new Climate Action Plans. • Agencies receive capital to fund their decarbonization and energy resilience projects. • Energy bill reductions are achieved.

Market Support Sectors Served

SDREN's market support segment currently encompasses three programs: two in the WE&T sector and one in the Public sector. Together, these programs build the regional capacity necessary for long-term market transformation by developing a skilled clean energy

workforce and expanding the ability of public agencies to implement energy efficiency and decarbonization projects.

The WE&T programs strengthen the region's clean energy labor market by increasing workforce capacity and expanding accessible training pathways for both new entrants and incumbent workers. These programs focus on equipping participants with the technical skills and credentials needed to participate in EE, electrification, and DER industries. Increased access to training services enhances employee skills, supports professional growth, and opens pathways to high road careers, particularly within ESJ communities. It also increases the ability for local workers to support local projects, creating a more diverse workforce and boosting the regional economy.

The Public sector program focuses on building institutional capacity within public agencies. Through concierge-style services, the program overcomes common barriers, reduces administrative burdens, addresses a lack of technical expertise, and navigates the complex landscape of program offerings associated with decarbonization.

SDREN does not intend to expand into new sectors or withdraw from existing ones within its market support segment during the 2028-2031 Business Plan cycle. Instead, this period will focus on deepening impact and enhancing coordination across existing programs to ensure that workforce, education, and public sector capacity building efforts continue to complement other segments.

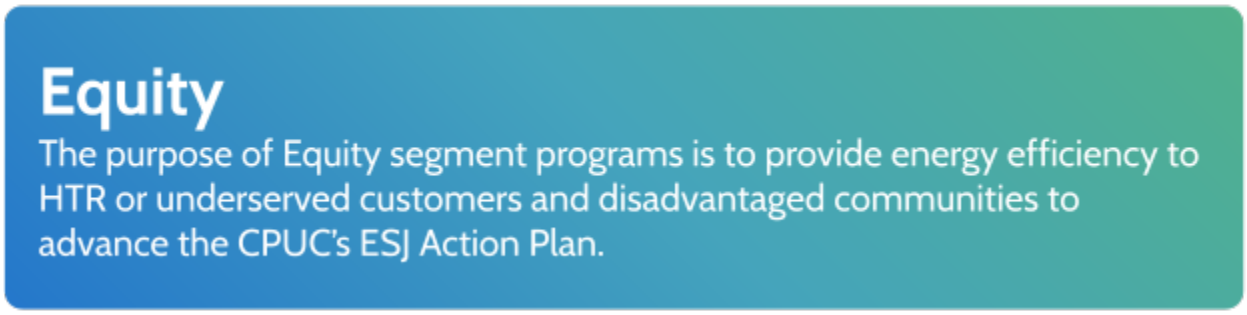
Equity

SDREN's five equity programs are within the Commercial, Public, and Residential sectors. The total budget allocated to each sector within the equity segment is outlined in Table 6.5 below. It is notable that over half (55%) of the total segment budget is allocated to direct install measures. This strategy, in alignment with SDREN's portfolio vision, enhances

SDREN's ability to ensure underserved, HTR, and disadvantaged communities[94] are not left behind in the clean energy transition.

As highlighted in the Portfolio Segmentation Strategy section, the **integration of equity objectives is a cornerstone of SDREN's portfolio and program design** and is heavily guided by SDREN's vision, core values, and guiding principles. The program design is reflective of the Commission's definition of equity program and the related segment objectives.

Figure 6.4 Defining Equity



The Commission defines the objective of equity segment programs as follows:

"Equity Segment Objective: For hard-to-reach, disadvantaged, and/or underserved communities:

- Address disparities in access to energy efficiency programs;[95]
- Promote resilience, health, comfort, safety, energy affordability, and/or energy savings;[96]
- Reduce energy-related greenhouse gas and criteria pollutant emissions;[97] and

[94] *Decision 23-06-055* (defining disadvantaged communities).
[95] *Decision 23-06-055,* at p. 57.
[96] *Decision 23-06-055,* at p. 57 n. 56: "Energy affordability pertains to bill savings achieved through increased efficiency in energy use, delivering the same or improved level of service with a lower cost to the customer."
[97] *Decision 23-06-055*, at p. 57 n. 57: "The term "criteria pollutant" refers to: ground-level ozone, particulate matter, carbon monoxide, lead, sulfur dioxide, and nitrogen dioxide. See the following link: https://www.epa.gov/criteria-air-pollutants."

- Provide workforce opportunities.[98]"

Equity Specific Strategies, Goals, and Outcomes

SDREN's equity segment programs are designed to reach, serve and ultimately benefit hard-to-reach and/or underserved customers. Customers that may not be considered part of the equity segment will not be precluded from participating in equity segment programs, but specific targeting efforts are designed to primarily serve Equity segment customers.

While SDREN believes the current definitions of the equity subcategories (hard-to-reach, disadvantaged, and underserved communities) provide a solid foundation, further refinement and clarification could improve program design and targeting. In particular, SDREN's portfolio design reflects the Commission's adoption of a detailed definition of underserved customers in D.23-06-055 and the growing need to explicitly incorporate underserved populations within the REN framework. Additional details on this refinement are outlined in Chapter 11.

For the 2028-2031 portfolio period, SDREN will pursue the goals, strategies, and outcomes listed in Table 6-5 below for the equity segment. All of the strategies will support the state's ESJAP goals. The strategies related to Tribal communities will support the state in meeting ESJAP goal 5 by involving Tribal communities in the process of developing program strategies. All other strategies support ESJAP goals 2 and 4 by increasing climate resiliency and investment in clean energy resources to benefit ESJ communities.

[98] *Decision 23-06-055*, at p. 58 n. 58: "The term "workforce opportunities" includes, but is not limited to, work opportunities in the energy efficiency supply chain and with companies/non-profits that deliver energy efficiency services, as well as the workers, who implement the work within equity segment programs."

Table 6.5 Equity Segment Strategies, Goals, and Outcomes

Goals	Strategies	Outcomes
• Deliver equitable services to traditionally underserved and HTR customers to ensure they are included in the clean energy transition. • Reduce barriers to EE and flex load program participation among HTR and underserved customers.	• Focus outreach on and target underserved and HTR customers. • Provide in-person, equitable, and inclusive outreach and support services (i.e., in-language materials with cultural understanding, taking into consideration customers with impaired hearing or vision, and customers without internet access). • Offer customized energy programs and strategies shaped by community input. • Offer increased incentive opportunities for HTR and underserved communities. • Provide one-on-one support to connect customers to other available programs, services, and funding opportunities. • Direct installation of energy efficiency measures. • Provide a framework in which Tribal governments propose and design customized energy programs and strategies to meet their unique community needs. • Offer funding and financing support, connecting participants to other incentive programs, financing offerings, tax credits, etc.	• Increase access to and awareness of energy efficiency, DER technologies, and funding and financing programs. • Increase participation in ratepayer-funded EE programs by HTR customers and underserved communities. • Reduce energy burden and increased affordability for HTR and underserved participants. • Create energy co-benefits (e.g., health, comfort) realized by HTR and underserved participants. • Create a clean energy transition inclusive of customers historically left out of energy programs. • Create energy justice for HTR customers and underserved communities. • Increase adoption of EE and IDSM measures and strategies.

Equity Sectors Served

SDREN's equity segment encompasses five programs distributed across the Commercial, Public, and Residential sectors. Collectively, these programs ensure that these sectors have access to energy efficiency and decarbonization services that address persistent barriers to participation.

SDREN's Commercial equity programs focus on small and medium-sized businesses, particularly those owned by or serving historically underserved populations. These programs reduce participation barriers by providing one-on-one technical support, connecting participants to financial resources, and offering direct installation of efficiency measures. Many SMBs lease their space or operate on thin margins, which limits their ability to invest in energy improvements. SDREN's programs help address these structural challenges through accessible participation pathways and incentives that enhance affordability and operational resilience.

Public sector equity efforts center on partnerships with Tribal governments. The Tribal Engagement program enables Tribal communities to co-design customized energy programs that align with their community needs, cultural values, and governance processes. This participatory design model ensures that Tribal community voices shape program delivery and that investments directly contribute to energy sovereignty, resilience, and self-determination.

SDREN's Residential equity programs target single-family and multifamily customers in underserved and HTR communities. These programs offer no-cost or low-cost direct installation services, in-language outreach, and Energy Advisor support to help residents navigate available energy efficiency and IDSM funding opportunities and improve home comfort, health, and safety. By integrating equitable access to energy efficiency and IDSM education, SDREN ensures that residential customers are empowered to participate in the clean energy transition regardless of income or housing status.

SDREN does not intend to expand into new sectors or withdraw from existing ones within the equity segment during the 2028-2031 business plan cycle. SDREN's equity programs in the Residential Sector are forecasted to serve over 2,000 single-family and nearly 900 manufactured home customers during this plan period.

Codes & Standards

SDREN's C&S program is designed to complement and enhance regional and statewide efforts by providing localized, hands-on support to improve energy code compliance, accelerate the adoption of advanced building standards, and strengthen the capacity of permitting agencies and building departments. While statewide programs often focus on policy advocacy or technology research, SDREN's C&S program fills a critical implementation gap at the local level by helping agencies translate code requirements into practical, enforceable action. This support helps to ensure Title 24 policies that result from the statewide C&S program actually realize savings.

The C&S segment has the following primary purposes:

- Influencing standards and code-setting bodies (such as the CEC) to strengthen energy efficiency and load management regulations.
- Improving compliance with existing codes and standards.
- Helping local governments develop ordinances that exceed statewide minimum requirements.
- Coordinating with the other programs and entities to support the state's policy goals.[99]

The C&S landscape in the San Diego region requires a highly localized approach due to staff and resource constraints within permitting agencies, fragmented enforcement practices, and the urgent need to accelerate decarbonization. SDREN's tailored program design will help

[99] *Decision 23-06-055*, at pp.13-14.

agencies overcome these challenges through targeted technical assistance, hands-on training, and standardized tools that simplify compliance.

The Codes & Standards segment budget is $19M, representing 5% of the SDREN proposed eight year budget. The segment mirrors the Cross-Cutting C&S sector, which includes just one program.

Codes & Standards Goals, Strategies, and Outcomes

For the 2028-2031 portfolio period, SDREN will follow the goals, strategies, and outcomes for the C&S sector outlined in Table 6.6 below. The strategies below will support the state in meeting ESJAP Goal 6: enhancing the enforcement of codes to ensure safety and consumer protection for ESJ communities.

Table 6.6 Codes & Standards Goals, Strategies and Outcomes

Goals	Strategies	Outcomes
• Empower permitting agencies and the C&S community to improve energy code compliance, reduce energy consumption, and reduce GHG emissions while supporting the state's EE and GHG goals. • Help public agencies compile and use data to enhance energy code compliance and facilitate adoption of advanced energy codes and policies.[100]	• Despite the AB 130 moratorium on new energy code, SDREN has identified a great need to continue supporting compliance with *existing* code through the following strategies: ○ Streamline permitting processes. ○ Develop compliance and enforcement strategies and effective tracking mechanisms. ○ Create a suite of tools, technical resources,	• The C&S community achieves high-performance and resilient buildings. • Streamlined permit approvals that include energy resiliency and climate adaptation design elements. • Public agency energy resilience action plans, energy/GHG reduction targets, and other strategies are informed by digitized data collected from permitting.

[100] California legislation AB 130 created a moratorium on updates to residential building codes from October 1, 2025, to June 1, 2031, with limited exceptions, which include pathways for local governments with existing climate related policies. This law freezes state and local updates to

• Promote the adoption, implementation, and enforcement of advanced energy codes, standards, and policies that improve building energy performance and accelerate decarbonization. • Create quantifiable energy and GHG improvements through advanced energy code adoption.[101] • Identify, improve and measure C&S compliance gaps due to the role of SDREN's investment in local government and relevant stakeholders.	and templates, including an Energy Code Coach. ○ Build participant staff capacity and their ability to use building stock, benchmarking, and C&S data. ○ Create feedback loops from C&S activities that inform comprehensive strategies across SDREN offerings. ○ Provide educational information to the C&S community about the phase out of HFCs and low-GWP refrigerant alternatives. • Provide comprehensive support for implementation of advanced energy codes.	• Reduced energy costs, improved indoor air quality, and enhanced building functionality. • State, federal, and local technical expertise and funds are leveraged to develop and deploy new policies. • Local building performance standards and building benchmarking requirements that improve building efficiency, comfort, economics, and health become common practice.

C&S Sectors Served

SDREN's C&S program serves the Public and Cross-Cutting sectors, with a focus on local jurisdictions, building departments, and permitting agencies across San Diego County.

- **Public Sector:** SDREN will work directly with city and county governments to integrate advanced energy codes into local ordinances, facilitate adoption of reach codes, and provide technical assistance for energy benchmarking and building performance standards. Customized support will include training for inspectors and plan reviewers to streamline permitting and ensure consistent code enforcement.

residential building standards to reduce housing construction costs and provide stability for the industry. AB 130, 2025-2026 Leg., Reg. Sess. (Cal. 2025) (enacted).

[101] *Id.*

- **Cross-Cutting Sector:** this sector includes building professionals, designers, contractors, and industry associations who influence the implementation of building energy codes. SDREN will offer educational information to help these professionals meet new compliance requirements efficiently.

Through these sectoral efforts, SDREN's C&S program will improve consistency in code enforcement, increase adoption of advanced standards, and strengthen the institutional infrastructure needed to achieve California's long-term energy and climate goals.

SDREN does not intend to expand into new sectors or withdraw from existing ones within the C&S segment during the 2028-2031 business plan cycle. Instead, this cycle will focus on deepening regional coordination and building institutional capacity building.

Chapter 7: Portfolio Coordination

Segment and Sector Specific Coordination

Coordination within the Same PA

SDREN implements multiple strategies to promote strong coordination across sectors, segments, and programs. SDREN maintains a coordinated management approach to ensure that programs reinforce one another, avoid internal duplication, and maximize customer benefits.

Sector and Segment-Level Coordination

Each sector is assigned a sector lead from the SDREN Program Operations team. This allows each sector lead to maintain a comprehensive view of both segment objectives and the individual programs within their respective sector. Sector leads also conduct regular cross-sector internal coordination meetings to identify synergies and opportunities to collaborate. These meetings include efforts to align program key performance indicators with segment-specific metrics, ensuring consistent performance tracking and shared accountability.

This structure creates meaningful opportunities for coordination both within and across segments. Coordination meetings allow leads to identify strategies that advance segment objectives. For example, SDREN:

- Leverages workforce training initiatives to expand and **strengthen contractor supply chains** across sectors. For example, SDREN's WE&T programs build contractor technical expertise, increasing their ability to participate in and **meet the demands** of other SDREN programs that leverage trade allies to install projects across market support, equity, and resource acquisition segments.

- **Collaborates on best practices for equity-focused outreach** across residential, commercial, and public-sector programs to **expand access** and **deliver services** for HTR and underserved communities.

SDREN also reviews metrics and reporting at the sector and segment levels on a quarterly basis, enabling early identification of cross-program engagement opportunities, shared barriers, and resource efficiency strategies. This structure is incredibly valuable given that SDREN's portfolio incorporates several complementary programs. This systematic review strengthens alignment across segments and supports timely coordination decisions.

Program Specific Coordination

At the program level, SDREN maintains structured coordination pathways that allow programs to reinforce one another's goals and enhance the customer experience. Key strategies include:

- **Referral pathways across programs:** for example, Public sector programs will refer participants across both the Tribal Engagement and Climate Resilience Leadership programs based on customer needs. The Public sector programs will also refer public agency staff to the C&S program. The SMB Energy Coach program's dedicated advisor may identify and channel opportunities for a commercial participant to participate in SDREN's Efficient Refrigeration program if refrigeration measure opportunities are identified.
- **Implementer-to-implementer collaboration:** early coordination discussions between program implementers operating within the same sector ensure that customer engagement, outreach strategies, and measure offerings are complementary rather than redundant. This coordination occurs when feasible and practical. For example, the Efficient Refrigeration and SMB Energy Coach program implementers collaborate on outreach. The Public sector program implementers actively coordinate on engagement and service delivery.
- **Integration of workforce development across programs:** WE&T-trained contractors are introduced and directed to relevant SDREN programs such as commercial,

residential, or public-sector offerings, creating a direct pipeline that supports broader market support and equity segment objectives.

SDREN also convenes internal portfolio coordination meetings among program managers and implementers to share progress, identify cross-program opportunities, and surface barriers. This approach will further strengthen alignment, share segment and sector best practices, reduce friction, and streamline the customer experience. These discussions help maintain consistency across programs, improve the customer journey, and ensure alignment with sector- and segment-level goals.

Through these internal coordination mechanisms, SDREN maintains a portfolio that is consistent, non-duplicative, streamlines administrative costs, and is oriented toward maximizing customer value. Coordinated sector leadership, structured implementer collaboration, and shared performance monitoring ensure that all SDREN programs operate cohesively while addressing the diverse needs of San Diego County's residential, commercial, public sector, and underserved communities.

Coordination with Other PAs

Coordination Participants

SDREN operates in a territory that only overlaps geographically and demographically with one existing PA, SDG&E. SDREN and SDG&E are both committed to coordinating their respective programs, including all third party programs (3PP). Together, they aim to minimize duplicative offerings and ensure SDREN complements and supplements SDG&E and SDG&E's 3PPs while serving the purpose of the RENs. SDREN and SDG&E have agreed to meet in advance of any major filing to discuss existing and new coordination strategies. SDREN and SDG&E have recurring regulatory and compliance coordination meetings, and held a dedicated 2028-2035 Business Plan Application (BPA) coordination meeting ahead of the Application filing.

SDREN and SDG&E's regular coordination is guided by the Joint Cooperation Memo and occurs through monthly sector coordination calls. For coordination with statewide programs, SDREN will invite the relevant lead PAs to the relevant sector coordination calls.

SDREN holds the following sector coordination calls to coordinate with SDG&E since these are the sectors where customer segment overlap is possible:

- Residential.
- Commercial.
- Codes & Standards.
- Workforce, Education, & Training.
- Public.

Beyond SDG&E, SDREN participates in broader coordination forums with:

- Other PAs including IOUs, CCAs, Energy Solutions (TECH Clean California) and CalMTA.
- California Regional Energy Networks (CalREN), the statewide REN collaborative that promotes consistency, cost-efficiencies, and knowledge-sharing among California RENs.
- Statewide venues such as the California Energy Efficiency Coordinating Committee (CAEECC), statewide Project Coordination Groups (PCGs), and CPUC-hosted working groups focused on metrics, EM&V, and program alignment.

JCM Coordination Structure and Frequency

Pursuant to D.18-05-041 requirements for PAs with overlapping service areas to submit a Joint Coordination Memo (JCM) and timing of submission guidance issued in D. 23-06-055, SDREN developed and submitted an updated JCM in partnership with SDG&E on February 27, 2026. JCMs demonstrate how PAs will avoid or minimize duplication for programs that address a common sector and ensure REN alignment with the CPUC's Guidance Decision (D.12-11-015 and updated in D.19-12-021) for regional energy networks.

The SDREN and SDG&E JCM outlines how both SDREN and SDG&E will communicate and collaborate regularly to ensure their respective programs do not create customer confusion or unnecessary duplication of services. It also details how the joint PAs will provide information and referrals to programs across program implementers, including those outside one another's implementation focus. The JCM also outlines how the PAs will conduct ongoing performance assessments to reduce costs and increase energy savings.

SDREN and SDG&E will coordinate to file an updated JCM within 60 days of each true-up and mid-cycle Advice Letter approval in accordance with timing established in Decision 23-06-055. SDREN anticipates that the overarching coordination strategies initially established in the SDREN and SDG&E 2024-2025 JCM will continue to be implemented. Through this approach, SDREN and SDG&E will work in the best interest of the participating customers by providing complementary tools that help bridge gaps in meeting the region's climate goals and avoiding customer confusion. The primary objective behind this coordination is to maximize benefits to the community and customers.

Existing JCM sector coordination strategies are outlined in Table 7.1 below.

Table 7.1 Established JCM Sector Coordination Strategies

Frequency	• Regular sector coordination meetings are scheduled monthly. Meetings may be canceled at the discretion of SDREN and SDG&E if there are no agenda items. Meeting scheduling will be informed by each PA's availability. • Meeting scheduling is informed by each PA's availability.
Attendees	• Attendees include at least one direct representative from each PA. • Third-party implementers and PA policy leads are included at the discretion of each PA (based on meeting agenda content) to ensure efficient use of resources. • Meetings will be held virtually. When possible or in conjunction with other in-person activities, PAs may hold in-person or hybrid meetings depending upon PA availability.
Agenda	• Sector coordination meetings will follow a structured format. • Topics discussed in sector coordination meetings may include program entry, program closure, program status, program changes that may impact how the programs possibly conflict or compete with each other (duplicity), PA staffing, key customer contact updates,

	customer confusion, data requests, successes that are repeatable through best practices, and potential overlap with new market trends or policy changes. • Additional topics (walk-in agenda topics) may be included.
Facilitation	• SDREN will facilitate sector coordination meetings and will contact SDG&E by e-mail one week prior to the meeting with the proposed agenda. SDG&E may propose edits or items to add up to two days before the meeting. • Completed agendas are sent to SDG&E prior to the scheduled meeting. • SDG&E and SDREN will alternate distributing draft notes and follow-up items to meeting attendees within three business days of the sector coordination meeting. The alternating schedule will be agreed upon in Sector Coordination Meetings at the beginning of the calendar year. The PA receiving draft notes will provide edits to the other PA within two business days of receiving draft notes. The PA drafting notes will finalize and distribute final notes within two business days of receiving edits.

The JCM also outlines additional coordination with statewide PAs including:

- Meetings with statewide PA leads to discuss customer targeting and mitigate customer confusion and double dipping.
- Data sharing protocols, if necessary.
- Presentations on SDREN programs to statewide programs based on customer needs and applicability.
- Referral processes to statewide programs, where applicable, for each sector.

REN Coordination and Frequency

The California Climate & Energy Collaborative (CCEC)—formerly known as the Statewide Energy Efficiency Collaborative (SEEC)—was established in 2010 pursuant to a directive from the CPUC, with initial funding provided by the Joint IOUs. In the years leading up to 2020, however, IOU funding for local government partnerships declined precipitously. During this same period, utilities elected to discontinue funding for SEEC/CCEC altogether. In response to widespread concern from local governments facing the erosion of their formal role in

CPUC energy efficiency activities, the Commission recognized that RENs could play an expanded role in filling this gap.

That expectation has since been realized. With sustained Commission encouragement and regulatory scaffolding over the past 15 years, RENs have emerged as key delivery entities for equitable, locally responsive energy efficiency programs. As part of this evolution, the RENs committed to continuing funding for CCEC, through CivicWell, as a central venue for local government engagement, with full support from the Energy Division.[102] Over time, the REN landscape has expanded from three to seven REN PAs, collectively serving more than 37 million Californians—approximately 94% of the state's population.

Today, all seven RENs coordinate through CalREN, a statewide collaborative whose mission is to foster alignment, collaboration, and unity across California's RENs. Through CalREN, RENs share resources and best practices, coordinate regulatory and legislative engagement, avoid duplicative efforts and customer confusion, and maximize the cost-effective use of ratepayer funds while speaking with a unified voice on issues affecting their communities. The CalREN Coordination Group—composed of REN management from each REN—meets monthly, with CPUC staff regularly invited to share and discuss key updates. CalREN also convenes quarterly and ad hoc regulatory discussions among REN regulatory teams.

SDREN actively participates in this statewide coordination through CalREN, working closely with peer RENs to advance shared priorities and leverage local knowledge. Complementing this REN-to-REN coordination, CCEC serves as a primary engagement platform for over 4,000 practitioners within local governments and other organizations working to advance local energy efficiency and climate action in coordination with key state goals and agencies. CCEC includes offerings such as resource libraries, technical assistance, and capacity-building services. CCEC also convenes the Annual California Climate & Energy Forum, which brings together local governments, state agencies, community-based organizations, utilities, CCAs,

[102] BayREN's Annual and Bi-Annual Budget Advice Letters, commencing in 2021, as well as the 2024-2031 Business Plan filing all discussed BayREN's support of CCEC. See page 9 of BayREN's 2021 ABAL and pages 31 and 44 of BayREN's Portfolio Plan Testimony for examples.

RENs, and other key stakeholders to share best practices and support local leadership in climate and energy action.

To further streamline efficiencies, in 2025 RENs added their CalREN services to the CivicWell contract to enhance coordination and create additional cost savings. Starting in 2027 and for the Business Plan period, the CivicWell contract covering both CalREN and CCEC activities will be budgeted consistently by all REN PAs, with costs divided between the Administration (85-100%) and Marketing (0-15%) categories, as applicable.

Together, the RENs' joint coordination through CalREN and their stakeholder engagement through CCEC directly advance Commission objectives to improve the efficiency and effectiveness of ratepayer-funded programs, strengthen stakeholder participation, and ensure that local governments retain a meaningful role in shaping energy efficiency strategies that reflect and uplift community needs.

Other PA Coordination Venues

SDREN collaborates with all existing PAs through various statewide initiatives and PCGs. Active participation in these statewide groups enables SDREN, a newer PA, to stay informed about emerging best practices. These groups help to create efficiencies by sharing resources towards common goals and promoting statewide consistency. PCG meetings occur each month and include staff across various levels of PAs, including their implementers.

Community Power also participates in CAEECC as a PA coordinating committee member. Meetings are held on a quarterly basis and attendees vary depending on the agendas.

Coordination Practices (Overlap Identification and Mitigation Workflow)

SDREN and SDG&E's JCM embeds a comprehensive structure for identifying similar and overlapping programs. It also outlines a clear process to be followed for new program entrants as depicted in Table 7.2 below.

Table 7.2 Process for New Program Entrants

	Local and/or Third Party Programs	SDG&E/Lead Statewide Programs
Meeting 1	Prior to announcing any public webinar and filing the subsequent Advice Letter, the managing PA will schedule an initial meeting with SD PA lead to provide notification of the planned program opening, or the managing PA will join an existing sector coordination meeting.	
Trigger	Public webinar complete, Advice Letter for new program is approved and Implementation Plan (IP) is updated.	
Meeting 2	Managing PA will schedule a meeting with overlapping SD PA leads only.	Managing PA will schedule a meeting with other CA PA leads only.
	Purpose: 1.) Discuss new program(s) in more depth and have discussions on how the programs should be coordinated.	
Meeting 3	Managing PA will schedule a meeting to include 3P teams + overlapping SD PA.	Managing PA will schedule a meeting to include 3P teams + all CA PAs.
	Purpose: 1.) Review program in detail with overlapping PAs and 3P implementers. 2.) Resolve any overlapping issues identified in meeting 2. 3.) Determine future coordination meeting schedule, if necessary.	

As listed during Meeting 3 in Table 7.2, overlapping issues will be resolved and future coordination will be determined if necessary. Through this process, SDREN will identify substantively similar or duplicative programs, as defined by the SoCalREN 20-E Advice Letter (D.23-06-055, OP 32). This includes reviewing program designs through the following filters:

- A **"similar"** program is offered in the same sector, with the same delivery type and program segment, and in the same IOU service territory.
- An **"overlapping"** program ("program overlap") is the subset of "similar" programs with the same target audience and same IOU service territory.
- A **"substantially similar"** program meets the definition of "program overlap" and has the same of the following characteristics:
- Resource acquisition: end use and measure(s) are the same.
- Market Support: demand, supply, partnership, innovation and accessibility (sub-objectives from D.23-06-055).

- Equity: addressing disparities in access, promoting resilience, health, safety, affordability and or energy savings, reducing GHG and pollutant emission, and providing workforce opportunities (Objectives from D.23-06-055).
- A **"duplicative" program** is a substantively similar program that does not have meaningful differentiators.

If any programs are flagged for potential overlap, SDREN will address these concerns during meetings with the appropriate PA and determine future coordination strategies from there. Resolutions and open actions are summarized in the biannual JCM update, filed within 60 days of each true-up or mid-cycle advice letter. The JCM log functions as the formal record of coordination outcomes.

Complementarity of Portfolios

SDREN's portfolio is designed to complement and supplement SDG&E's energy efficiency offerings while fulfilling the REN mandate to serve customers and communities underserved by traditional programs. By adhering to established coordination protocols, SDREN and SDG&E provide San Diego County customers with coordinated, non-duplicative access to programs that collectively advance statewide decarbonization, equity, and workforce goals.

Coordination with Market Transformation

The CPUC defines market transformation as follows: "market transformation is long-lasting, sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where continuation of the same publicly-funded intervention is no longer appropriate in that specific market. Market transformation includes promoting one set of efficient technologies, processes or building design approaches until they are adopted into codes and standards (or otherwise

substantially adopted by the market), while also moving forward to bring the next generation of even more efficient technologies, processes or design solutions to the market."[103]

CalMTA implements statewide Market Transformation Initiatives (MTIs) which are typically focused on influencing upstream actors in the supply chain entities that offer market leverage, such as manufacturers, distributors, contractors, retailers, and organizations representing industries and customer groups. By contrast, SDREN addresses downstream customer-facing energy efficiency technology adoption through program delivery, education, incentives, and equity-driven outreach.

Figure 7.1 Market Transformation Objectives Differs from Market Support Segment Objectives

Nuances of Market Transformation Vs. Market Support Segment Objectives

Market Transformation and Market Support serve fundamentally different purposes. Market Transformation focuses on shifting statewide markets by influencing upstream actors until emerging technologies become standard practice. Market Support segment programs, by contrast, focus on supporting the long-term success of the EE market through downstream activities by educating customers to increase local demand, strengthening contractor and workforce supply chains, building partnerships with local actors to maximize participant benefits, ensuring technologies are accessible to customers, and by increasing access to capital to pursue EE projects.

Together, statewide MTIs accelerate availability and market readiness of emerging technologies, while Market Support programs like SDRENs ensure communities are prepared and able to adopt them quickly.

The intersection of Market Transformation and energy efficiency portfolios lies in the relationship between awareness (CalMTA's role) and adoption (SDREN's role). SDREN's coordination with CalMTA will focus on aligning investments, leveraging data, and ensuring complementary activities to maximize market impacts.

[103] *Decision Approving 2010 to 2012 Energy Efficiency Portfolios and Budgets, CPUC Decision* 09-09-047 (Sept. 24, 2009), at pp. 88-89.

Coordination with CalMTA

SDREN's portfolio is designed to complement CalMTA's upstream market transformation work, ensuring that regional, customer-facing interventions reinforce statewide market shifts. Coordination emphasizes alignment of strategies, data, and investment to accelerate adoption of emerging technologies and practices.

SDREN's coordination approach is designed to evolve alongside statewide market transformation activities. As CalMTA and the CPUC identify new MTIs, SDREN's portfolio will incorporate complementary downstream strategies that amplify investment impacts, reinforce statewide objectives, and support equitable customer adoption.

Key areas of collaboration include:

- **Program alignment:** engaging with CalMTA to identify active and emerging MTIs relevant to SDREN's programs and integrating those findings into portfolio planning and program design.
- **Technology advancement:** incorporating non-cost-effective or early-market technologies such as advanced HVAC systems, high-efficiency heat pumps, and low-GWP refrigerants into SDREN's programs as they move toward cost-effectiveness and broader adoption.
- **Workforce and training integration:** embedding CalMTA insights on emerging technologies into SDREN's WE&T programs to ensure a skilled and prepared regional workforce.
- **C&S collaboration:** coordinating with CalMTA on strategies that bridge market transformation and C&S activities, accelerating adoption and codification of high-efficiency technologies.

More specifically, on November 20, 2025, the CPUC adopted D. 25-11-023 that authorized two Market Transformation Initiatives that CalMTA proposed in the Application of Pacific Gas and Electric Company (PG&E; U39M) on Behalf of the California Market Transformation Administrator (U-1399-E) for the Approval of the Initial Tranche of Statewide Energy

Efficiency Market Transformation Initiatives. The decision approved one MTI for room heat pumps and conditionally approved another for induction cooking. While the objective of CalMTA's initiatives are distinct from SDREN's programs in that MTIs "seek increase market penetration of selected efficiency and low-carbon solutions... [and] often result in the establishment of a code or standard"[104], SDREN engaged with CalMTA during development of this Business Plan Application to get feedback on how SDREN programs can reinforce awareness of efficiency and low-carbon solutions and generally discuss collaboration opportunities. Outcomes from initial discussions between CalMTA and SDREN include:

Ongoing Coordination

- Regular coordination meetings have been established among CalMTA, SDREN, IOUs, and other RENs.
- CalMTA to participate in SDREN sector coordination meetings as needed.

Shared Planning & Alignment

- CalMTA implementer IPs will be the primary tool for aligning activities with SDREN.
- IPs will be used to identify alignment, gaps, and opportunities for SDREN to supplement CalMTA efforts, and vice versa

Aligned Incentives & Market Activities

- CalMTA upstream market interventions (retail, manufacturers) will be coordinated with SDREN downstream incentives, where relevant.
- Promotions and rebates will be timed to reduce customer confusion and improve uptake, where relevant.

[104] *Decision Approving Initial Tranche of Energy Efficiency Market Transformation Initiatives,* CPUC Decision 25-11-023 (Nov. 20, 2025), at p. 5.

Room Heat Pump Coordination

- SDREN was identified as a downstream partner to support adoption through incentives and program channels, where relevant, and, in turn, CalMTA as an upstream partner.

Utility & REN Engagement

- Joint coordination with SDG&E and other RENs to clarify roles, ensure complementary offerings, and align messaging.

Workforce & Equity Alignment

- Opportunities to coordinate on contractor training and equity-focused gaps identified through future coordination touch-points.

Formal Coordination Pathways

- Coordination protocols are under development; CalMTA to connect with CalREN to foster cross-REN alignment.

Coordination with TECH Clean California and Related Initiatives

While TECH Clean California is not a formal MTI under CalMTA, it serves as a market transformation initiative in practice, advancing statewide electrification and heat pump adoption through contractor training, incentive stacking, and coordinated data sharing.

SDREN's coordination with TECH Clean California focuses on complementary activities that advance decarbonization and affordability across the residential and commercial markets. Collaborative strategies include:

- Stacking incentives where applicable.
- Coordinating outreach strategies to reduce customer confusion and streamline participation.

- Leveraging TECH's data, research, and market insights to refine targeting and forecasting for heat pump adoption.
- Sharing regional data to inform statewide market tracking.
- Coordinating contractor training and workforce development pathways to ensure equitable access to high-road clean energy careers.

SDREN met with TECH Clean California during Business Plan Application development to discuss program coordination and collaboration opportunities. Meeting outcomes are as follows:

Shared Program Design Principles

- Alignment that installed equipment should be grid-enabled where feasible.
- Interest in sharing customer participation data between SDREN and TECH to improve targeting.

Contractor & Workforce Coordination

- TECH will share insights from its contractor network (who is participating, where contractors are active).
- Opportunity to coordinate with training centers and workforce pipelines to address regional gaps.
- Potential for SDREN to be highlighted when TECH conducts contractor trainings and outreach in SDREN territory.

Data & IDSM Alignment

- Agreement to coordinate under an IDSM framework, including sharing best practices and learnings.
- TECH can provide meter-based gas and electric data insights (costs, impacts, GHGs, drivers) at an aggregated/anonymized level.
- SDREN can leverage TECH's San Diego–filterable data to inform program design and incentive calibration.

Incentive Layering & Market Signaling

- Coordination on incentive timing, signaling, and layering.
- SDREN programs can be referenced during TECH trainings, events, and market engagement.
- TECH and SDREN to keep each other informed on launch timing and mitigate potential customer and contractor confusion.

Equity & Targeting Alignment

- Opportunity to align on priority populations (income, geography, language).
- Use of TECH and "The Switch Is On" contractor data to assess coverage in HTR and underserved areas.
- Shared interest in understanding high-performing contractor models serving equity customers (e.g., mobile home electrification).

Knowledge Sharing & Capacity Building

- TECH to share lessons learned from San Diego and other regions.
- Bill-impact forecasting and analytical tools to be shared once finalized (via webinars and stakeholder outreach).

Events & Ongoing Engagement

- Coordination to support attendance and cross-promotion at upcoming TECH heat pump training events.
- Collaboration planning to begin in early 2026, aligned with upcoming TECH incentive announcements.

Ongoing Coordination and Future Alignment

Through ongoing data exchange and joint stakeholder coordination, SDREN's efforts will strengthen the bridge between upstream innovation and downstream implementation,

advancing the shared goal of sustained market transformation in support of California's long-term decarbonization and ESJAP goals.

Coordination with Energy Savings Assistance (ESA) Programs

Within SDREN's service territory, ESA programs deliver low to no-cost efficiency upgrades and energy education to income-qualified single-family, mobile home and multifamily properties and customers. While SDREN offers residential programs similar to ESA, **SDREN's Single-Family Residential program and Multifamily Residential programs are designed to complement, not duplicate, ESA** by expanding their reach through program referrals, filling eligibility and measure offering gaps, and providing deep decarbonization and engagement services that ESA does not currently offer.

Both SDREN residential programs share ESA's goal of lowering energy burden for vulnerable households, but SDREN extends ESA's value through the following mechanisms:

- **Supports all equity households:** SDREN's programs are not limited to income-qualified customers and reach all households through targeting of customers that are considered HTR and underserved.
- **Customer navigation and referral:** SDREN's programs offer Energy Advisor services that help connect customers to programs they may qualify for - such as ESA - and directly connect customers with program implementers. SDREN and SDG&E are collaborating on the development of a residential programs decision tree that will facilitate customer navigation and program layering between SDREN and ESA.
- **Complementing incentives and measures delivered through co-enrollment:** SDREN's programs offer incentives for measures not eligible through SDG&E's ESA programs and vice versa. SDREN will collaborate with ESA implementers to co-enroll eligible customers to ensure that eligible energy efficiency and electrification measures are installed. Co-enrollment also ensures technical assistance efforts are

not duplicated and installation timelines are coordinated to reduce customer disruption.

- **Equity-focused engagement:** SDREN provides in-language, culturally-relevant education and outreach materials to residents that will compliment ESA's in-language materials.

ESA Performance Context and Remaining Gaps

A review of SDG&E's 2024 ESA Annual Report[105] shows strong program reach across both single-family and multifamily customer groups, while also highlighting clear gaps that SDREN's residential programs are designed to fill.

In 2024, the ESA Main Program, serving single-family and mobile home homeowners and renters, delivered a wide range of basic weatherization, domestic hot water, HVAC repairs, lighting, and appliance upgrades. The highest expenditures were on furnace repairs/replacements, air sealing, and refrigerators (23%, 13%, and 9% of expenditures respectively). The program did not install electrification equipment such as heat pump water heaters, heat pump HVAC, or induction cooking appliances. These results confirm SDREN's gap-filling role by providing comprehensive energy advising, support for electrification upgrades, and incentives other measures that are challenging for ESA to deliver or are outside of ESA's scope. SDREN Energy Advisors will present ESA eligibility qualifications to residents and refer potentially qualifying customers to ESA for eligibility screening. If customers are ESA-eligible, they will be co-enrolled into SDREN and ESA, if applicable, ensuring households receive all eligible ESA no-cost efficiency upgrades, including SDREN-funded deeper measures.

[105] *Annual Report Activity of San Diego Gas & Electric Company (U 902 M) On Energy Savings Assistance, California Alternative Rates for Energy, and Family Electric Rate Assistance Programs for 2024,* SDG&E (filed Jun. 27, 2025), https://www.sdge.com/sites/default/files/regulatory/A.19-11-003%20SDGE%202024%20Annual%20Report%206%2027%202025%20%28e-Serve%29.pdf.

Similar to ESA Main, ESA's Multifamily program delivered basic efficiency measures with minimal electrification activity (with heat pump-related measures accounting for approximately 2% of expenditures, primarily in common area systems). The highest expenditure listed on SDG&E's Annual Report is for "minor repairs" (10% of the total annual expenditures), with fossil gas water heaters contributing to 4% of total spend. While ESA Multifamily delivered essential water and energy savings in 2024, it did not provide comprehensive electrification pathways, due to the ongoing development of ESA's Electrification Policy that was adopted into the Statewide 2021-2026 ESA Policy and Procedures Manual on April 18, 2025, resulting in limited whole-building decarbonization support in that program year. SDG&E's ESA 2025 electrification activities post-electrification policy adoption have not been reported at this time, however, it provides an opportunity for SDREN's Multifamily Residential program to be intentionally designed to extend ESA's reach by:

- Serving multifamily buildings that are not ESA-eligible, specifically properties with 2 or more units, compared to ESA's 5 or more unit requirement.
- SDREN program eligibility will not be determined based on income or qualifying public assistance programs. Instead, SDREN will target and enroll HTR and underserved customers.
- Providing comprehensive in-unit and common-area electrification and other non-ESA offered measures.
- Ensuring that properties receiving both ESA and SDREN measures are coordinated through the customer journey to ensure deeper upgrades and streamlined customer service.

ESA's 2024 results demonstrate substantial program reach for the region's most vulnerable customers but underscore the need for:

- Broader eligibility that is not limited to the ESA's qualifying income levels or public assistance programs or 5 or more multifamily units.
- More comprehensive, end-to-end customer navigation.

- Whole-building technical assistance to enable multi-measure electrification upgrades.

Table 7.3 below outlines how SDREN's residential equity programs complement ESA program offerings.

Table 7.3 SDREN's Complementary Offerings

SDG&E ESA Programs	SDREN Residential Equity Programs	How SDREN Complements ESA
ESA Single-Family Program (ESA Main) ESA Pilot Plus and Pilot Deep Program (Pilot)	SDREN Single-Family Program	• SDREN supports co-enrollment by referring potentially ESA-eligible customers directly to SDG&E's ESA program advisor for eligibility screening. • If ESA-eligible, customers are co-enrolled in SDREN's residential program and SDG&E's ESA program. • If an ESA eligible customer is served by SDREN before the ESA program, SDREN will not serve the customer measures they are able to receive through ESA. • SDREN serves customers not eligible for ESA, or provides deeper upgrades not available in ESA. • SDREN offers technical assistance, whole-building upgrades and additional incentives that build on ESA offerings. • SDREN Energy Advisors help stack incentives (e.g., ESA, TECH, Community Power, etc.) to reduce overall costs. • Coordinated customer outreach between SDREN and SDG&E program implementation teams.
ESA Multifamily Whole Building Energy Savings Program	SDREN Multifamily Program	• ESA has specific property and income-level requirements which vary between deed restricted and non-deed restricted properties. • SDREN's offerings are not exclusive to income-qualified residents (provided they meet other underserved or HTR criteria).

ESA Pilot Plus and Pilot Deep Program (Pilot)		• SDREN offers technical assistance, whole-building upgrades, and additional incentives that build on ESA offerings. • SDREN coordinates co-enrollment, project timing and measure design with ESA program advisors. • If an ESA eligible customer is served by SDREN before the ESA program, SDREN will not serve the customer measures they are able to receive through ESA. • SDREN and ESA outreach clearly explain both programs and customer eligibility.

These findings reinforce the importance of a coordinated delivery model between ESA and SDREN to ensure households receive the right mix of services, in the right sequence, without duplication.

Coordination Framework and Procedures

Effective coordination with SDG&E's ESA programs is central to SDREN's residential delivery model. The goal is to create a seamless customer experience where ESA-qualified households are guided to the right program regardless of whether the service is provided by SDG&E or SDREN.

To achieve this, SDREN and SDG&E collaborate on a structured residential sector coordination framework that establishes clear communication protocols, joint planning touchpoints, and data-sharing processes between both PAs and their implementers. The SDREN and SDG&E JCM outlines this coordination framework. These procedures are designed to ensure that:

- Customers are efficiently referred to the appropriate program without duplication.
- Implementers understand each program's eligibility and measure scope.
- Ratepayer funds are used effectively and transparently.

This framework, detailed in Table 7.4 below, outlines planned coordination activities across program administration, customer referrals, outreach, and overlap mitigation.

Table 7.4 SDREN and ESA Coordination Activities

Coordination Area	How Coordination is Implemented
Management and Meeting Structure	• Regular coordination meetings between SDREN and SDG&E ESA staff. • Implementer-to-implementer communication channels. • Protocols documented in JCM and Sector Coordination Protocols detailing strategies to avoid overlap.
Referral and Tracking Procedures	• Energy Advisors refer potentially eligible customers to ESA implementers for eligibility screening. If ESA-eligible, customers are co-enrolled. • Referrals and uptake of ESA services are logged in SDREN's CRM.
Joint Outreach and Communication	• Coordinated community events and ESA training for Energy Advisors to ensure consistent messaging.

Together, these coordination procedures establish a transparent and customer-centered framework that ensures ESA income-qualified households as well as HTR and underserved customers receive the most appropriate and comprehensive services available without duplication or confusion. By integrating ESA alignment directly into its Energy Advisor model, SDREN creates a **seamless customer pathway** from eligibility screening through deeper decarbonization upgrades. This approach safeguards efficient use of ratepayer funds and strengthens regional equity outcomes by expanding access, trust, and participation among hard-to-reach and underserved residents.

By coordinating their programs, SDREN and SDG&E will make it easier for residents to access services and ensure that energy savings reach those who need them most. This coordination will:

- Prevent duplication of ratepayer-funded measures and ensure cost-effective delivery.
- Expand ESA reach and participation through SDREN's community-based outreach networks.

- Enable seamless referrals and closed-loop tracking for all eligible customers.
- Deliver greater cumulative energy and GHG savings through coordinated ESA and SDREN project sequencing.
- Advance the CPUC's equity and environmental justice objectives by serving renters, mixed-income, and HTR households with culturally and linguistically-appropriate support.

Together, ESA and SDREN's residential programs will provide a **continuous customer pathway** from basic efficiency and affordability through ESA, to deeper electrification, comfort, and resilience improvements through SDREN's residential portfolio. To date, SDG&E has shared updates in SDREN coordination meetings. This ongoing dialogue is one way the framework above has been employed and will continue to be employed.

Coordination with Other Demand Side Programs

SDREN recognizes the importance of a coordinated approach with other demand-side programs to ensure maximum energy efficiency and customer benefit. Coordination efforts include joint marketing initiatives, incentive stacking, and comprehensive customer education and technical assistance.

SDREN's commitment to coordination is integral to meeting the portfolio goals of advancing decarbonization, providing robust energy efficiency services that improve outcomes for underserved and HTR communities, and accelerating the clean energy economy through workforce opportunities. SDREN's coordination plans encompass a broad spectrum of strategies designed to ensure that demand-side programs are interconnected and complementary, thereby maximizing the benefits for our customers in alignment with CPUC and state objectives. Table 7.5 outlines SDREN's coordination and integration strategies.

Table 7.5 Coordination and Integration Strategies for Other DSM Offerings

Other DSM offerings	Coordination and Integration Strategies
TECH Clean California	• Coordinate on workforce development efforts. • Offer education and marketing; seek co-branding opportunities. • Develop and integrate a strategy for stacking incentives. • Integrate C&S focus for streamlining heat pump permitting for statewide efficiency efforts.
CEC Equitable Building Decarbonization Direct Install Program	• Standing monthly southern region coalition calls • Coordination with the County of Los Angeles (southern region administrator) and their implementation team on complementary offerings. • Establish clear customer handoff procedures for potential non-qualified but interested single-family residents. • Leverage co-marketing and outreach opportunities. • Establish procedures to stack rebates and other customer services when applicable.
SDG&E Demand Response Programs	• Offer education and marketing of programs to customers.
Community Power programs	Assist eligible customers in accessing available programs, as appropriate. Current programs include: • Residential Solar and Storage Program (a.k.a. Solar Battery Savings Program). • Community Clean Energy Innovation Grant Program. • DAC-GT (Disadvantaged Communities – Green Tariff, also known as the Solar Advantage Program). • Managed EV Charging Pilot (a.k.a. EV Flex Connect Pilot Project). • Smart Home Flex Pilot. • Net Energy Metering and Net Billing Tariff.
Clean Energy Alliance Programs	• Support marketing of programs to customers. • Encourage and offer stacking of offerings where appropriate.
EV Charger Programs (CALeVIP Fast Charge CA,	• Offer education and marketing of programs to customers.

SDG&E Power Your Drive, etc.)	• Provide support to apply for incentives (through IDSM funding).
Solar on Multifamily Affordable Housing (SOMAH)	• Offer education and marketing of programs to customers. • Encourage and offer stacking of services where appropriate.
California Alternative Energy and Advanced Transportation Financing Authority/ Go Green Financing	• Offer education and marketing of loan offerings to customers. • Assist customers with applying for loans for EE and other DSM projects.
CEC Energy Conservation Assistance Act Low-Interest Loans	• Offer education and marketing of loan offerings to customers. • Assist customers with applying for loans for EE and other DSM projects.
IRA funding provisions (e.g. tax credits)	While many of the IRA provisions are set to sunset in the coming years, SDREN will stay informed about funding requirements to help public and commercial customers take advantage of IRA funds while they remain available. SDREN will: • Support customers with the stacking of IRA benefits with SDREN offerings. • Provide technical assistance and guidance to customers on how to utilize IRA funding.

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Chapter 8: Stakeholder Engagement

Stakeholders Engaged

In alignment with SDREN's guiding principles, SDREN conducted comprehensive engagement with key stakeholders during the development of this portfolio. In total, Community Power consulted with stakeholders in over 60 meetings throughout the development of the Business Plan filed in January 2024. Business Plan updates and calls for feedback were also presented in eight public meetings. In both instances, SDREN encouraged feedback and communicated the process to ensure adequate time and information for review.

This Business Plan Application builds directly on SDREN's first Business Plan Application, which was informed by extensive stakeholder and community engagement conducted in 2023. As a result, SDREN did not undertake a new, standalone stakeholder engagement process of the same scale for this application, instead relying on previously gathered input, continued coordination with stakeholders, and ongoing engagement through established governance and advisory structures to inform updates and refinements.

The region's previous efforts to start a REN were examined and considered during the development of this application. Key stakeholders include regional and community organizations and energy efficiency stakeholders as detailed below. A majority of feedback was overwhelmingly positive with support for SDREN, along with the proposed structure, values, strategies, and programs.

- **SDG&E:** During the development of the portfolio in 2023, Community Power met with SDG&E representatives on numerous occasions to discuss proposed programs and to understand how services would be designed to avoid overlap and duplication. This included sector-level meetings with the appropriate SDG&E energy efficiency team members to walk

through each program and discuss any comparable offerings and initial coordination strategies. This resulted in a work product that was reviewed with SDG&E during sector-specific coordination meetings. These conversations, alongside research into SDG&E's portfolio, informed the sector-specific coordination detailed within the Portfolio Plan. It also set a strong foundation for continued collaboration moving forward that was documented in the JCM. As part of this collaboration, SDREN consulted with SDG&E ahead of filing this Business Plan.

- **All PAs:** All PAs, including SDREN and SDG&E, participated in the CAEECC Business Plan Consult that occurred in December 2025 (described later in this section). As PAs were still in the process of developing their applications at the time of the Consult; the information provided was preliminary. In January 2026, SDREN and SDG&E met to share updated details from their respective BPAs. This included updated budget numbers, cost-effectiveness test forecasts, TSB forecasts, program strategies (e.g., IDSM), and policy recommendations. The goal of this meeting was to facilitate transparency ahead of filing, bolster alignment of BPA narratives where possible, field questions, determine data and information exchanges needed for the completion of applications, and promote general coordination.
- **San Diego Regional Climate Collaborative (SDRCC)**: SDRCC was formed in 2011 as a network for public agencies to advance climate change solutions that mitigate GHG emissions and adapt to the effects of climate change. Partnering with academia, non-profit organizations, businesses, and community leaders, the Collaborative raises the profile of regional leadership, shares expertise and leverages resources.[106] SDREN was presented to members on multiple occasions through the Regional Energy Resilience Working Group, which was launched in March 2023. Made up of approximately 30 members municipalities, educational entities, SDG&E, environmental NGOs, and consultants,

[106] *San Diego Regional Climate Collaborative,* UNIVERSITY OF SAN DIEGO, https://www.sandiego.edu/soles/centers-and-institutes/nonprofit-institute/signature-programs/climate-collaborative (last visited Feb. 11, 2026).

this group was prioritized for early engagement and feedback. SDREN presented the draft governance structure and draft programs for feedback from the working group.

- **Local governments and public agencies:** Individual meetings were held with fourteen of the eighteen cities within the county and four other key regional public agencies to collect feedback on SDREN programs and strategies. These agencies are listed below.
- City of Carlsbad, City of Chula Vista, City of El Cajon, City of Encinitas, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Oceanside, City of Poway, City of San Diego, City of San Marcos, City of Solana Beach, City of Vista, San Diego Association of Governments (SANDAG), Port of San Diego, San Diego County Air Pollution Control District, and Clean Energy Alliance.
- **CPUC Energy Division**: SDREN met with Energy Division staff during the development of this Business Plan to provide updates and discuss the portfolio strategies described in Chapter 3 of this application.
- **CPUC Commissioner Staff:** Community Power and the County of San Diego presented the portfolio strategy to Commissioner staff in 2024 to proactively field their questions and collect input.
- **Existing RENs:** SDREN met with existing RENs across the state individually and through regular CalREN meetings for general guidance and best practices during the planning process and Business Plan development. This included participation in several CalREN meetings facilitating coordination leading up to the Business Plan Application filing. These discussions supported collaboration around policy recommendations, metric development, portfolio strategies and other topics

identified by individual RENs for potential coordination.



- **Community Power Board of Directors Meetings:** Early in the process, Community Power staff secured Board support to lead efforts to form a new REN. SDREN has continued to keep them briefed on progress, including via updates throughout the development of each Business Plan Application and related to ramp-up activities and program development. These updates are presented at regular Community Power Board meetings, and are open to the public, allowing for public feedback and comments.[107] In 2025, SDREN continued this practice by briefing both the Community Advisory Committee (CAC) and the Board of Directors during their October meetings, providing updates on ramp-up activities and program development to facilitate continued oversight and transparency.
- **Community Power Community Advisory Committee (CAC) and CAC Programs Ad-Hoc Committee:** During SDREN's development, Community Power staff received feedback and support on SDREN proposed governance, programs, and budget from the CAC and briefed them on progress. Since SDREN's authorization, staff have continued to brief the CAC on ramp-up activities, program development, and the Business Plan Application. The CAC meetings are open to the public for public feedback and comments.[108]

[107] *Meetings & Agendas*, SD COMMUNITY POWER, https://sdcommunitypower.org/meetings-agendas/ (last visited Feb. 11, 2026).
[108] *Id.*

- **SDREN Advisory Committee:** the inaugural Advisory Committee convened after the filing of SDREN's Motion for authorization. The Advisory Committee provided feedback to Community Power and the County on the structure, functionality and operation of the Advisory Committee and other input that culminated in the drafting of the Advisory Committee charter. For additional details on the Advisory Committee, see Chapter 2.
- **Regional Stakeholders:** Community Power met with several regional stakeholders, including CBOs, labor groups, and organizations that could support SDREN efforts. During these discussions, Community Power presented formation concepts and draft program ideas to the following organizations:
    - Art Produce, Asian Business Association of San Diego, Business Improvement District (BID) Alliance, Center for Community Energy, Center for Sustainable Energy, City Heights Community Development Corporation, Cleantech San Diego, Climate Action Campaign, GRID Alternatives San Diego, International Brotherhood of Electrical Workers (IBEW) 569, Local Government Sustainable Energy Coalition, Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc., Palomar College, San Diego Area Chapter of International Code Council, San Diego Building and Construction Trades Council, San Diego Building Electrification Coalition, San Diego Community College District, San Diego Foundation, San Diego Green Building Council, San Diego Green New Deal Alliance, San Diego Regional Chamber of Commerce, San Diego Regional Climate Collaborative, San Diego Regional Economic Development Corporation, San Diego Urban Sustainability Coalition, San Diego Workforce Partnership, Small Business Utility Advocates, Smart Grid Lab at San Diego State University, South County Economic Development Council, Southwestern College, The Urban Collaborative Project CDC.
- **California Energy Efficiency Coordinating Committee (CAEECC)**: On December 9, 2025, SDREN attended the regularly scheduled CAEECC meeting to present to

CAEECC on its Business Plan Application budget, benefits, and strategies. No questions or comments from stakeholders were received.

How SDREN Integrated Stakeholder Feedback into Program and Portfolio Design

The following section summarizes how SDREN incorporated stakeholder feedback into the final portfolio. A detailed, line-by-line account of the feedback and responses appear in Table 8.1 below.

Throughout the Business Plan Application development process, SDREN received extensive feedback from regional agencies, CBOs, local governments, contractor groups, existing RENs, and SDG&E. SDREN made several substantive adjustments to program design, portfolio strategy, coordination approaches, and implementation planning based directly on this feedback. Key examples are detailed below.

1. Strengthening Local Permitting and C&S Support

Stakeholders emphasized the need for plan review support and better communication between code officials and Climate Action Plan (CAP) staff. SDREN made sure to embed technical assistance for permitting agencies in the C&S program, assistance with Title 24 compliance, cross department communication support, and delivery of tools for consistent enforcement practices. Stakeholders also noted that local government partnership (LGP) resources and the “Codes Coach” support had been effective and valued. SDREN incorporated LGP best practices into the C&S program to mirror the technical services provided through those previous efforts.

2. Clarifying and Strengthening Electrification Support

Stakeholders requested clarity on whether electrification/fuel substitution was included. SDREN ensured program descriptions explicitly identify direct installation of electrification measures in program engagement and outreach materials where applicable.

3. Improving Customer Navigation and Reducing Program Confusion

Stakeholders highlighted that many customers remain unaware of available programs or found the landscape confusing. SDREN strengthened the energy coach/concierge models across Residential, Commercial, and Public programs to guide customers to the best-value program(s), including SDG&E or statewide offerings when appropriate. Through trusted energy guides, SDREN provides services that also help stack available services and offerings.

4. Expanding and Deepening Community-Based Engagement

CBOs and regional stakeholders emphasized culturally-appropriate engagement and locally-responsive program design. SDREN incorporated this feedback by integrating trusted community partners into outreach and education strategies across Equity programs. Residential and commercial programs include in-language services and CBO-led outreach.

5. Addressing Workforce Shortages and Training Needs

Workforce development stakeholders highlighted shortages and training needs for disadvantaged workers and clean energy trades. SDREN validated and reinforced the design of its two WE&T programs, ensuring the provision of:

- No-cost training for disadvantaged workers.
- Employer partnerships.
- Credentialing support.
- Workforce curricula aligned with regional decarbonization needs.

6. Avoiding Duplication and Aligning With Existing PA Activities

SDG&E provided detailed feedback during multiple coordination meetings. SDREN refined program scopes, clarified the populations served, and strengthened coordination plans (outlined in the SDREN and SDG&E JCM) to ensure programs remain gap-filling and non-duplicative, consistent with REN criteria.

All stakeholder feedback collected during the development of SDREN's initial Business Plan Application, along with SDREN's responses and considerations, is outlined in the table below.

Table 8.1 Stakeholder Feedback

Stakeholder	Question/Feedback	Response/Considerations
San Diego Regional Climate Collaborative member	Requesting support from the Public program for pairing LED light fixtures with batteries.	SDREN can consider this as a measure and recognizes that Public sector energy use extends beyond buildings.
San Diego Regional Climate Collaborative member	There is a gap in building departments effectively reviewing plans and construction to ensure EE measures are being installed properly.	Public sector buildings could receive this type of review in the Public sector program.
San Diego Regional Climate Collaborative member	The "Codes Coach" support with C&S from local government partnership programs was very helpful.	SDREN requested additional information on LGP experience to consider ways to integrate similar support into programs.
San Diego Regional Climate Collaborative member	C&S should include CAP staff to help with consistency.	SDREN can work with member agencies to identify agency stakeholders receiving C&S support.
San Diego Regional Climate Collaborative member	Is there an opportunity for building upgrades to include panel upgrades for EV charging?	Yes, if the project is connected to eligible EE upgrades. SDREN will look to integrate where reasonable.
San Diego Regional Climate Collaborative member	Would the direct install allow people to replace gas stoves with electric ones?	Replacing equipment that uses natural gas with electricity (fuel substitution) is an eligible activity.
San Diego Regional Climate Collaborative member	The regional approach in LGP programs was helpful. Sub-regional approaches to further tailor offerings could also be helpful.	Noted. SDREN will look for collaborative opportunities for members as needed.
San Diego	Commercial programs could	SDREN can explore coordination with

Stakeholder	Question/Feedback	Response/Considerations
Regional Climate Collaborative member	benefit from working with Carlsbad Green Business Program and San Diego Green Business Network.	these programs and integrate strategies for its commercial program targeting small/medium businesses.
San Diego Regional Climate Collaborative members (multiple)	Expressed positive experiences with Civic Spark fellows being placed with city staff.	SDREN met with I-REN, who also uses Civic Spark fellows, to discuss this program. SDREN also met with CivicWell's CivicSpark Deputy Program Director. SDREN will consider ways to leverage fellowships to build capacity within member cities for WE&T programs.
San Diego Regional Climate Collaborative member	Would residential panel upgrades be considered energy efficiency?	Yes, they could be if tied to an energy efficiency project.
San Diego Regional Climate Collaborative member	Pairing Public sector programs with fuel switching opportunities will be very helpful in support of the City's climate action goals, and would help refocus on energy efficiency.	Noted. SDREN will look to integrate electrification measures where possible.
San Diego Regional Climate Collaborative member	How does the CCA's participation affect SDG&E's motivation to support energy efficiency?	SDG&E has publicly referenced the importance of third party programs and RENs to help fill gaps.
San Diego Regional Climate Collaborative member	I think all of the programs, not just the Public sector, will help advance CAP goals.	Noted.
San Diego Regional Climate Collaborative member	Interested in follow-up presentations and discussion with additional colleagues.	Community Power followed up with two+ additional meetings with this member to present programs and gather feedback from additional colleagues.
Community	Could SDREN support moderate-	Yes. SDREN can support electrification

Stakeholder	Question/Feedback	Response/Considerations
Power Community Advisory Committee	to-low-income families who want to switch from gas to electric?	(fuel switching). SDREN programs will aim to offer customized support to residential customers to help them access and complete energy efficiency projects.
Community Power Community Advisory Committee	Is there a limit to the amount of dollars that can be spent on a small or medium business for providing them with equipment?	Budgets have not been finalized at this time, but SDREN would not necessarily set a firm limit. There are pre-determined budget categories such as administration and marketing that SDREN will not be able to exceed. SDREN is designing budgets to maximize impacts for customers.
Community Power Community Advisory Committee	Multiple CAC members offer positive feedback that this program [commercial programs] could support small businesses.	Noted.
Community Power Community Advisory Committee	What do you mean by supporting behavior change in programs?	The SDREN Commercial program expects to provide education and resources to tenants that could influence different behavioral changes that would result in energy savings.
Community Power Community Advisory Committee	Will Community Power be working out the different budget categories? Can the CAC provide feedback if we think some areas are more important than others?	Community Power staff met with the Community Power Programs Ad Hoc Committee following this suggestion to present draft budgets for feedback.
Community Power Community Advisory Committee	What kind of ongoing financial commitment will there be from Community Power regarding the REN?	As a part of the Business Plan approval, SDREN would gain an administrative budget that would support Community Power staff working on SDREN. It is self-sufficient. All REN activities would be funded through the approved budget. Community Power programs will collaborate with SDREN programs.

Stakeholder	Question/Feedback	Response/Considerations
Community Power Community Advisory Committee	Has Clean Energy Alliance been engaged?	Yes.
Community Power Community Advisory Committee	Who is likely to be the second administering public agency?	Community Power is hoping to have a county-wide agency as the second, but does not have anything solidified yet.
CalREN	Presentation of programs and general supportive feedback of a REN in the San Diego region.	Noted.
Cleantech San Diego Working Group	Would SDREN programs allow training for electricians or solar installers?	Eligible workers interested in increasing their knowledge of energy efficiency practices can participate in SDREN programs. A number of EE projects require licensed electricians, making them an important part of the EE workforce. Future guidance from the CPUC on the integration of IDSM programs can help determine the participation of additional workforces, including solar.
Cleantech San Diego Working Group	Consider emphasizing startup businesses in WE&T offerings. There seems to be a gap in the market.	Thank you. SDREN will consider.
Cleantech San Diego Working Group	Provided a resource of relevant study to SDREN: San Diego Report: Zero Emissions Cities (wbcsd.org).	Thank you. SDREN will review.
Cleantech San Diego Working Group	The Commercial programs seem to raise awareness about existing programs. Did SDREN find in the market assessment that there's a need to just make people aware of	SDREN will work to minimize customer confusion and funnel customers to the program that best suits their needs. SDREN does not want to create programs for the sake

Stakeholder	Question/Feedback	Response/Considerations
	existing initiatives?	of creating programs and the Community Power Community Power Plan found that many people are unaware of existing programs.
Business Improvement District (BID) Alliance	Presentation of programs and general supportive feedback of a REN in the San Diego region.	Noted.
South County Economic Development Council	Presentation of programs and general supportive feedback of a REN in the San Diego region. Comment: congratulated SDREN on the effort. Mentioned the region really needs workforce development programs; shortage of workers. No feedback on programs. Question: how many businesses is SDREN trying to reach?	The number of businesses SDREN will aim to reach will be dependent in part on the budget. As an example, SDG&E's program budget is 11M and aims to serve 5,500 small businesses over four years.
San Diego Area Chapter of International Code Council	Presentation of programs and general supportive feedback of a REN in the San Diego region.	Noted.
SDG&E	General coordination and feedback on program design over a series of 6+ meetings.	See JCM coordination strategies.

Ongoing Structures for Stakeholder and Community-Based Engagement

While this chapter primarily describes the stakeholder engagement activities that informed the development of SDREN's initial Business Plan, those efforts continue to shape this Business Plan Application. Since authorization, SDREN has focused on launching and implementing its approved programs and therefore did not conduct a new, standalone

stakeholder engagement process of the same scale. Instead, SDREN has maintained ongoing engagement and transparency through regular, monthly publicly available staff reports, presentations, meetings, and requests for updates.

As detailed in Chapter 3, SDREN's programs will be supported by ongoing engagement mechanisms including partnerships with community-based organizations, Tribal governments, local governments, and regional stakeholders that ensure programs remain responsive to community needs throughout implementation. Chapter 2 outlines the governance structures, including the SDREN Advisory Committee, that provide continued opportunities for stakeholder input, equity-centered decision making, and program refinement. Together, these structures ensure that the feedback received during Business Plan development serves as the foundation for continuous, community-informed program improvement.

Chapter 9: Evaluation, Measurement & Verification

SDREN EM&V Activities

SDREN is committed to actively participating in the evaluation, measurement, and verification (EM&V) process to ensure the effectiveness and efficiency of its energy programs. SDREN recognizes the importance of collaboration with various stakeholders to enhance the EM&V framework and contribute to well-informed decision-making on both SDREN and the energy efficiency portfolios across PAs. SDREN's approach to EM&V aligns with the collective efforts of the energy community in California. SDREN is committed to the following:

Engagement and Collaboration: SDREN works closely with CPUC staff and other PAs, with a particular focus on coordinating with other fellow RENs. SDREN actively participates in the development of CPUC EM&V Roadmaps and engages in various EM&V studies and working groups to ensure alignment with statewide objectives. For example, SDREN participates alongside other PAs in monthly "PCG 1" meetings hosted by the CPUC's EM&V team. These meetings serve as a forum for ED staff to solicit input from PAs as they plot the CPUC EM&V roadmap.

Contribution to REN Studies: SDREN recognizes that there are common needs and objectives among RENs. We are committed to joining and contributing to studies and activities that are relevant to RENs, ensuring that SDREN's actions are in harmony with regional and statewide efforts. Leading up to the submission of this Business Plan Application, SDREN met with other RENs to discuss SoCalREN's EM&V study focused on the development of a REN Benefits Calculator Tool that relies on valuation of non-energy benefits associated with each REN's portfolios.

Built-In Data Collection: In line with our commitment to sound program evaluation, SDREN has incorporated, and will continue to update as needed, data collection mechanisms within each energy program. This approach facilitates the collection of valuable data needed for program performance assessment and the broader EM&V process.

Active Participation in EM&V Planning: SDREN will take an active role in the planning and implementation of EM&V activities. This includes contributing to the design and execution of measurement and verification plans to assess the effectiveness of energy programs.

By embracing these principles, SDREN will contribute to the continuous improvement of the EM&V framework and ensure that each energy program delivers the expected benefits to the community and the environment. SDREN is dedicated to maintaining an open and collaborative approach, working hand-in-hand with the CPUC and fellow PAs to enhance the EM&V process for the benefit of all stakeholders. One key way SDREN is actualizing this commitment is through participation in the CPUC's monthly PCG 1 meetings described above.

Planned EM&V Studies: SDREN plans to issue a solicitation for EM&V services in Q2 2026, with consultant work anticipated to launch approximately six months later. This EM&V consultant will be tasked with leading the following studies:

- Leading an SDREN unique value metrics and goals study as described in the *Key Metrics and Outcomes* section.
- Coordinating with existing workforce assessments to determine gaps that could be supported through SDREN EM&V efforts towards prioritization of workforce development for electrification.

Joint REN Metric Development Efforts

In addition to the studies described above, SDREN is actively participating in a coordinated statewide effort among all RENs to develop common metrics that strengthen transparency, comparability, and accountability across REN portfolios. These efforts reflect a shared

recognition that the 2028-2035 Business Plan cycle presents an important opportunity for RENs to articulate clear, evidence-based value propositions grounded in consistent EM&V methodologies.

SoCalREN, supported by Grounded Research and ILLUME, has been leading a multi-year effort to develop a comprehensive REN Total Benefit metric that monetizes the full range of benefits delivered through REN portfolios, that is additive to the TSB metric. This work, grounded in a structured REN Benefits Calculator Tool, seeks to provide a replicable approach for quantifying participant, partner, and community benefits using documented calculation methods, defensible inputs, and transparent assumptions. The methodology, which has been piloted using SoCalREN's programs, is being designed for eventual use across all RENs pending further development, validation, and inter-REN collaboration.

A statewide convening of RENs has already taken place in which SoCalREN shared its preliminary REN Benefits Calculator tool, framework, documentation, and prototype calculations. This meeting initiated a broader discussion about the potential for REN co-funding, shared governance, and collective refinement of a long-term methodology that could ultimately serve as an accountability framework for California's RENs. Follow-up conversations are ongoing to determine the appropriate next steps, including scoping, timing, and the anticipated role of EM&V consultants across RENs.

SDREN will remain an active participant in this effort and will incorporate outcomes from these collaborative processes into future EM&V planning and reporting.

Budget Allocation and Justification

SDREN has applied an additional 4% budget allocation on top of its portfolio budget request for EM&V activities. This equates to a total eight year EM&V budget of $13,962,160. Pursuant

1 to Decision 16-08-019, the total EM&V budget split between SDREN as the PA is at 27.5%
2 and CPUC at 72.5%.[109]

[109] *Decision Providing Guidance for Initial Energy Efficiency Portfolio Business Plan Filings,* CPUC Decision 16-08-019 (Aug. 18, 2016), at p. 81.

Chapter 10

Not applicable.

Chapter 11: Recommendations for New or Modified Energy Efficiency Policy

SDREN Recommendations

Revise REN Criterion to Incorporate Underserved Customers

Decision 19-12-021, approved on December 5, 2019, adopts three revised criteria which will be considered by the Commission in approving new or renewed REN Business Plans. The third REN criterion that was designated is: "Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap." In its discussion, the Decision notes that "With respect to the third criterion, numerous commenters suggested broadening it beyond 'hard-to-reach' which is now specifically defined in D.18-05-041, and to include a new category called 'underserved.'"[110] The decision further states that "While we appreciate the motivation behind this suggestion, which is to serve more customers, no party provided a suggested definition of 'underserved' that we can readily adopt here. Without a specific definition, we fear we would be opening up the REN portfolios too broadly and creating more potential for overlap in customer segments that are being served, but meet a particular proponents' unique definition of underserved. As such, we will not adopt a broadening of the third criterion here."[111] The decision then concludes that "If a consensus among parties is reached in the future about an appropriate definition of 'underserved,' we would consider broadening this criterion in the future."[112]

[110] *Decision 19-12-021,* at p. 31.
[111] Id.
[112] Id.

In the decision authorizing the 2024-2031 Energy Efficiency Portfolios and Business Plans, D.23-06-055 approved on June 9, 2023 (Sec. 7.2, pages 45-48), a very detailed and comprehensive definition for underserved customers was adopted by the Commission. As a logical next step to ensure the full incorporation of this newly adopted underserved customer definition into soon to be launched energy efficiency program portfolios, it is respectfully recommended that the Commission revise REN criterion number three as follows: "Activities serving hard-to-reach markets and underserved customers, whether or not there is another utility or CCA program that may overlap."

Net-to-Gross Ratios (NTGR) and Equity Customers: Aligning Attribution with Structural Realities

Overview and Reform Imperative

Net-to-Gross Ratios (NTGR) are used by the Commission to adjust gross energy savings to reflect the portion attributable to program intervention. NTGR is defined as the ratio of net program load impact divided by gross program load impact and is intended to account for "free-ridership," or savings that would have occurred absent the program. NTGR values are applied to gross savings to determine net savings, which directly affect:

- TRC results.
- TSB.
- Portfolio cost-effectiveness outcomes.
- Reported program performance.

Because NTGR directly influences cost-effectiveness and program valuation, its application must accurately reflect customer realities—particularly for HTR, DACs, and underserved customers served through the equity segment.

Misalignment Between NTGR Assumptions and Equity Policy

The equity segment is intended to advance the ESJ Action Plan by addressing disparities in access and promoting affordability, resilience, and health. By definition, equity segment participants include:

- Hard-to-reach customers.
- Disadvantaged communities.
- Underserved customers.

These customers face structural participation barriers such as income constraints, language barriers, split incentives, geographic isolation, limited access to capital, and reduced market engagement.

However, uniform NTGR assumptions are derived from generalized market behavior and applied across customer segments. This approach implicitly assumes that equity customers are just as likely as the broader population to undertake measures absent program support. That assumption is inconsistent with the barrier-based definitions embedded in Commission policy.

For example, the California electronic Technical Reference Manual (eTRM) assigns an NTGR of 0.28 for the SWBE006 Ceiling Insulation (residential, non-direct install) measure. An NTGR of 0.28 assumes that 72 percent of gross savings would have occurred absent program intervention.

For income-constrained households, customers facing split incentives, and residents of DACs, this assumption materially overstates free-ridership. Capital-intensive envelope retrofits are unlikely to occur without program support where financial constraints, housing tenure limitations, or structural barriers are present.

Applying uniform NTGR values to equity participants:

- Artificially suppresses net savings.

- Reduces TRC and TSB outcomes.
- Disincentivizes deep retrofit measures in equity portfolios.
- Creates structural bias against envelope and passive load reduction measures.
- Eliminates resource acquisition benefits associated with peak load avoidance from passive measures.
- Contributes to negligible savings potential for envelope measures in the 2025 Potential and Goals Study.

Because Resolution E-5351 measures equity outcomes through participation and bill savings indicators—including the "median of equity target participants' expected first-year bill savings"—applying NTGR values that materially suppress net savings for equity participants directly affects reported equity performance and portfolio valuation.

Targeted Reform: Addressing NTGR Methodological Limitations

In addition to structural concerns, recent NTGR updates raise methodological reliability issues. Resolution E-5350 approved forward-looking NTGR values incorporating findings from the Group A Forward Looking Research: Cross-Program Net-to-Gross Ratios for Hard-to-Reach Customers of Downstream Programs (HTR NTGR Study). The study was directed in Resolution E-5221 to determine whether NTGRs for HTR customers differ from those for non-HTR customers participating in residential and commercial deemed direct install and downstream rebate programs.

The study found that, for direct install programs, there is no evidence that the NTGR for HTR customers is higher than that for non-HTR customers in either residential or commercial sectors. However, the forward-looking commercial HTR NTGR estimates adopted in Resolution E-5350 were derived from:

- Small sample sizes.
- Failure to meet targeted relative precision thresholds.

- Sampling methodologies that did not adequately control for HTR status.

These methodological constraints limit the reliability of the resulting estimates and introduce a meaningful risk that observed differences reflect sampling error rather than true market effects. NTGR determines how much credit a program receives for its savings; if set too low based on uncertain data, otherwise effective programs can appear less valuable or fail cost-effectiveness screens.

At least two parties raised these statistical and methodological concerns in comments on Draft Resolution E-5350. Those comments are included in Attachment D of this BPA for reference and documentation of the record.

Recommended Commission Actions

To align NTGR treatment with both equity policy and sound statistical practice, SDREN recommends that the Commission:

1. Adopt Differentiated NTGR Treatment for Equity Participants

- Establish equity-specific NTGR values for HTR, DAC, and underserved customers.
- Apply an NTGR floor for income-qualified participants or recognize materially lower free-ridership assumptions for equity segment programs.

Because NTGR is intended to measure incremental program attribution, it should reflect the structural participation barriers inherent in the equity segment.

2. Address Commercial HTR Direct Install NTGR Uncertainty

- Consider commercial direct install HTR NTGR results from the recent HTR NTGR study statistically inconclusive.
- Until a new study can be commissioned, adopt the evaluated NTGR values presented in the Third-Party Commercial Programs Impact Evaluation, Program Year 2022 Report (for which results are statistically conclusive).

- Commission new research to ensure:
- Relative precision and confidence intervals are met to provide a robust foundation for statistical inference and policy decisions.
- The study assesses whether HTR customers have equitable access to energy efficiency programs prior to removal of key regulatory interventions.
- NTG values reflect the current third-party designed and implemented market.
- Differences in NTGR values between studies are reconciled and transparently explained.

Conclusion

NTGR policy must reflect both empirical rigor and the structural realities facing equity customers. Uniform attribution assumptions undervalue equity program impact and undermine the Commission's adopted equity framework. At the same time, reliance on statistically inconclusive forward-looking NTGR values creates risk in cost-effectiveness determinations.

Differentiated NTGR treatment for equity participants, coupled with methodologically robust commercial HTR research and a clear evidentiary record (as reflected in resolution comments and Attachment D), would better align cost-effectiveness calculations with the Commission's equity objectives and ensure that program attribution reflects real-world conditions rather than generalized assumptions.

Cost-Effectiveness Optimization and Reform

In its response to the State Auditor's Report[113] recommendation #11,[114] the Commission indicated it would address energy efficiency cost-effectiveness matters in Rulemaking 25-04-010.[115] As a next step, SDREN recommends that the Commission hold a workshop on R. 25-04-010 to educate stakeholders on the mechanics of current cost-effectiveness tests, tangible strategies for optimizing cost-effectiveness in program design, tangible strategies to implement corrective actions and adapt programs to increase the cost-effectiveness of Portfolio Administrator's portfolios. The workshop should also provide concrete options to reform the Commission's cost-effectiveness framework to address the state auditor's recommendation. The workshop should include:

- A panelist who can provide level-setting context that summarizes the National Standard Practice Manual and the methodologies used to calculate TRC, PAC, RIM, and others.
- A panelist, such as an implementer, who can speak to case studies and tangible strategies to design cost-effective programs and portfolios.
- A Portfolio Administrator (or Administrators) who can speak to implementing corrective actions and adaptively managing programs and their portfolio to successfully increase the cost-effectiveness of their programs and portfolio.

[113] Auditor of the State of California, Report 2024-127, *The California Public Utilities Commission: Without Improving Its Oversight, the Benefits of Energy Efficiency Programs May Not Be Worth Their Cost to Ratepayer*s, March 2025. https://www.auditor.ca.gov/wp-content/uploads/2025/03/2023-127-Report.pdf.

[114] "By March 2026, using guidance from best practices and stakeholders, the CPUC should begin revisiting its consideration of participant non-energy benefits and costs in the TRC calculation, such as by including or excluding both factors in the calculation."

[115] See 6-Month Agency Response: On July 23, 2025, the Assigned Commissioner issued a scoping ruling, acknowledging cost effectiveness policy as a critical part of the energy efficiency portfolio. The proceeding may consider "any cost-effectiveness issues that are specific to the energy efficiency programs, such as energy efficiency costs, or the applicability of cost-effectiveness requirements to different administrators or segments of the energy efficiency portfolio." https://www.auditor.ca.gov/reports/responses-2023-127-all/.

- A panelist who can speak to strategies and options to reform the current CPUC cost-effectiveness methodology per the recommendations in the state auditor's report, such as integrating non-energy benefits into cost-effectiveness calculations.

Attachment A

Statements of Qualification

Colin Santulli

Name and Business Address

Colin Santulli

PO Box 12716

San Diego, CA 92112-3716

Description of Responsibilities

I am a Senior Director of Programs at San Diego Community Power, where I oversee the agency's customer program initiatives and team. Our portfolio of customer programs includes the 10 San Diego Regional Energy Network programs as well as programs focused on behind-the-meter storage, electric vehicles and smart appliances.

My role on the San Diego Regional Energy Network is to provide strategic portfolio oversight and contribute to key decisions as a member of the Oversight and Administration team. I support coordination with regional entities including but not limited to the County of San Diego, Clean Energy Alliance and the San Diego Association of Governments. I support implementation of SDREN IDSM strategies, specifically as they relate to SDCP demand response program offerings. I support oversight of the SDREN Advisory Committee including member engagement, meeting agenda development, and meeting facilitation, when needed.

Summary of Educational and Professional Background

I have been with San Diego Community since 2022. I have over 15 years of experience building and leading teams for and on behalf of public agencies. I specialize in designing and implementing programs that support an equitable clean energy transition and I'm currently responsible for delivering programs that improve the lives of San Diego Community Power customers. After serving as an Officer in the U.S. Coast Guard and completing a graduate degree, I spent six years overseeing clean transportation initiatives for the nonprofit Center for Sustainable Energy. Most recently, I worked for the San Diego Association of Governments (SANDAG) implementing programs to reduce single occupancy vehicle trips in the region and at the City of San Diego focused on equitable building decarbonization and electric vehicle policies.

I earned a Bachelor of Science in Business Administration from East Carolina University, graduating Magna Cum Laude. I also hold a master's degree in International Affairs with a concentration in Environmental Policy from the University of California San Diego's School of Global Policy and Strategy.

Aisha Cervantes-Cissna

Name and Business Address

Aisha Cervantes-Cissna

PO Box 12716

San Diego, CA 92112-3716

Description of Responsibilities

I am a Senior Policy Manager at San Diego Community Power, where I lead regulatory strategy and compliance activities for the San Diego Regional Energy Network. I manage a portfolio of California Public Utilities Commission proceedings, including case management, strategic intervention, testimony development, and coordination with external counsel and technical consultants. I conduct policy analyses on issues affecting SDCP's programs - particularly energy efficiency, decarbonization, and cost-effectiveness - and translate those findings into clear recommendations for executive leadership, the Board, and SDREN staff. In my capacity as manager of SDREN's compliance activities, I track and analyze CPUC compliance requirements, participate in relevant meetings, and play a key role in developing our various compliance filings including but not limited to Business Plan Applications and advice letters. I analyze compliance requirements and advise our staff on how to design and manage our programs to ensure compliance with CPUC rules. I also help shape SDCP's long-term policy direction by identifying emerging risks and opportunities, developing strategic responses with senior leadership, and coordinating with CCAs, regional energy networks, local governments, and statewide partners. Through this work, I ensure SDREN's programs remain compliant, strategically positioned, and aligned with state energy goals and policy.

Summary of Educational and Professional Background

I have been with San Diego Community Power since 2023. Between 2017-2023, I worked at Redwood Coast Energy Authority, where I served as manager of clean transportation programs then transitioned into the role of Policy Manager where I developed our policy

department, lead regulatory and legislative monitoring and strategy, in addition to managing compliance filings and facilitating various strategic planning efforts internally and regionally.

I earned a Bachelor's degree in Environmental Science and Policy from Humboldt State University (a.k.a. Cal Poly Humboldt).

Sheena Tran

Name and Business Address

Sheena Tran

PO Box 12716

San Diego, CA 92112-3716

Description of Responsibilities

I am an Associate Director of Programs at San Diego Community Power, where I lead administrative and program operations for the San Diego Regional Energy Network. I supervise and lead a team of 8 staff members, overseeing the day-to-day program operations, ensuring budgets are being tracked and data is being collected and reported. Upon SDREN's authorization, I established standardized procedures for program operations, contract management and budget tracking of which I'm responsible for maintaining and streamlining.

Summary of Educational and Professional Background

I have been with San Diego Community since November 2022. I have over 10 years of energy experience in the private, local, and state government sectors. Prior to joining Community Power, I served as a Program Manager at the County of Los Angeles managing the Southern California Regional Energy Network (SoCalREN) residential energy efficiency programs as well as the Workforce, Education and Training programs throughout 12 counties serving a population of 20M residents. From 2014 through 2021, I worked for a management consulting company supporting development and implementation of government and utility sponsored residential and commercial energy efficiency projects and programs; energy policy analysis; and information technology. Prior to that role, I served as an Energy Planning Analyst at the Hawaii State Energy Office Department of Business, Economic Development and Tourism. I earned a bachelor's degree in Economics from the University of

California Los Angeles (UCLA) and a master's degree in Sustainability from Hawaii Pacific University (HPU).

Attachment B

SDREN Alignment with California's Legislation, Policies and Objectives

Legislation / Policy	Key SDREN Portfolio and Program Alignment
CPUC ESJ Action Plan (ESJAP) 2.0	Embed equity into governance; expand access to EE/decarbonization services for environmental social justice (ESJ) communities; strengthen community participation; support culturally-responsive delivery.
California Long-Term EE Strategic Plan	Program design reflects the Plan's expectations that LGs: lead by example in their own facilities; lead communities in innovative EE programs; advance adoption of reach codes; improve code compliance and enforcement.
AB 39 – Building Decarbonization Framework	Support equitable decarbonization through: public sector resilience planning, residential/multifamily electrification pathways, workforce programs designed to expand access to high-quality decarbonization jobs.
Executive Order N-5-24 – Electric Affordability	Support affordability by reducing customer energy burdens, leverage non-ratepayer funding and minimize administrative overhead.
AB 758 – Existing Buildings EE Action Plan	Deliver energy assessments, benchmarking, financing navigation, public outreach and education and workforce training.
AB 802 – Benchmarking & NMEC	Use meter-based normalized metered energy consumption (NMEC) in Market Access Program (MAP); support benchmarking compliance for public and commercial building owners.
SB 350 – Clean Energy & Pollution Reduction	Address barriers for low-income customers to energy efficiency and weatherization; commercial programs deliver energy savings for underserved and/or HTR small/medium businesses (SMBs) and property owners; require LGs to participate in efficiency program implementation.

SB 375 – Sustainable Communities	Support LGs to implement long-term integrated planning of land use and transportation driving GHG emissions reductions.
SB 32 – California Global Warming Solutions Act	Drive electrification, low-GWP refrigerant technologies, demand flexibility measures, and IDSM services.
SB 100 – 100% Clean Energy Act	Programs reduce electricity consumption, reduce peak and net-peak demand, and advance electrification and distributed energy resources.
Governor's Emergency Proclamation (2021)	Deploy demand control-ready technologies, expand DR program participation, and target peak demand reductions.
SB 48 – Building Energy Savings Act	Benchmarking assistance, technical support, and decarbonization services help prepare local jurisdictions and building owners, especially in underserved communities, to comply with these future building performance standard requirements.
CARB 2022 Scoping Plan	Pilots and gap filling activities in the SDREN portfolio to promote viable electric alternatives, electrification, and community engagement.
SB 49- Flexible Demand Appliance Standards	Offer IDSM strategies tied to the state's flexible demand appliance standards.
AB 130	SDREN's C&S program will emphasize providing assistance to public agencies and other relevant building professionals to increase compliance with current code during the moratorium period.
Senate Bill 846	Offer IDSM strategies tied to state goal to achieve 7,000 MW of load-shift by 2030.
SB 1013 – Low-GWP Refrigerants	Provide education about low-GWP refrigerants to participants; offer training on refrigerant reclamation, installation, and management.
AB 3264 – DSM Reporting & Bill Savings Transparency	Track bill savings and counts of participants to support compliance.

Attachment C

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The following pages contain Attachment C

Attachment D

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The following pages contain Attachment D

Proceeding:	A.26-03-009
Exhibit No.:	SDREN – 01
Date:	~~March 16~~September 30, 2026
Witness(es):	Santulli, Colin Cervantes-Cissna, Aisha Tran, Sheena

SAN DIEGO REGIONAL ENERGY NETWORK

EXHIBIT 1

2028-2031 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN

TESTIMONY

Table 2.4 4-year Portfolio Forecast Summary (2028-2031)

4-year Portfolio Forecast Summary (2028-2031)						
	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-year)	Entire Portfolio (Total 4-year)
Total System Benefit (TSB)	$9,409,499	$10,135,508	$10,977,328	$11,823,627	$15,577,356	$42,345,962
Total Resource Cost (TRC) Ratio	0.25	0.26	0.27	0.28	0.53	0.27
Program Administrator Cost (PAC) Ratio	0.26	0.27	0.28	0.29	0.64	0.28
Societal Cost Test (SCT) Base	0.35	0.36	0.37	0.38	0.68	0.37
Societal Cost Test (SCT) High	0.35	0.36	0.37	0.38	0.69	0.37
Ratepayer Impact Measure Test Ratio (RIM)	0.24	0.24	0.25	0.25	0.15	0.25
Lifecycle GWh	59.55	61.34	63.18	65.07	235.56	249.13
First Year MW	0.57	0.59	0.61	0.63	0.00	2.40
Lifecycle MMTHERMS	0.21	0.22	0.22	0.23	0.00	0.88
Lifecycle Net Electric CO2 Metric Tons	6,632.84	6,080.00	6,207.44	6,412.83	31,228.91	25,333.12
Lifecycle Net Gas CO2 Metric Tons	17,741.25	18,273.48	18,821.69	19,386.34	-	74,222.75

4-year Portfolio Forecast Summary (2028-2031)						
	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-year)	Entire Portfolio (Total 4-year)
Total System Benefit (TSB)	$9,736,465	$10,528,750	$11,409,602	$12,274,389	$16,589,512	$43,949,206
Total Resource Cost (TRC) Ratio	0.26	0.27	0.28	0.29	0.56	0.28
Program Administrator Cost (PAC) Ratio	0.27	0.28	0.29	0.30	0.68	0.29
Societal Cost Test (SCT) Base	0.34	0.35	0.37	0.38	0.64	0.36
Societal Cost Test (SCT) High	0.34	0.35	0.37	0.38	0.64	0.36
Ratepayer Impact Measure Test Ratio (RIM)	0.25	0.25	0.25	0.26	0.16	0.25
Lifecycle GWh	59.55	61.34	63.18	65.07	235.56	249.13
First Year MW	0.57	0.59	0.61	0.63	0.00	2.40
Lifecycle MMTHERMS	3.34	3.44	3.54	3.65	0.00	13.98
Lifecycle Net Electric CO2 Metric Tons	7,641.09	7,068.66	7,182.47	7,364.57	34,001.83	29,256.78
Lifecycle Net Gas CO2 Metric Tons	17,741.25	18,273.48	18,821.69	19,386.34	-	74,222.75

customers that may be missed or passed over by other programs. The program is intended to deliver $1~~5~~6.6M in TSB.

Forecasts for SDREN's resource acquisition segment were developed using a function-based justification approach consistent with the zero-based budgeting framework per D.21.05-031.[77] The methodology links forecasted participation levels, incentive values, and delivery costs of the program's population-level NMEC measurement method.

The MAP leverages historical data from comparable market access and pay-for-performance programs administered by other PAs, including Community Power's Smart Home Flex program, to estimate participation rates and average savings per site.

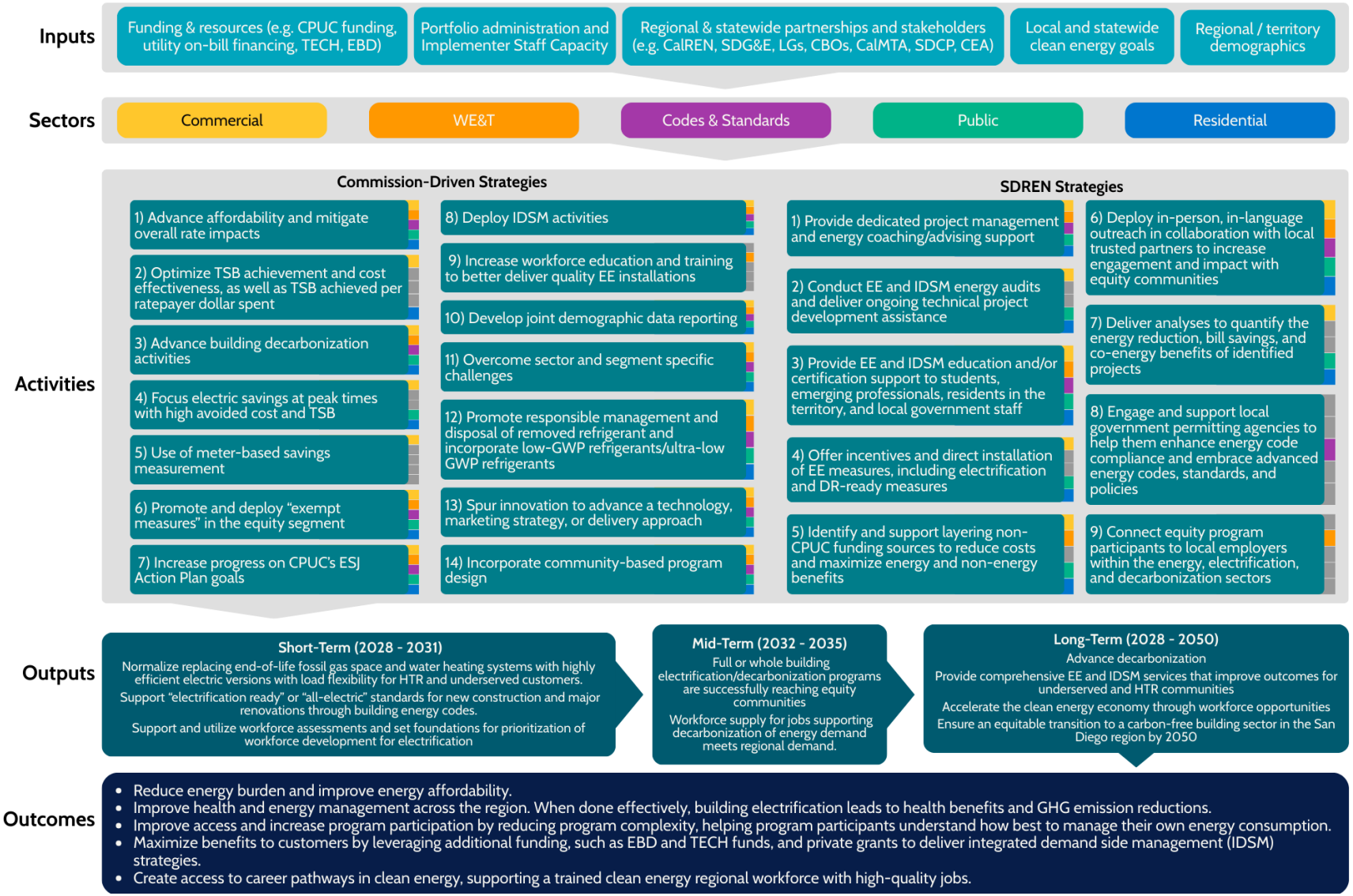
Budget and benefit forecasts were derived from the following key inputs:

- **Average incentive cost per kilowatt-hour (kWh)/kilowatt (kW) saved**, benchmarked to existing CPUC-approved market access programs.
- **Projected number of aggregated project bundles per year**, informed by regional market size and contractor capacity.
- **Administrative and implementer labor requirements** tied to number of enrolled aggregators, amount of customer recruitment/community engagement, NMEC data processing, project verification ongoing M&V, and incentive payment processing.
- **Expected TSB** based on verified savings values and load reduction potential during summer peaks.

This forecast ensures that requested funding levels are commensurate with achievable energy savings and are proportional to the small and medium business market potential in SDREN's service territory.

[77] *Decision 21-05-031*, at Finding of Fact 12: "Zero-based budgeting requires analyzing each function for its contribution and costs before including in a budget, and does not allow expenses to continue just because they were approved in the past, if they no longer serve an important function."

Figure 5.1 ~~SDREN Portfolio Level Logic Model~~SDREN Portfolio Level Logic Model



ITEM 7
ATTACHMENT B

Proceeding:	A.26-03-009 et al.
Exhibit No.:	SDREN – 02
Date:	September 30, 2026
Witness(es):	Santulli, Colin Cervantes-Cissna, Aisha Tran, Sheena

SAN DIEGO REGIONAL ENERGY NETWORK

EXHIBIT 2

PROGRAM CARDS

Exhibit 2: Program Cards

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Commercial Sector

Table 1. Program Card for SMB Energy Coach

<table>
<tr><th colspan="3">Program Name: SMB Energy Coach</th></tr>
<tr><td colspan="3">Program ID: SDREN-01-COM-SMB
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Equity</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Commercial</td><td>Customer Group(s): Small/Medium Businesses (SMBs)</td></tr>
<tr><td colspan="2">Sector Challenges:
SMBs may be unaware of energy efficiency technologies and their value. They may lack the bandwidth to research and access resources.
SMBs lack education on how to develop and pursue energy efficiency projects while meeting the varying requirements to access incentives, tax credits, and financing.
SMBs need technical expertise to identify energy efficiency opportunities and to develop the scope of work and technical specifications for energy efficiency projects.
Many small businesses lease their space and do not control investing in/implementing energy efficiency opportunities.
Coordination with both tenants and landlords is required.
Without energy program support, up-front capital costs prevent energy efficiency measure implementation.</td><td>Sector Opportunities (Expected Outcome(s)):
Focus on small businesses (<20 kW), which make up the majority (77%) of commercial SDG&E customers.
Help SMBs work with local CA Green Business Network to receive recognition for energy efficiency program participation.
Provide energy efficiency education and advisory services to landlords/property management companies and tenants to address split incentive challenges.
Educate SMBs on behavioral, retro-commissioning, and operational measures applicable to their facilities.
Educate SMBs on energy management technologies, in alignment with AB 793.</td></tr>
</table>

<table>
<tr><td colspan="2">Brief Program Description:
The SMB Energy Coach Program raises awareness and increases the adoption of energy efficiency practices and measures. The program connects a dedicated Energy Coach to each participating SMB to educate them on the value of energy efficiency and IDSM, provide facility benchmarking and energy efficiency opportunity assessments, support access to funding and financing, offer technical assistance, and install energy efficiency measures at no cost to program participants. The program coordinates with SDG&E energy efficiency programs, statewide energy efficiency programs, and the San Diego Green Business Council, the local partner of the Green Business Network, to combine service offerings and compound the programs' value. Through coordination with the Green Business Network, program participants may receive public recognition via Green Business Certification for their energy efficiency upgrades, encouraging continued investment in energy efficiency. The program may leverage partnerships with community-based organizations to provide resources for returning program participants, encourage continuous pursuit of clean energy measures, and provide ongoing education and training for SMB staff.</td></tr>
<tr><td>Known Equity Concerns in the Selected Markets:
There are multiple equity concerns related to SMBs in San Diego County. Many SMBs lack the knowledge, bandwidth, and/or experience to pursue incentive opportunities and financing programs for energy efficiency projects, which may deter them from considering energy upgrades. SMBs commonly perceive energy efficiency measures as expensive investments and they may lack the capital to include energy efficiency measures in their budgets. Given the diversity of business owners in San Diego County, there are often language barriers for SMBs in HTR neighborhoods; current programs might not provide effective in-language outreach or materials to accommodate this need.</td><td>Proposed Solutions to Equity Concerns:
This program provides a dedicated Energy Coach as a single point of contact and entry point to Commercial sector opportunities. This Energy Coach serves as an extension of the participants' staff, offering education, technical assistance and project management support. The program offers direct installation options for energy efficiency measures, helping participating businesses avoid out-of-pocket costs. The program provides various in-language and culturally-sensitive outreach materials and program documents with messaging that resonates with diverse SMBs and their staff.</td></tr>
<tr><td>Intervention Strategy: Downstream - direct install and technical assistance.
Facility energy report and opportunity assessments: the program provides on-site and virtual assessments (particularly important to ensure rural customers receive services) to identify energy efficiency measures at each</td><td>Delivery Type: Downstream - direct install and technical assistance.</td></tr>
</table>

business and provide an in-language energy report. The reports incorporate: ○ No and low-cost energy efficiency measures available through energy efficiency programs. ○ Incentive and funding opportunities through external mechanisms such as SDG&E and statewide programs. ○ Green Business Certification. ○ IDSM program opportunities, including demand response. ○ Education on reducing energy costs. ○ If applicable, the program assists with benchmarking in Energy Star Portfolio Manager (ESPM) to help businesses understand their facility's energy performance and comply with AB802 for facilities over 50,000 sq. ft. ● Technical assistance: the program provides technical specifications for identified projects to ensure implemented measures realize anticipated energy savings. ● Direct installation: the program offers a menu of direct install measures available at low or no cost for program participants. Sample energy efficiency measures include smart thermostats, LED lighting, controls, economizer controls/repair, duct sealing, appliances, faucet aerators, auto door closers, ice makers, and smart plugs.	

<table>
<tr><td>

- Funding and financing support: the program connects SMBs to other incentive programs, SDG&E on-bill financing, GoGreen Financing, IRA tax credits (where still available), and other local/state funding and financing programs.

</td><td></td></tr>
<tr><td>Measurement and Verification Methods:
Deemed (includes site inspections)</td><td>Program Total System Benefit (TSB) for 2028-2031:
4 Year TSB: $3,757,046</td></tr>
<tr><td>Annual Budgets for 2028-2031:
2028: $3,276,963.33
2029: $3,405,373.80
2030: $3,538,840.07
2031: $3,677,563.23
2028-2031 Total: $13,898,740.45</td><td>Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:
4 Year TRC: 0.25
4 Year PAC: .27</td></tr>
<tr><td>Anticipated directional and scale changes in budget for years 2032-2035:
SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.</td><td>Market Actors necessary for success:
● Third-party implementer(s).
● Trade professionals.
● Local contractors.
● Equipment manufacturers.
● Community outreach staff.
● Property management/landlords, if applicable.</td></tr>
<tr><td colspan="2">High-level description of delivery workforce including necessary scale and its risks:
SDREN's local trusted partners engage with businesses to determine eligibility and interest in program offerings. The program implementer staff and Energy Coaches guide program participants through the SDREN Commercial program and other applicable program offerings and services. Licensed local contractors, electricians, and equipment manufacturers support the direct installation of energy efficiency measures. Engineering consultants provide technical assistance as needed. The program implementer(s) work with community partners, including CBOs and SDREN's regional IDSM working group, to ensure SMB participants are aware of local resources and opportunities. There are workers in place to support these programs, but an increase in demand may require additional training and recruitment of specialized support. Also, a delay in manufacturing and delivery of equipment (or high demand) can pose a risk to project completion timelines.</td></tr>
</table>

Near-Term Program Output(s) (1-4 years):

- Expand Energy Coach services to more SMBs across diverse sub-sectors and underserved/HTR communities.
- Refine assessment tools, energy reports, and technical assistance offerings based on participant feedback.
- Strengthen coordination with SDG&E, statewide programs, and San Diego Green Business Network to streamline referrals and reduce customer confusion.
- Increase delivery of direct install measures.
- Enhance in-language and culturally-responsive outreach in partnership with CBOs and local business associations to reach more HTR SMBs.
- Develop ongoing engagement pathways (e.g., follow-up visits, check-ins) to support continuous improvement and repeat participation.

Long Term Outcome (5-10 years):

- Project development supports deeper, bundled energy efficiency and IDSM projects that reduce energy burden for HTR and underserved SMBs.
- Continuous engagement with returning and new program participants that creates sustained relationships that normalize energy efficiency and decarbonization practices across SMB sectors.
- SMBs increasingly access stacked incentives and non-ratepayer funding streams, enabling more comprehensive upgrades over time.
- Local contractors trained through SDREN's WE&T programs participate in SMB projects, strengthening the regional clean energy workforce.

Does this program interact with other programs in this PA portfolio? If so, describe:

This program refers and channels identified opportunities to the Market Access Program and Efficient Refrigeration program where applicable. It also collaborates with the Efficient Refrigeration program on outreach to minimize customer confusion and maximize reach. WE&T-trained contractors are introduced and directed to relevant SDREN programs, such as its Commercial offerings, creating a direct pipeline that supports broader market support and equity segment objectives.

Program Metrics and Indicators (KPIs):

- Sum of all equity segment participants' kilowatt hour (kWh) savings in equity segment - lifecycle gross
- Lifecycle ex-ante kW gross
- Sum of all equity segment participants' therm savings in equity segment - lifecycle gross
- Sum of all equity segment participants' TSB in equity segment
- Total lifetime energy bill savings ($)
- % of customers anticipated to experience lower energy costs as a result of program participation
- Count of equity target participants
- % of equity customers served compared to total customers served
- % of customers channeled to non SDREN programs
- External funding leveraged to support SDREN programs/communities (% of total budget spend)

Does this program utilize Integrated Demand Side Management (IDSM)?	**Link to Existing Implementation Plan, if existing:**
Yes - Other; through the delivery of technical assistance to identify opportunities, educational materials and assistance with applying for IDSM funding and incentives.	Link to IP

Table 2. Program Card for Efficient Refrigeration

<table>
<tr><th colspan="3">Program Name: Efficient Refrigeration</th></tr>
<tr><td colspan="3">Program ID: SDREN-02-COM-ERF
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Equity</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Commercial</td><td>Customer Group(s): Micro, small, and medium businesses, focusing on small local grocery stores, corner stores, and local small businesses that sell food products.</td></tr>
<tr><td colspan="2">Sector Challenges:
Store owners have limited staff capacity and capital to learn about high-efficiency equipment options and to invest in energy-efficient equipment.
Business priorities and day-to-day operations take precedence over energy efficiency.</td><td>Sector Opportunities (Expected Outcome(s)):
A direct install approach alleviates the cost barrier to participation and allows store owners to participate in energy efficiency program offerings.
Leverage other programs to create co-benefits, such as educating store owners about health benefits to providing local access to fresh, perishable food options (fruits, vegetables, nuts).
Installation of high-efficiency refrigeration equipment with low-GWP refrigerants will realize utility bill savings for participants, encouraging future investment in energy efficiency.</td></tr>
<tr><td colspan="3">Brief Program Description:
The Efficient Refrigeration program provides energy efficiency education and no-cost, direct install efficient refrigeration equipment to small corner stores/grocers/small businesses to support energy cost savings and the stocking of healthy, fresh, and affordable food products. This program provides technical assistance to identify refrigerators that are eligible for replacement with high efficiency units. This program also seeks to leverage other programs and resources to provide one-on-one education on sourcing California-grown produce and product placement/promotion to encourage shopper purchases. Additionally, it delivers community outreach events to promote program services, provide education on the benefits of energy efficiency, and encourage the public to shop at participating business locations by highlighting</td></tr>
</table>

the availability of fresh, healthy foods. This program's target measures include glass and solid door refrigerator and freezer units. This program identifies opportunities to integrate strategies from the BayREN Refrigerant Replacement Program to encourage low-GWP refrigerants.	
Known Equity Concerns in the Selected Markets: Past programs offering support with refrigeration equipment have focused on larger customers, leaving smaller customers without any offerings focused on refrigeration. Based on the 2023 SoCalREN Food Desert Energy Efficiency Equity Program EM&V study conducted by SoCalREN, energy burden is a concern for this sub-market. Corner stores in particular feel burdened by high electricity bills associated with refrigeration.[1] Recent inflation and supply chain issues have also impacted small business owners, with 85% of small business owners indicating they are concerned about inflation.[2] Additionally, there are equity concerns in this sub-market related to food access and the connections between energy and health. Several communities within San Diego County face poverty and food insecurity.[3] In 2019, 77 census tracts had a poverty rate of 50% or more. Across San Diego County, the percentage of the population experiencing food insecurity by region is: central: 26.9%, east: 46.6%, north central: 38.5%, north coastal: 39.8%, north inland: 30.9%, and south: 27.7%. These communities lack regular access to fresh, healthy foods. They need personalized in-person, in-language, and culturally-sensitive outreach and program services.	**Proposed Solutions to Equity Concerns:** This program encourages stores to sell fresh, healthy, and affordable food products by providing high efficiency refrigerators and freezers. This program provides in-language outreach materials to improve the education and communication to staff at participating businesses and in the local community. The program deploys in-person program outreach staff to reach businesses and tell them about program opportunities and objectives. This program leverages local contractors to stimulate the local economy and support local workforce development.

[1] SoCalREN Food Desert Energy Efficiency Equity Program Market Study, p. 14.
[2] "Special Report on Inflation and Supply Chain Shocks on Small Business," U.S. Chamber of Commerce, March 3, 2022, https://www.uschamber.com/small-business/special-report-on-inflation-and-supply-chain-shocks-on-small-business.
[3] https://www.sandiegocounty.gov/content/dam/sdc/hhsa/programs/phs/CHS/Poverty%201%20Areas%20of%20Concentrated%20Poverty%20and%20Food%20Insecurity%20Brief.pdf.

Intervention Strategy: Downstream - direct install, education and outreach. ● In-person and in-language culturally sensitive outreach: given the staff capacity barrier to energy efficiency program participation and that 36% of County residents speak a language other than English at home, the program provides in-person and in-language outreach to target businesses that are underserved by existing programs. ● Direct installation of high efficiency refrigeration equipment: the program provides no-cost installation of refrigeration equipment, generating utility bill savings for program participants at no cost, improving energy affordability. ● Community-level and one-on-one education on energy efficiency and healthy food options: the program educates program participants on the benefits of energy efficiency, low-GWP refrigerant, energy efficiency programs and best practices for stocking healthy, fresh, perishable foods. ● IDSM program participation education: share informational materials and resources to participants on the benefits of participating in DR and other IDSM programs.	**Delivery Type:** Downstream - direct install, education and outreach.
Measurement and Verification Methods: Deemed (direct install) with site inspections	**Program Total System Benefit (TSB) for 2028-2031:** 4 Year TSB: $280,091

Annual Budgets for 2028-2031: 2028: $2,166,519.93 2029: $2,232,696.39 2030: $2,300,905.36 2031: $2,371,209.74 2028-2031 Total: $9,071,331.42	**Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:** 4 Year TRC: 0.03 4 Year PAC: .03
Anticipated directional and scale changes in budget for years 2032-2035: SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.	**Market Actors necessary for success:** ● Third-party implementer(s). ● Multi-lingual local outreach staff. ● Grocery and corner store owners. ● Local refrigerator/freezer installers. ● Refrigerator/freezer manufacturers and distributors.

High-level description of delivery workforce including necessary scale and its risks:

This program is reliant on partnership with owners and staff of small grocery and corner stores across San Diego County. The program also requires installer partner(s) to facilitate the purchase and installation of efficient refrigerators and freezers. Implementer staff and outreach partners perform program education and outreach with guidance from SDREN's ISDM working group as needed. There are no known workforce-related risks for successful implementation of the program, though a delay in manufacturing or equipment delivery (or high demand) could pose a risk to project completion timelines.

Near-term Program Output(s) (1-4 years):

- Expand the number and diversity of participating corner stores, small grocers, and food retailers, with emphasis on equity customers.
- Standardize and optimize in-person, in-language outreach tactics based on best practices and lessons learned.
- Increase the volume of efficient refrigeration replacements and associated technical assistance, integrating low-GWP refrigerant strategies where feasible.
- Deepen partnerships with local health, food access, and economic development initiatives to highlight co-benefits related to healthy, fresh, and affordable food.
- Strengthen contractor networks and installation workflows to minimize downtime for store owners and improve customer experience.

Long Term Outcome (5-10 years):

- Increased interest in energy efficiency and IDSM in small corner stores/grocers/small businesses with a particular increase in participation among underserved and HTR businesses.
- Continuous engagement with returning and new program participants supports sustained reductions in energy burden and improved food access in communities facing high poverty and food insecurity.

- Wider adoption of low-GWP refrigeration technologies contributes to the region's decarbonization goals.
- A growing network of local contractors leveraging SDREN's WE&T offerings supports consistent installation quality and long-term market transformation.

Does this program interact with other programs in this PA portfolio? If so, describe:

The program implementers across the Commercial sector coordinate on engagement and outreach strategies to minimize redundancies and reduce customer confusion. The SMB Energy Coach program's dedicated advisor may identify and channel opportunities for a commercial participant to participate in SDREN's Efficient Refrigeration program if refrigeration measure opportunities are identified. Trained contractors through the Workforce Training and Capacity program are introduced to this program's trade ally opportunities.

Program Metrics and Indicators (KPIs):

- Sum of all equity segment participants' kilowatt hour (kWh) savings in equity segment - lifecycle gross
- Sum of all equity segment participants' therm savings in equity segment - lifecycle gross
- Sum of all equity segment participants' greenhouse gas reductions (in tons of carbon dioxide equivalent) in equity segment - lifecycle gross
- Sum of all equity segment participants' TSB in equity segment
- Sum of equity target participants' expected first-year bill savings in equity segment
- % of equity customers served compared to total customers served
- % of customers anticipated to experience lower energy costs as a result of program participation
- Total lifetime energy bill savings ($)
- % of customers channeled to non SDREN programs
- External funding leveraged to support SDREN programs/communities (% of total budget spent)

Does this program utilize Integrated Demand Side Management (IDSM)?	**Link to Existing Implementation Plan, if existing:**
Yes - Other; through the delivery of educational materials and assistance with applying for IDSM funding and incentives.	Link to IP

Table 3. Program Card for Market Access Program

<table>
<tr><th colspan="3">Program Name: SDREN Market Access Program</th></tr>
<tr><td colspan="3">Program ID: SDREN-03-COM-MAP
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Resource Acquisition</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Commercial Property Owners</td><td>Customer Group(s): Small/Medium Businesses (SMBs)</td></tr>
<tr><td colspan="2">Sector Challenges:
Delivering scalable programs with costs less than delivered TSB.
High administrative and capital cost barriers to business participation in energy efficiency programs.
Limited customized solutions have to serve a wide range of customer types, including HTR and underserved businesses.
Risk of large program investment without the delivery of anticipated TSB.
Customer engagement through a trusted entity.</td><td>Sector Opportunities (Expected Outcome(s)):
Capture significant energy savings and peak demand reduction through tailored services offered via aggregators.
Bundle program services with state, local and private funds to improve project cost-effectiveness.
Leverage performance-based aggregator incentive approach to minimize program investment without the delivery of TSB and demand reduction.
Work with local trusted partners, such as chambers of commerce, to reach HTR and underserved businesses.</td></tr>
<tr><td colspan="3">Brief Program Description:
SDREN's Market Access Program provides performance-based incentives to project developers (aggregators) who deliver projects that realize peak demand reductions and verified energy savings. The program utilizes a population NMEC methodology to verify savings while paying incentives based on TSB achieved, encouraging long-life measures that deliver maximum grid benefit. The program offers a suite of tools for aggregators to use to identify high opportunity projects at facilities with significant summer and year-round peak demand reduction potential, estimate energy savings, and secure incentives. Local trusted entities lead customer engagement to high opportunity businesses, with a focus on HTR and underserved businesses. Aggregators develop project opportunities and offer customizable services and financial benefits to participating businesses. This influences businesses to implement identified energy measures. Since incentives are delivered to aggregators based on NMEC-verified benefits to the grid,</td></tr>
</table>

<table>
<tr><td colspan="2">aggregators are encouraged to ensure projects realize or exceed anticipated energy savings. Sample energy efficiency measures include HVAC replacement, HVAC controls, variable frequency drives, lighting replacement, lighting controls, building envelope and refrigeration.</td></tr>
<tr><td>Known Equity Concerns in the Selected Markets:

Barriers to energy efficiency implementation vary from business to business. However, small-to-medium businesses typically have limited staff capacity and resources to pursue energy efficiency projects. High capital costs are also a common barrier. There is often a lack of programs or incentives designed to serve HTR and underserved businesses.</td><td>Proposed Solutions to Equity Concerns:

To reduce customer administrative burden, the aggregator manages a program compliance process and provides flexible benefits to each customer. Benefits may include price concessions or technical services to motivate the customer to pursue the project. Higher investment and targeted approaches helps engage and serve HTR and underserved businesses.</td></tr>
<tr><td>Intervention Strategy: MAP, incentives, audit, education, outreach.
Aggregator network: the program maintains a network of qualified aggregators that operate in the marketplace to identify and install energy efficiency projects in exchange for performance-based incentives.
Performance-based incentives: the program provides performance-based incentives to aggregators based on achieved TSB for their portfolio of projects.
Education: the program educates aggregators and customers on the value of energy efficiency and IDSM and braiding supplemental funding streams to further project outcomes (e.g. SDG&E on-bill financing and GoGreen Financing).
Targeted outreach: the program partners with trusted local entities to develop materials and outreach strategies for HTR and underserved businesses.</td><td>Delivery Type: Downstream – population-level NMEC.</td></tr>
<tr><td>Measurement and Verification Methods:
NMEC – Population</td><td>Program Total System Benefit (TSB) for 2028-2031:

4 Year TSB: $16,589,512</td></tr>
</table>

Annual Budgets for 2028-2031:	Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:
2028: $5,099,662.09 2029: $5,489,331.74 2030: $5,900,154.16 2031: $6,333,152.46 2028-2031 Total: $22,822,300.45	4 Year TRC: 0.61 4 Year PAC: .75
Anticipated directional and scale changes in budget for years 2032-2035: SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.	**Market Actors necessary for success:** ● Third-party implementer(s). ● Aggregators and contractors. ● Energy efficiency equipment and DR control vendors. ● Local trusted organizations for outreach.

High-level description of delivery workforce including necessary scale and its risks:

Program success relies on the availability of qualified aggregators. The delivery workforce includes implementer staff, equipment and control vendors, and local trusted entities—such as SDREN's IDSM working group—for outreach. There are no known workforce-related risks for successful implementation of the program, though a delay in manufacturing or equipment delivery (or high demand) could pose a risk to project completion timelines.

Near-term Program Output(s) (1-4 years):

- Grow and diversify the aggregator network, with targeted outreach to entities capable of serving HTR and underserved businesses.
- Use early portfolio performance data to refine incentive structures, savings estimation tools, and NMEC guidance to aggregators.
- Expand outreach and customer acquisition through trusted local partners to increase participation from smaller and underserved commercial customers.
- Support aggregators in packaging ratepayer incentives with external funding sources to enable deeper, more comprehensive projects.
- Streamline data flows and performance reporting to improve transparency, reduce administrative costs, and support continuous program improvement.
- Coordinate intentionally with other SDREN programs so that MAP becomes a clear pathway for larger or more complex commercial projects.

Long Term Outcome (5-10 years):

- Year-round peak demand reductions are delivered with increasing participation from HTR and underserved SMBs supported through targeted outreach by trusted partners
- Delivered TSB exceeds program costs demonstrating the value of performance-based approaches for long-life and decarbonization-supportive measures.
- Contractors trained through SDREN's WE&T programs enter the aggregator pipeline, strengthening the regional clean energy workforce.

Does this program interact with other programs in this PA portfolio? If so, describe:

The program implementers across the Commercial sector coordinate on engagement and outreach strategies to minimize redundancies and reduce customer confusion. The SMB Energy Coach Energy Advisor may identify and channel opportunities for a commercial participant to participate in SDREN's MAP program if eligible. WE&T-trained contractors are introduced and directed to the MAP program to participate as an aggregator.

Program Metrics and Indicators (KPIs):

- Lifecycle ex-ante kWh gross
- Lifecycle ex-ante kW gross
- Lifecycle ex-ante Therm gross
- Count of equity target participants in resource acquisition segment
- Total lifetime energy bill savings ($)
- Percent of total projects utilizing Normalized Metered Energy Consumption (NMEC) to estimate savings
- % of equity customers served compared to total customers served
- % of customers anticipated to experience lower energy costs as a result of program participation, by sector
- % of customers channeled to non SDREN programs
- External funding leveraged to support SDREN programs/communities (% of total budget spend)

Does this program utilize Integrated Demand Side Management (IDSM)?	**Link to Existing Implementation Plan, if existing:**
Yes - Other; aggregators and customers are educated on the value of IDSM strategies.	Link to IP

Public Sector

Table 4. Program Card for Climate Resilience Leadership

<table>
<tr><th colspan="3">Program Name: Climate Resilience Leadership</th></tr>
<tr><td colspan="3">Program ID: SDREN-01-PUB-CRL
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Market Support</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Public</td><td>Customer Group(s): Eligible public agency types.
Cities.
County.
Public education agencies.
Special districts.
Tribal communities.</td></tr>
<tr><td colspan="2">Sector Challenges:
Limited staff capacity, understanding, and expertise to address energy efficiency, IDSM, and decarbonization opportunities to improve energy resilience.
Lengthy and cumbersome public procurement processes.
Limited access to data for informed decision making.
Limited capital and/or competing priorities for energy efficiency and IDSM projects.
Risk aversion.
Resource constraints as staff and budgets have many competing priorities and energy management is just one of many.
Complex decision-making and political dynamics.</td><td>Sector Opportunities (Expected Outcome(s)):
Comprehensive yet tailored services to meet public agencies' unique needs, with a focus on agencies serving underserved and HTR communities.
Provision of technical assistance and resources to help public agencies identify and implement clean energy projects and meet regional decarbonization goals.
Increase staff capacity through education, outreach, project management, and technical assistance to integrate energy efficiency and IDSM as standard practices across operations.
Reduced energy burden and increased energy affordability by reducing energy costs and reinvesting energy bill savings into communities.</td></tr>
</table>

● Long-term planning challenges. ● Gaps in IOU third party offerings, including school district programming. ● Aging infrastructure, including buildings and utility systems that may require substantial energy efficiency upgrades.	● Provide no or low cost energy efficiency measure installations through a direct install offering. ● Offer portfolio energy analyses to help inform decision-making, targeting of clean energy opportunities, and creation of resilience hubs across agency-owned assets. ● Support updating or creating short- and long-term energy resilience plans.
Brief Program Description: The Climate Resilience Leadership program is designed to overcome barriers hindering public agencies from implementing energy efficiency projects. It also promotes IDSM technologies and programs, facilitating deeper decarbonization to help agencies meet their climate goals. Dedicated project managers act as an extension of agency staff to provide customized and unbiased start-to-finish guidance and coordinate delivery of technical services to identify and implement energy efficiency and IDSM projects. The program operates through dedicated project managers who offer tailored guidance throughout the project cycle and coordinate technical service delivery to identify and implement energy efficiency and DER projects. This personalized approach ensures successful project execution. To address common challenges related to funding and procurement and to fill IOU program gaps, the program provides direct installation of energy efficiency measures. This includes providing targeted and specialized direct install services to K-12 schools, recognizing that there is a gap in services available to this market sub-sector. Project managers also coordinate and facilitate access to third-party incentive programs. Moreover, the program monitors emerging funding opportunities for public agencies and provides support for all relevant incentive and financing applications, relieving them of major administrative burdens. In addition to the suite of project delivery services, the program tackles knowledge and capacity barriers by offering educational resources on DERs and DR programs through webinars, peer to peer learning opportunities, and educational collateral. Small grants will also be available to fund public agency staff attendance at decarbonization or DER-related conferences and events. These resources empower agency staff to become champions for decarbonization internally while showcasing climate leadership to the broader community through successful project delivery.	
Known Equity Concerns in the Selected Markets: Public agencies, especially smaller ones, often have constrained budgets and staff resources, making it difficult to allocate funding and staff for clean energy projects or to take advantage	**Proposed Solutions to Equity Concerns:** The program addresses equity concerns by prioritizing outreach to agencies that have historically been overlooked by energy efficiency programs. The program provides technical assistance, end-to-end project

of available services and funding. Additionally, a large proportion of public agency accounts are small (<20 kW) and may not qualify for many IOU resource programs due to potential projects not meeting programs' cost effectiveness requirements. This in turn leads to even greater inequity in the long run, as energy and operational costs continue to rise while projects are delayed. These smaller agencies may not have resources to develop climate action plans, create resilience plans, or build internal capacity around DERs. Public agencies will lead their communities by example, but there is limited funding and services to support them in achieving their goals.	management services, and educational resources to public agencies/facilities of all sizes, acting as an extension of agency staff. Financial assistance services help agencies identify, apply for, and secure funding for energy efficiency and IDSM projects. The program also offers: ● Increased incentives and no-cost direct install support of energy efficiency measures for HTR and underserved agencies. ● Education and training resources to help agency staff grow their capacity and awareness of the benefits of energy efficiency, DER technologies, and DR program participation to drive decarbonization and load reduction efforts. ● Assistance for underserved agencies to develop actionable resilience roadmaps.
Intervention Strategy: Technical assistance, incentives via direct install, outreach and education, funding and financing support. Energy efficiency and DER project identification and delivery interventions. ● Agency portfolio energy analysis and resilience roadmap: provides participants with an overview of energy consumption and costs and facilitates project opportunities by identifying energy-intensive infrastructure. Sets foundation for development and delivery of energy resilience roadmap, which identifies DER opportunities to improve community energy resilience and recommends sites to serve as resilience hubs. ● Comprehensive energy audits: identify energy savings, energy efficiency and decarbonization opportunities.	**Delivery Type:** Downstream – Direct Install, technical assistance, outreach and education, funding and financing support.

• Financial analysis: utilizes outputs from audit reports to provide business case summary to invest in clean energy projects. • Project financing and funding assistance: facilitate access to various financing options including cash incentives, low or no interest loans, tax credits and grants to help agencies overcome financial barriers to projects. • Procurement assistance: provides agencies with documentation to procure installation contractors and receive applicable internal approvals. • Construction support: review scope and contractor equipment submittals to ensure alignment with anticipated energy savings outcomes and funding eligibility requirements. Engagement, education and outreach interventions. • Workshops/webinars/training and educational resources to build public agency staff's capacity and awareness of energy efficiency, IDSM, sustainability, decarbonization measures, and resilience initiatives, including DR program participation. • Small grants to fund public agency participation in educational events (e.g., conferences). Direct installation of energy efficiency measures that help agencies overcome funding, financing, and procurement hurdles and achieve decarbonization and resilience goals. • Sample direct install measures include: economizer controls/repair, heat pump water heaters, occupancy sensors, outdoor Light Emitting Diode (LED) lighting, and pipe insulation.	

Measurement and Verification Methods: Deemed direct install with site inspections	**Program Total System Benefit (TSB) for 2028-2031:** 4 Year TSB: $13,837,199
Annual Budgets for 2028-2031: 2028: $6,416,413.03 2029: $6,696,291.39 2030: $6,988,059.88 2031: $7,292,218.65 2028-2031 Total: $27,392,982.95	**Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:** 4 Year TRC: 0.58 4 Year PAC: .58
Anticipated directional and scale changes in budget for years 2032-2035: SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.	**Market Actors necessary for success:** ● Third-party implementer(s). ● Local engineering firms and contractors.

High-level description of delivery workforce including necessary scale and its risks:

The program delivery workforce includes SDREN staff and third party implementation partners, including subcontracted engineering consultants and other industry experts—such as SDREN's Regional IDSM Working Group—to provide as needed services to program participants. There are no known workforce related risks for successful implementation of the program, though a delay in manufacturing or equipment delivery (or high demand) could pose a risk to project completion timelines.

Near-term Program Output(s) (1-4 years):

- Expand participation among cities, school districts, Tribal communities, and special districts, with a focus on agencies serving HTR and underserved communities.
- Scale delivery of portfolio energy analyses, resilience roadmaps, and comprehensive energy audits to build robust project pipelines.
- Increase the number of projects moving from opportunity identification into implementation through enhanced project management, procurement assistance, and construction support.
- Strengthen integration of energy efficiency, DERs, and DR opportunities within agency planning, leveraging lessons learned from early pilot projects.
- Enhance educational offerings (webinars, peer forums, collateral) based on the most common barriers and needs identified in the first program years.
- Optimize collaboration with IOU and third-party public sector programs to align services, reduce duplication, and amplify impacts.

Long Term Outcome (5-10 years):

- Public agencies look to SDREN as a trusted advisor to help them improve energy resiliency and address energy needs, including pathways for electrification and building decarbonization.
- Energy and cost savings realized, allowing agencies to reinvest savings into community services, with particular benefits for underserved jurisdictions.
- Broader reach and support across underserved communities.
- Agencies demonstrate increased awareness of energy efficiency and IDSM best practices and integrate into operating practices and procedures.
- Enhanced resilience to climate challenges and reliability emergencies, including more resilient energy infrastructure and practices.
- Public agencies increasingly leverage non-ratepayer funding identified through SDREN support, enabling deeper clean energy investments.
- Disparities in energy access and program participation are reduced.

Does this program interact with other programs in this PA portfolio? If so, describe:

Public sector programs refer participants across both the Tribal Engagement and Climate Resilience Leadership programs based on customer needs. The Public sector programs also refer public agency staff to the C&S program. WE&T-trained contractors are introduced and directed to relevant SDREN programs such as its Public sector offerings, creating a direct pipeline that supports broader market support and Equity segment objectives.

Program Metrics and Indicators (KPIs):

- Lifecycle ex-ante kWh gross Lifecycle ex-ante kW gross
- Lifecycle ex-ante Therm gross
- CO2-equivalent of net annual kWh savings Count of equity target participants in market support segment.
- Number of partners by type and purposes
- Number of contractors (that serve in the PA service areas) with knowledge and trained by relevant market support programs to provide quality installations that optimize energy efficiency
- Total lifetime energy bill savings ($)
- % of customers anticipated to experience lower energy costs as a result of program participation, by sector
- % of equity customers served compared to total customers served
- % of customers channeled to non SDREN programs
- External funding leveraged to support SDREN programs/communities (% of total budget spend)

Does this program utilize Integrated Demand Side Management (IDSM)?	**Link to Existing Implementation Plan, if existing:**
Yes - Other; including:	Link to IP

● Coordination with the C&S community to simplify and streamline permitting processes for IDSM and DERs. ● Financial assistance services to identify, apply for, and secure funding for energy efficiency and IDSM projects. ● Promotion of IDSM technologies and programs. ● Technical assistance services integrate energy efficiency and DER audits, performance and design specifications, procurement support, funding, and financing analyses and application support, and construction support. ● Combines energy efficiency education with other IDSM educational opportunities.	

Table 5. Program Card for Tribal Engagement

<table>
<tr><th colspan="3">Program Name: Tribal Engagement</th></tr>
<tr><td colspan="3">Program ID: SDREN-02-PUB-TRE
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Equity</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Public</td><td>Customer Group(s): Tribal communities</td></tr>
<tr><td colspan="2">Sector Challenges:
Tribal cultural sensitivities, distrust in government programs.
PAs must invest significant time and care in cultivating trusted, respectful relationships with Tribal governments; building this trust can be challenging for PAs unfamiliar with Tribal governance structures, cultural protocols, or the historical context of Tribal engagement in energy programs.
Some Tribal governments may lack in-house technical expertise, resources, and staff capacity to plan, implement, and manage energy efficiency initiatives, making it challenging to take advantage of available programs.
Lack of capital to invest in energy efficiency, IDSM, and decarbonization strategies.
Most public sector accounts in SDG&E territory are small (<20kW) and may be passed over by IOU resource programs with cost effectiveness requirements.
Aging infrastructure, including buildings and utility systems that may require substantial energy efficiency upgrades.</td><td>Sector Opportunities (Expected Outcome(s)):
Tribal community-led design of initiatives to facilitate energy planning, increase access to energy efficiency programs, reduce energy burdens, and decarbonize assets.
Ongoing access to a technical advisor with energy efficiency, IDSM, and building decarbonization expertise to support successful programming and initiatives; access to industry experts including engineering firms.
Advance climate resiliency on Tribal lands and in Tribal communities.
Tribal communities demonstrate leadership in energy efficiency, IDSM, and/or building decarbonization and share best practices and lessons learned.
Lessons learned from Tribal communities who may have previous energy and/or resilience projects that can optimize SDREN's services.</td></tr>
</table>

• Navigating the complex regulatory environment, including compliance with federal and Tribal regulations, can be challenging for Tribal governments.	

Brief Program Description:

The Tribal Engagement program creates a pathway for Tribal Communities and Tribal organizations in the San Diego region to develop, propose, and implement energy-related initiatives to address their unique needs and contribute to sustainability, resilience, and economic development within Tribal communities. Through our community-driven program, Tribal communities take ownership of initiatives and exercise self-determination in pursuing decarbonization and sustainable energy practices.

Program resources include tailored no-cost technical assistance, including a dedicated technical advisor to support initiative applications and champion their success from idea inception to successful execution.

All initiative applications are required to promote sustainable energy practices within Tribal lands and enhance the resilience of Tribal communities by increasing their capacity to withstand energy-related emergencies and challenges. The third party program implementer develops high-level blueprints of program design options for Tribal communities to follow and secure funding to implement. SDREN welcomes and encourages innovative ideas outside of these blueprints, so Tribal communities have the flexibility to propose unique solutions that align with their goals.

Initiative applications are evaluated based on their alignment with Tribal needs, sustainability, resilience and economic development goals. Approved initiatives receive customized services and resources to support implementation. These services may include technical expertise, project funding, and partnerships.

The Tribal Engagement program bolsters Tribal Community efforts to shape their energy futures. By nurturing local talent, inspiring innovation, and providing the necessary support, SDREN aims to create a vibrant and resilient energy landscape that Tribal communities can proudly call their own.

This program coordinates with SDREN's Climate Resilience Leadership program to ensure that there is no duplication of efforts. Tribal communities are able to access all the technical services available from both programs, including direct install measure installations.

Known Equity Concerns in the Selected Markets:	Proposed Solutions to Equity Concerns:
Tribal participants have long been underserved and underrepresented in energy efficiency programs. This historical underinvestment in outreach to Tribal participants is one of many factors that have significantly eroded Tribal governments' trust in Public sector programs.	The Tribal Engagement program recognizes that addressing equity concerns within Tribal communities is a multifaceted endeavor that requires a tailored, culturally-sensitive, and empathetic approach. To overcome historical underinvestment in Tribal communities, the program provides grant funding and no-cost technical assistance to Tribal participants for

This is a barrier for Tribal governments to secure vital funding and resources. One of the key equity concerns in Tribal communities is limited access to information about available programs, incentives, and resources. This limited access not only hinders the development of sustainable energy practices within Tribal lands but also reduces the resilience of Tribal communities in the face of energy-related emergencies and challenges.	community-driven interventions. This support can incentivize Tribal governments to design and offer energy efficiency programs to their Tribal government and community members. By providing financial resources and technical expertise, we aim to break down the barriers that have historically limited Tribal participation in energy initiatives. Building trust within Tribal communities is a fundamental component of our approach. We understand that trust is built through meaningful relationships, respect for cultural sensitivities, and a genuine understanding of Tribal needs. To achieve this, SDREN has engaged in efforts, and continues to engage in efforts, to nurture partnerships with trusted leaders in Tribal communities. These partners play a pivotal role in ensuring program design and delivery are culturally-sensitive and responsive to the unique needs of each Tribal community, and can integrate tribal best practices from previous energy initiatives if existing. SDREN's approach includes acknowledging and addressing historical disparities in energy access, infrastructure investment, and environmental impacts that may have disproportionately affected Tribal governments. Building trust and engaging Tribal communities takes time; SDREN continues to listen, learn, and adapt their approach to the unique cultural and historical context of each Tribal community.
Intervention Strategy: Downstream – technical assistance, funding support, outreach and education. ● Initiative ideation and application technical services support: technical assistance is provided to help Tribal communities develop ideas and draft applications. ● Direct funding grants: provided to Tribal communities to implement initiatives.	Delivery Type: Technical assistance, outreach and education, grants.

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<tr><td>

- Initiative application evaluation: includes approval by program implementer.
- Technical assistance: Approved initiatives receive customized services and resources to support delivery, including support to develop Implementation Plans.
- Access to energy experts: to leverage expertise and resources (e.g., engineering firms, financial advisors, local agencies, and relevant stakeholders).

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<tr><td>

Measurement and Verification Methods:

N/A

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Program Total System Benefit (TSB) for 2028-2031:

N/A

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Annual Budgets for 2028-2031:

2028: $541,317.53

2029: $557,557.06

2030: $574,283.77

2031: $591,512.28

2028-2031 Total: $2,264,670.63

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Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:

N/A

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<tr><td>

Anticipated directional and scale changes in budget for years 2032-2035:

SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.

</td><td>

Market Actors necessary for success:

- Third-party implementer(s) with expertise and deep understanding of tribal communities.
- Tribal nations and Tribal organizations.
- Others to be determined based on proposed and approved grant initiatives.

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<tr><td colspan="2">

High-level description of delivery workforce including necessary scale and its risks:

The delivery workforce includes third party implementation partners, including on-call subcontracted engineering consultants, members of SDREN's IDSM working group, and energy leaders from Tribal communities and organizations. Time and resource availability for Tribal energy leaders may be a risk factor.

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</table>

Near-term Program Output(s) (1-4 years):

- Deepen relationships with Tribal governments and organizations that engaged in the initial launch period, while inviting additional Tribal communities into the program.
- Support Tribal communities in advancing early-stage initiatives into full implementation, offering continued technical assistance and connections to outside funding.
- Refine initiative blueprints, application processes, and technical support models based on Tribal feedback and first-round implementation experience.
- Expand access to specialized expertise (e.g., engineering, finance, planning) to support more complex or innovative Tribal-led initiatives.
- Strengthen coordination with the Climate Resilience Leadership program to ensure Tribal agencies can seamlessly access all relevant SDREN technical services.
- Document lessons learned and emerging best practices from Tribal initiatives to inform future cycles and support replication where desired.

Long Term Outcome (5-10 years):

Tribal communities gain experience proposing, implementing, and managing initiatives, and communities become more sustainable as a result.

- A large portfolio of initiatives are serving diverse Tribal needs.
- Reduced energy burden and increased revenue generation through clean energy projects.
- Enhanced resilience to climate challenges and emergencies including more resilient energy infrastructure and practices.
- Disparities in energy access and program participation are reduced.
- Supplemental funding sources can be leveraged, including IRA funding earmarked for Tribal governments to administer residential electrification and DER programs.
- As Tribal initiatives increasingly incorporate electrification, DERs, and load-flexibility strategies supported through SDREN's technical assistance, they contribute directly to regional decarbonization goals.
- Over time, Tribal communities that have successfully implemented initiatives may serve as sources of knowledge and best practices for other communities, fostering a culture of shared learning.

Does this program interact with other programs in this PA portfolio? If so, describe:

Public sector programs refer participants across both the Tribal Engagement and Climate Resilience Leadership programs based on customer needs. WE&T-trained contractors are introduced and directed to relevant SDREN programs such as its Public sector offerings, creating a direct pipeline that supports broader market support and equity segment objectives.

Program Metrics and Indicators (KPIs):	
• Count of equity target participants in equity targeted segment, by sector • % of customers anticipated to experience lower energy costs as a result of program participation, by sector • External funding leveraged to support SDREN programs/ communities as a % of total budget spend • % of equity customers served compared to total customers served • Total lifetime energy bill savings • % of customers channeled to non SDREN programs • External funding leveraged to support SDREN programs/communities (% of total budget spend) Additional metrics to be determined as Tribal initiatives are approved.	
Does this program utilize Integrated Demand Side Management (IDSM)? Yes - Other; including provision of IDSM education to Tribal communities alongside energy efficiency as they design initiatives.	Link to Existing Implementation Plan, if existing: Link to IP

Cross-cutting: WE&T

Table 6. Program Card for Energy Pathways Program

<table>
<tr><th colspan="3">Program Name: Energy Pathways Program</th></tr>
<tr><td colspan="3">Program ID: SDREN-01-WET-EPP
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Market Support</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Cross-Cutting: Workforce, Education, & Training</td><td>Customer Group(s): Workforce, Education, & Training - High School Students</td></tr>
<tr><td colspan="2">Sector Challenges:
High school students often need academic prerequisites or specific skills to pursue energy-related careers.
Costs and the competitive nature of higher education and energy-related training programs that many energy careers require can be a significant barrier to entering the sector.
High school students may not be aware of energy career opportunities and the pathway to an energy career.
The energy industry can be highly competitive with limited job openings. High school students often need extra skills to distinguish themselves and secure job opportunities.
The perceived value of working in construction and other skilled trades is low, reducing the number of individuals interested in entering this field. For those interested, understanding how to access these trades is limited and pathways for entry can be complicated.</td><td>Sector Opportunities (Expected Outcome(s)):
Services that inform high school students of energy career pathways and skills to support their interest in entering the energy sector.
Incorporating a standards-aligned curriculum and career technical education with employment opportunities and postsecondary training.
Programs that connect high school students to dual enrollment in college courses and/or other academic offerings to provide industry knowledge and the technical skills (including IDSM education/training opportunities) required to enter the workforce.
Connect high school students directly to employers in their area to provide mentorship, coaching, and career guidance focused on industry skills, terminology, and career pathways.</td></tr>
</table>

	● Provide or connect high school students with paid internship opportunities to build skills, create network connections, and increase industry knowledge. Paid placements are essential to ensure equitable access. Students from lower-income households often cannot afford to take unpaid positions that higher-income peers can pursue, perpetuating disparities in access to career-building experiences. ● Inform high school students of industry trends and the value and earning potential of energy careers through networking with professionals to support them in navigating their career paths. ● Create or connect high school students to scholarship opportunities to pursue higher education, industry technical skills certification, or apprenticeships in STEAM or IDSM fields. ● Access to resources such as financial aid through college partners, private scholarships, stipends for opportunity youth, and paid internships. ● Leverage supplemental funding opportunities to enhance or expand STEAM or IDSM program services (as available).

Brief Program Description:

SDREN's Energy Pathways program increases access to education and training resources to develop students' awareness of clean energy career pathways, helps them learn the skills to enter the workforce, and provides sector-specific information. The Energy Pathways program provides high school students in the San Diego region with a standards-aligned curriculum that focuses on career technical education. Successful program implementation builds a bridge connecting participants to local employers within the energy, electrification, and decarbonization sectors.

Participants have access to a diverse network of mentors and coaches to provide one-on-one guidance and educate them on the value of energy/STEAM career pathways. This personalized mentorship focuses on navigating the job market, building a professional network, developing a strong resume, enhancing interviewing skills, providing financial education, and acquiring

<table>
<tr><td colspan="2">industry-specific knowledge tailored to their desired field of employment. Partnerships with local higher education institutions enable eligible students to enroll in college-level courses that boost their industry knowledge and technical skills, preparing them for the workforce at no cost. Students facing monetary barriers are connected to additional resources such as financial aid through college partners, private scholarships, stipends for opportunity youth, and paid internships.</td></tr>
<tr><td>Known Equity Concerns in the Selected Markets:

There is a lack of access to STEAM programs for high school students, especially in disadvantaged and HTR communities. Because access to these skill-building pathways is limited, marginalized communities in the energy and STEAM industries are affected. Representation in the field matters, and high school students may be discouraged from pursuing careers in energy if they do not identify with the current industry makeup.</td><td>Proposed Solutions to Equity Concerns:

This program focuses on disadvantaged HTR communities and Title I high school students and provides access to STEAM educational opportunities. By connecting high schools to no-cost educational resources, paid internship opportunities, and professional networks, the program gives eligible high school students access to a network of diverse (gender and ethnicity) clean energy professionals to act as coaches and mentors, provide guidance, and encourage them to pursue careers in energy.

The program provides one-on-one support to help individuals identify career pathways, navigate course selection and enrollment, and secure paid internships, thereby reducing equity concerns and barriers to participation. Multilingual educational outreach materials and program documents meet HTR high school students where they are and build the skilled worker pipeline for local employers. By focusing on students from disadvantaged and HTR communities, the program not only reduces historical inequities in access to STEAM training, but also broadens and diversifies the future workforce needed to achieve California's clean energy and resilience goals. Increasing the number of local, skilled workers directly supports the long-term success of SDREN's portfolio and the region's ability to implement large-scale energy efficiency, IDSM, and decarbonization initiatives.</td></tr>
</table>

Intervention Strategy: Technical assistance, education, training, partnerships. ● Leverage existing needs assessment to inform content development and identify job trends, skills gaps, and barriers to accessing entry-level positions in STEAM careers, including IDSM pathways. ● Deliver no-cost standards-aligned curriculum and career technical education in partnership with local education agencies. ● Support and create placement opportunities for program graduates within full-time high-quality jobs (e.g., fellow to full-time work placement, an electrician at the local utility). ● Leverage existing data resources and tracking to measure and analyze energy career trends and future industry needs. ● Engage key stakeholders (employers, high schools, and colleges) in local communities to support program development and delivery. ● Offer a one-on-one coaching/mentorship network with local employers. ● Build articulation agreements between participating high schools and local colleges to support dual enrollment in STEAM college courses at no cost. ● Provide certification opportunities for high school students to boost their employability and match students to paid internships, trade, school, or apprenticeship opportunities. ● Build a network and career pipeline between high schools, colleges, trade schools, and local employers and offer networking events to make direct connections.	**Delivery Type:** Downstream – Technical assistance, education, training.
Measurement and Verification Methods:	**Program Total System Benefit (TSB) for 2028-2031:**

N/A	N/A
Annual Budgets for 2028-2031: 2028: $2,165,384.45 2029: $2,230,345.98 2030: $2,297,256.36 2031: $2,366,174.05 2028-2031 Total: $9,059,160.85	**Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:** N/A
Anticipated directional and scale changes in budget for years 2032-2035: SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.	**Market Actors necessary for success:** Third party implementer(s), high school administrators, high school teachers, high school career counselors, high school students, local college district partners, and local energy employers/employees as mentors and coaches.
High-level description of delivery workforce including necessary scale and its risks: The delivery workforce includes SDREN's program implementation staff to lead program participants through offerings and services. Other workforce members include high school educators facilitating program delivery after participating in train-the-trainer exercises, faculty/staff within partner organizations (local colleges, trade schools, and apprenticeships), local employers in our network of mentors/coaches, and members of SDREN's IDSM working group. No risks were identified regarding the delivery workforce for this program.	
Near-term Program Output(s) (1-4 years): ● Expand program delivery to additional high schools and districts, prioritizing Title I schools and HTR communities. ● Refine curriculum and career exploration content based on student, educator, and employer feedback. ● Increase access to dual-enrollment, certification, and early college credit opportunities in partnership with local higher education institutions. ● Strengthen mentorship and coaching structures to ensure students receive consistent, high-quality guidance and connections to local employers. ● Grow the number and diversity of internship, job shadowing, and pre-apprenticeship opportunities available to program participants. ● Formalize and expand articulation agreements and employer partnerships to create clearer, more visible pathways from high school into clean energy careers.	
Long Term Outcome (5-10 years): ● Increase the pipeline of skilled local workers in clean energy jobs (e.g., STEAM, ISDM).	

- Increase the opportunity for youth in HTR and underserved communities to build skills, overcome barriers to high-quality jobs, create a representative workforce, and build the workforce capacity necessary to achieve local and state energy and climate goals.
- A more diverse and representative energy workforce increases the region's ability to deliver energy efficiency, IDSM, and electrification projects needed to meet decarbonization goals.
- Graduates increasingly work with SDREN implementers and contractors, supporting workforce continuity across SDREN sectors.

Does this program interact with other programs in this PA portfolio? If so, describe:

SDREN's WE&T programs build energy workforce technical expertise, increasing their future ability to participate in and meet the demands of other SDREN programs that leverage trade allies to install projects across market support, equity, and resource acquisition segments.

Program Metrics and Indicators (KPIs):

- Number of unique participants by sector that complete training Number of partners by type and purposes
- Dollar value of non-ratepayer in-kind funds/contributions utilized via partnerships
- Assessed value of the partnership by partners Count of newly educated or credentialed individuals
- External funding leveraged to support SDREN programs/ communities (% of total budget spend)
- Percentage of partners that have taken action supporting energy efficiency by type
- % of customers channeled to non SDREN programs

Does this program utilize Integrated Demand Side Management (IDSM)?	**Link to Existing Implementation Plan, if existing:**
Yes - Other; including: ● Providing IDSM education/training in academic offerings. ● Connecting high school students to opportunities in IDSM fields. ● Leveraging supplemental funding opportunities to enhance or expand STEAM or IDSM program services.	Link to IP

Table 7. Program Card for Workforce Training and Capacity Building

<table>
<tr><th colspan="3">Program Name: Workforce Training and Capacity Building</th></tr>
<tr><td colspan="3">Program ID: SDREN-02-WET-BRC
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Market Support</td><td>Program Implementer Type: Third Party implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Cross-Cutting - Workforce, Education, & Training</td><td>Customer Group(s): Workforce, Education, & Training</td></tr>
<tr><td colspan="2">Sector Challenges:
Most clean energy careers require specialized education or training. Adult workers new to energy and incumbents may need new skills or certifications, which can be time-consuming and costly.
Specialized skills and certifications are expensive for employees, and they may be unable to invest their own money into training due to other pressing financial considerations.
Inexperienced workers may struggle to find entry-level positions in the energy industry if they lack the required experience or education. They may need to start at a lower level than their previous careers, which can be financially challenging.
Workers may not have emerging industry-specific knowledge, training, experience, or the technical skills required to maintain employment.</td><td>Sector Opportunities (Expected Outcome(s)):
Provide workers with no or low-cost specialized skill training, certifications, networking, and apprenticeship opportunities to build skills to enter the clean energy workforce.
Offer no-cost employer-led energy efficiency and IDSM training programs for essential and emerging industry skills. Connect employees to external certifications and skill-building opportunities.
Provide entry-level on-the-job training and wraparound services such as career coaching and mentor/mentee support by matching participants with employers to support securing jobs.
Survey local employers to determine the emerging industry careers and necessary skills for incoming professionals to be successful in the industry.
Increase network connections through industry events, professional organizations, networking, or shadowing professionals to build connections and gain insights.</td></tr>
</table>

• Lack of disadvantaged and HTR workers with knowledge of energy efficiency, electrification, decarbonization, or clean energy building skills makes it difficult to find local candidates for employment and support SDREN climate and energy goals. Lack of access to external training resources, such as training centers or facilities, can be particularly challenging for employees in remote or less developed areas. • High regional demand for energy efficiency, electrification, decarbonization, or clean energy building workers in the face of an insufficient supply of skilled workers. • Employees may struggle to find time for training within regular job duties and personal responsibilities or may not know what training will benefit career growth. • Workplace culture may not support training and skill development, which can discourage employees from seeking opportunities on their own, especially if they do not see a direct pathway for career advancement or pay increases.	• Directly support career preparedness training focused on resume development, interviewing skills, transferable skills, financial literacy, and networking skills. • Support high-quality career pathways, labor standards, and job quality within clean economy careers, particularly in the residential sector. • Develop or change employer policies on training to allocate dedicated time and funds to pursue education and training opportunities that benefit the employees and employers. • Increase on-the-job training and skill-building opportunities through pre-professional shadowing, expert guest speakers, and industry leaders. • More accredited training or certification opportunities in accessible locations or online. • Improve employer outcomes and revenues through a workforce capable of installing measures in alignment with local and state policies and funding streams. • Create career connections to opportunities within other SDREN programs.

Brief Program Description:

SDREN's Workforce Training & Capacity Building program enhances the clean energy workforce in our region, focusing on skill development for individuals interested in entering the clean energy workforce and incumbent workers. The program targets individuals and employees/employers, boosting skills and employer capacity to work on electrification, IDSM, and decarbonization projects.

By developing and delivering no-cost energy efficiency and IDSM training and certifications, SDREN bolsters employability, fills gaps for in-demand technical skills, and provides pathways for individuals to enter the clean energy workforce to help the SDREN region meet its decarbonization goals. This program increases skills within the existing workforce, improves employee retention rates, fosters participant career advancement, and provides opportunities for networking through industry events, professional organizations, and shadowing with

seasoned professionals in the field. Participants receive career coaching and mentorship focused on resume development, interviewing skills, transferable skills, financial literacy, and networking.

The program collaborates with stakeholders within clean energy, electrification, and decarbonization workforce sectors, including CBOs, public agencies, SDREN program implementers, contractors, and labor unions. Continued partnerships boost growth opportunities for incumbent workers, increase retention rates for employers, and enhance employer workforce training. SDREN guides participating employers in developing policies to promote employee training, allocate funding for external training, and set aside time for skill development.

Known Equity Concerns in the Selected Markets:	Proposed Solutions to Equity Concerns:
A major known equity concern and barrier to entry is the cost associated with education opportunities, certification, or retraining programs. These costs can be prohibitive, particularly for those from low-income backgrounds. Workers from minority groups face challenges accessing information, training materials, or job opportunities, which reduces access to quality education and training opportunities in HTR and underserved communities. Additionally, members of marginalized communities disproportionately hold low-wage positions, perpetuating the cycle of poverty. Employer policies regarding training, hiring, promotions, and general career advancement may have biases that prevent minority employees from advancing in their positions. Further, a lack of training opportunities or knowledge of where to access training prevents career growth.	SDREN seeks to bolster internal employee training and skill-building programs within energy-efficiency or IDSM-deploying employers to upskill the existing workforce and enable HTR and underserved participants to access high-quality jobs in the clean energy economy. The program utilizes a network of clean energy professionals from diverse and representative backgrounds as coaches and mentors to improve equitable access to industry-specific guidance and knowledge and support participants' long-term career success. Identifying or creating additional energy efficiency and IDSM accredited training or certification opportunities in accessible formats ensures all program participants benefit. SDREN helps workers in HTR and underserved communities access no-cost education and certifications. By doing so, SDREN supports businesses by providing on-the-job training and skill development for underserved, entry-level workers. Working directly with the workforce and employers positions SDREN to address equity concerns with multiple stakeholders. SDREN encourages employers to revise their training policies to allocate time and resources to education and training that benefits both the employee and the employer. By creating no-cost, employer-led training programs for essential and emerging industry skills, SDREN provides employees

	with direct access to external certifications and skill-building opportunities. SDREN provides multilingual educational outreach materials and on-the-job training opportunities through pre-professional shadowing, expert guest speakers, and industry leaders. These training opportunities meet participants where they are and expand the skilled worker pipeline for local employers.
Intervention Strategy: Downstream – technical assistance, education, training, and outreach. ● Deploy a survey for local employers to determine the emerging clean energy industry careers and required skills and qualifications for professionals to be successful. ● Provide relevant training and ongoing workforce support aligned with industry needs to build capacity in the region, supporting employers along the way. ● Partner with local agencies to create a network of connection resources. Standardize content and offer energy efficiency and IDSM-focused training. ● Create opportunities for program graduates to seamlessly transition into employment with local employers. Establish partnerships with employers to facilitate job placements. ● Foster connections between the workforce and SDREN's Residential, Commercial, and Public sector programs. ● Create opportunities for participants to connect with SDREN, IOU, and statewide programs to gain additional skills at no cost. ● Identify worker placement programs that can build workforce capacity while supporting participants skill development.	**Delivery Type:** Downstream – technical assistance, education, training, and outreach.

<table>
<tr><td>Measurement and Verification Methods: N/A</td><td>Program Total System Benefit (TSB) for 2028-2031:
N/A</td></tr>
<tr><td>Annual Budgets for 2028-2031:
2028: $3,518,679.82
2029: $3,624,240.21
2030: $3,732,967.42
2031: $3,844,956.44
2028-2031 Total: $14,720,843.90</td><td>Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:
N/A</td></tr>
<tr><td>Anticipated directional and scale changes in budget for years 2032-2035:
SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.</td><td>Market Actors necessary for success:
Third party implementer(s), adult workers interested in entering the energy sector, incumbent workers, local energy employers within the clean energy, electrification, and decarbonization workforce sectors, and training providers.</td></tr>
<tr><td colspan="2">High-level description of delivery workforce including necessary scale and its risks:
The delivery workforce includes SDREN's program implementation staff to lead participants through program services. Other workforce members include local employers in the network of mentors, coaches for new and incumbent workers, and members of SDREN's IDSM working group, as needed. No risks were identified regarding the delivery workforce for this program.</td></tr>
<tr><td colspan="2">Near-term Program Output(s) (1-4 years):
● Scale training offerings across the region, focusing on skills that support energy efficiency, electrification, and IDSM expertise.
● Refine training curricula and delivery formats based on early participant outcomes, employer feedback, and emerging market needs.
● Expand partnerships with contractors, unions, CBOs, and workforce entities to reach more disadvantaged and HTR workers.
● Strengthen employer-focused services that support internal training policies, structured career ladders, and retention strategies.
● Enhance alignment and cross-referrals between the WE&T portfolio and SDREN sector programs (e.g., residential, commercial, public) to support a coordinated talent pipeline.</td></tr>
<tr><td colspan="2">Long Term Outcome (5-10 years):
● Increase the skills of the local workforce and provide pathways for employment in the energy workforce within local communities.
● Substantially increase workforce skills and provide pathways for industry advancement.
● Increase employers' capacity to take on new work within the clean energy, electrification, and decarbonization workforce sectors.</td></tr>
</table>

- A growing network of trained workers improves regional capacity to install energy efficiency electrification, and IDSM technologies needed for SDREN's long-term decarbonization outcomes.

Does this program interact with other programs in this PA portfolio? If so, describe:

SDREN's WE&T programs build contractor technical expertise, increasing their ability to participate in and meet the demands of other SDREN programs that leverage trade allies to install projects across commercial, residential, and public sector projects.

Program Metrics and Indicators (KPIs):

- Count of newly educated or credentialed individuals
- Number of unique participants by sector that complete training Number of partners by type and purposes
- Dollar value of non-ratepayer in-kind funds/contributions utilized via partnerships
- Percentage of partners that have taken action supporting energy efficiency by type
- Assessed value of the partnership by partners
- % of customers channeled to non SDREN programs

Does this program utilize Integrated Demand Side Management (IDSM)?	**Link to Existing Implementation Plan, if existing:**
Yes - Other; including: ● Creation of no-cost employer-led energy efficiency and IDSM training programs for essential and emerging industry skills. ● Encouraging IDSM-deploying employers to upskill the existing workforce and enable HTR and underserved participants to access high-quality jobs in the clean energy economy. ● Support identification or creation of additional energy efficiency and IDSM accredited training or certification opportunities. ● Educate and collaborate with participating contractors on inclusive outreach, customer acquisition, and sustained customer satisfaction with technology and behavioral interventions contributing to IDSM program goals.	Link to IP

Cross-cutting: Codes & Standards

Table 8. Program Card for C&S

<table>
<tr><th colspan="3">Program Name: Codes & Standards</th></tr>
<tr><td colspan="3">Program ID: SDREN-01-CS-CSS
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Codes & Standards</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Cross-Cutting</td><td>Customer Group(s): Cross-Cutting</td></tr>
<tr><td colspan="2">Sector Challenges:
Energy codes are complex and local government staff lack sufficient capacity and time to understand the codes and implement effective review and enforcement mechanisms.
Energy efficiency is typically not a high priority for building departments, residential and commercial permit applicants, or within the C&S community (e.g., contractors, architects, engineers, and other parties who engage directly in the building permitting process). This results in missed opportunities for significant energy savings.
There is a lack of resources for training, capacity, and technical support to build local government staff expertise, impeding their capacity to meet evolving energy code requirements.
Increasingly stringent energy codes create compliance gaps, hindering the state from reaching decarbonization and greenhouse gas reduction goals.</td><td>Sector Opportunities (Expected Outcome(s)):
While limiting, the current Title 24 moratorium allows SDREN to engage in more in-depth work to address the gaps and barriers identified in the existing needs assessment and the CEC's code gap analysis. This provides an avenue for SDREN to ensure regional compliance with current (and future) code requirements.
Ongoing technical assistance, training, tools, peer-to-peer learning, and online resources can help local building department staff and permit applicants understand and comply with current and future energy codes and standards.
An Energy Code Coach can fill gaps in building department code comprehension and capacity. They can serve as a dedicated expert to assist local agencies with effectively implementing energy codes.
Leverage Community Power's Building Housing Stock Analysis to inform strategies (published October 2024 and</td></tr>
</table>

● Future code cycles, following the end of the current moratorium in place on Title 24 updates, will incorporate requirements for building and transportation electrification, demand flexibility, indoor air quality, and grid interactive buildings, which will necessitate education for permitting agencies and their staff. ● Many types of projects (HVAC, water heating, etc.) have low permitting rates. This not only diminishes potential energy savings but also complicates code enforcement efforts, which play a vital role in energy efficiency. ● Most local governments lack the capacity and confidence to lead by example in advanced energy codes and standards for new and existing buildings, which is important for broader compliance. ● There is often a disconnect between the development, adoption, and enforcement of new energy codes. The disconnect can lead to confusion and delays in code implementation. ● Energy code requirements vary by permit scope, climate zone, and building or site attributes. Moreover, energy code interpretation and enforcement varies by jurisdiction. These nuances and variability can lead to confusion and inconsistencies. ● Before Community Power published its Building and Housing Stock Analysis in 2024, no transparent data on local building stock was available. Having this data, including the recently expanded 2026 report to include all of San Diego County, helps inform permitting and code compliance actions and reduce energy use and GHGs in the building sector.	subsequently expanded by SDREN in 2025 to include all of SDREN territory). ● Data-driven assistance with advanced energy codes, building performance requirements, and benchmarking requirements encourages local leadership in energy efficiency, passive design, and zero net energy construction. ● Energy code comprehension and compliance within the C&S community can be enhanced through technical information, online and in-person education and training, and more effective code compliance assistance. This approach creates a more informed and compliant industry. ● The compilation and evaluation of accurate, digitized, and standardized permitting and compliance data drives better local decision-making and better energy performance in new and existing buildings. ● Given the expected influx of state funding and uncertainty of federal funding for electrification and efficiency retrofits in the coming years, permitting agencies must prepare in advance. This ensures they can efficiently review and approve the significant number of new projects that are coming soon. Preparation mitigates workload impacts and results in more efficient and well-managed building projects.

• Over the next several years, significant state funding is earmarked for electrification and efficiency retrofits to existing buildings (with a major emphasis on income-qualified households), which will create a significant new workload for permitting agencies.	

Brief Program Description:

The Codes and Standards (C&S) program complements existing statewide and regional investor-owned utility programs and fills gaps in services for local governments and the C&S community. This program engages and supports local government permitting agencies to help them enhance energy code compliance and embrace advanced energy codes, standards, and policies. By doing so, the program seeks to significantly reduce energy consumption and GHG emissions, accelerating local government leadership in energy efficiency.

This program is committed to providing local agencies and the C&S community with data-driven and actionable resources. These resources bolster understanding of energy codes, increase compliance, decrease energy consumption within buildings, and support the state's energy efficiency and GHG reduction goals. The C&S program helps public agencies collect and use data on the age and condition of building stock, comparative energy usage within building sectors, and permit issuance and enforcement processes. This data informs energy code compliance efforts and helps identify the most promising opportunities for reach codes and policies.

Known Equity Concerns in the Selected Markets:	Proposed Solutions to Equity Concerns:
One pressing equity concern in the market is the issue of low compliance with energy code performance requirements, which leads to increased energy consumption and less healthy, safe, and comfortable living and working environments. This disproportionately affects vulnerable communities, further exacerbating existing disparities in access to energy efficient and comfortable spaces. Low-income building owners and occupants often have significant financial constraints. As a result, they may be more likely to perform unpermitted work within their buildings to reduce immediate costs and bypass code compliance requirements.	The program recognizes the potential for substantial improvements in code compliance and building performance through improved, more efficient, and more effective practices by permitting agencies. Permitting agencies can ensure codes are followed by improving their processes, resulting in higher-performing buildings that are more energy efficient and provide healthier, safer, and more comfortable environments for occupants. To address equity concerns, the program places a strong emphasis on implementing building permit services and offering technical assistance designed for underserved, HTR, and disadvantaged communities. This approach helps alleviate customer trepidation often associated with the permit process, which can disproportionately affect these communities. In collaboration with the statewide C&S

	Enhancement team and research institutions, the program develops grid-friendly electrification opportunities that provide building owners and residents with shared economic benefits. In doing so, SDREN expects to significantly reduce the prevalence of unpermitted work in underserved and HTR communities. Increased compliance ultimately enhances energy efficiency, health, and safety. By directly engaging with communities and providing tailored support, the program bridges gaps in access to energy efficient and quality building practices, promoting a more equitable and sustainable future for all of San Diego County.
Intervention Strategy: Technical assistance, education, training, and outreach. ● Provide targeted education, tools, training and resources to local governments and C&S community stakeholders, including access to an Energy Code Coach, to improve energy code compliance and effectiveness. ● Leverage existing data resources and existing tracking mechanisms to measure and analyze code compliance and code development interventions that are supported by the program. This data-driven approach provides insights and feedback for continuous improvement. ● Provide information, analysis, and technical assistance to design, adopt, and implement advanced energy codes, benchmarking and energy audit requirements, buildings emissions performance standards, and other model approaches to lowering energy usage and GHGs (including low-GWP refrigerants) in new and existing buildings.	**Delivery Type:** Downstream – technical assistance, education, training, and outreach.

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- Activate and engage key stakeholder representatives in disadvantaged and HTR communities to aid in the development and delivery of programs. This approach fosters a sense of community ownership and ensures interventions are tailored to the specific needs and concerns of participating communities.

</td><td></td></tr>
<tr><td>Measurement and Verification Methods: N/A</td><td>Program Total System Benefit (TSB) for 2028-2031:
N/A</td></tr>
<tr><td>Annual Budgets for 2028-2031:
2028: $2,165,384.45
2029: $2,230,345.98
2030: $2,297,256.36
2031: $2,366,174.05
2028-2031 Total: $9,059,160.85</td><td>Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:
N/A</td></tr>
<tr><td>Anticipated directional and scale changes in budget for years 2032-2035:
SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.</td><td>Market Actors necessary for success:
The primary actors for the C&S program are local government departments/divisions that are responsible for building permit issuance and enforcement. Within most agencies this would include building and safety, community development, planning, and any other departments responsible for developing, overseeing, and enforcing statewide and local building standards and ordinances. Practitioners (developers, contractors, architects, engineers, etc.) who apply for permits that trigger energy code requirements and third party implementer(s) are also market actors necessary for the program's success.</td></tr>
<tr><td colspan="2">High-level description of delivery workforce including necessary scale and its risks:
The program implementer staff plays a crucial role in leading participants through the program's offerings and services, acting as guides and facilitators. The program leverages specialized subject-matter practitioners who are engaged by the implementer to provide comprehensive training and energy code coaching. The program also leverages specialists to support data</td></tr>
</table>

compilation, data analysis, and education and training. SDREN also leverages its IDSM working group as needed.

Near-term Program Output(s) (1-4 years):

- Build on initial needs assessment findings by delivering targeted technical assistance, training, and energy code coach support to participating jurisdictions.
- Support permitting agencies in implementing process improvements and data practices.
- Expand peer-to-peer learning opportunities among local governments to share model ordinances, policies, and enforcement practices.
- Refine tools, templates, and educational resources for both permitting staff and market practitioners.
- Prepare jurisdictions for upcoming code cycles and the end of the moratorium by introducing advanced topics such as electrification, low-GWP refrigerants, demand flexibility, and building performance standards.
- Increase engagement with jurisdictions serving disadvantaged and HTR communities to ensure they benefit from improved code compliance and building performance.

Long Term Outcome (5-10 years):

- Capacity and competence of local permitting agencies to review, inspect, and enforce energy code compliance will increase. As a result, local communities will experience improved energy efficiency, leading to more sustainable and comfortable buildings.
- Although temporarily impacted by the recent Title 24 moratorium, as new and more stringent energy code requirements spread throughout the state, local permitting agencies will be capable of achieving broad compliance with the new standards, while contributing benefits to the entirety of the energy system. This will result in adherence to energy codes and contribute to the state's energy and climate goals.
- The C&S community will increase understanding of and adherence to energy code requirements. They will actively support more energy efficient and lower GHG construction practices.
- Improved compliance reduces disparities in building performance and health outcomes for disadvantaged and HTR communities.
- Local agencies are better prepared for future code cycles involving electrification, demand flexibility, and grid-interactive buildings, supporting SDREN's long-term decarbonization goals.

Does this program interact with other programs in this PA portfolio? If so, describe:

The Codes & Standards program receives participant referrals from the Public sector programs.

Program Metrics and Indicators (KPIs):

- The number of local government Reach Codes implemented (this is a joint IOU and REN effort)
- Number of training activities (classes, webinars) held, number of market actors participants by segment (e.g. building officials, builders, architects, etc.) and the the total size (number of the target audience) by sector. (M) Number of training activities

<table>
<tr><td colspan="2">

- Number of training activities (classes, webinars) held, number of market actors participants by segment (e.g. building officials, builders, architects, etc.) and the the total size (number of the target audience) by sector. (M) Number of participants
- % of customers channeled to non SDREN programs
- Increase in code compliance knowledge pre/post training
- External funding leveraged to support SDREN programs/communities (% of total budget spend)

</td></tr>
<tr><td>Does this program utilize Integrated Demand Side Management (IDSM)?

Yes – Other; Provide IDSM education and technical support to code officials and participating contractors.</td><td>Link to Existing Implementation Plan, if existing:

Link to IP</td></tr>
</table>

Residential

Table 9. Program Card for Single-Family

<table>
<tr><th colspan="3">Program Name: Single-Family</th></tr>
<tr><td colspan="3">Program ID: SDREN-02-RES-SFM
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Equity</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Residential</td><td>Customer Group(s): Detached, renter or owner-occupied single-family residences</td></tr>
<tr><td colspan="2">Sector Challenges:
Residents often have limited familiarity with and/or are confused by existing energy efficiency and IDSM technologies, programs, and service offerings.
Capital intensive upgrades resulting from deferred maintenance hinders holistic projects and streamlined program implementation.
Difficulty establishing trust with HTR customers and within underserved communities.
HTR and underserved communities have historically faced disparities in access to clean energy programs and resources.
Split incentives between renters and property owners limit the opportunities to reach renter-occupied homes.
Many single-family homes have aging infrastructure, which can be a barrier to implementing energy efficient technologies.</td><td>Sector Opportunities (Expected Outcome(s)):
Partner with trusted CBOs and community partners for customer outreach to explain program opportunities. These organizations often have deep community connections and can reach underserved and HTR populations.
Focus on energy efficiency and IDSM offerings and educational opportunities that result in reduced energy costs and non-energy benefits for residents.
Support HTR and underserved communities with early decarbonization efforts. These communities often bear a disproportionate burden of environmental and energy-related challenges. Targeted support can improve these customers' living conditions and energy resilience.
Pair program opportunities with external programs for deeper savings and incentive stacking.
Provide no-cost installations through a direct install offering.</td></tr>
</table>

• Local regulations and permitting requirements can be a major hurdle for homeowners looking to make energy-efficient improvements. Navigating the bureaucracy and securing the necessary approvals can be time-consuming and frustrating. • Homeowners may be resistant to change, especially if they are unfamiliar with or skeptical of new energy efficient and IDSM technologies.	• Offer rebates for selected energy efficiency measures that can stack with, or meet gaps of, other program rebate offerings.

Brief Program Description:

SDREN'S Single-Family equity program offers a home Energy Advisor for residents that serves as a personal concierge-style service to connect them to program information and funding and financing opportunities. The Energy Advisor refers and connects residents to all eligible program resources. They act as a closed loop between participants and program service providers by coordinating with SDREN-supported contractors and contractors supporting other external programs. The program provides access to a growing and evolving knowledge base to support participants.

This approach increases program participation for HTR and underserved residents who would otherwise have limited access to these resources. To maximize accessibility for the community, the program provides services through multiple mediums, direct email correspondence to respond to participant questions and requests for information, and call centers.

The program's support services meet homeowner and renter needs. The program meaningfully engages with the renter community, a group historically left out of traditional energy programs, by offering a package of no-cost energy efficiency upgrades (direct install measures) for their homes. These upgrades reduce residents' energy consumption, lower their energy bills, and can complement other existing state programs aimed at reducing income-qualified resident utility bills, such as the Energy Savings Assistance program.

The Energy Advisor supports renters by working directly with property owners to advocate for upgrades at their properties. Rebates for additional energy efficiency measures are also available. Targeted efficiency measures may include attic and wall insulation, LED lighting, duct testing and sealing, low-flow shower heads, and faucet aerators. The program focuses on improving indoor air quality for residents through electrification by offering heat pump water heaters, HVAC heat pumps, induction stoves, and heat pump clothes dryers. The program leverages local contractors for installations to stimulate the local economy and support local workforce development.

The program provides energy efficiency kits and educational opportunities for renters and homeowners to create awareness of the benefits of energy conservation, energy efficiency, electrification, clean and renewable energy, DR program participation, and low-GWP refrigerants. Educational topics may include energy efficiency technologies and why they are eligible for incentives. For example, one educational opportunity might walk through a sample

<table>
<tr><td colspan="2">project scenario with stacked incentives and explanations of energy, financing, and policy-related terms (e.g., kilowatt hour, power purchase agreement, and governmental reach codes).

The program provides equitable and inclusive marketing and outreach strategies to promote the Energy Advisor services to both renters and homeowners. It partners with trusted CBOs and community partners for strategic outreach to explain available program opportunities to customers. The program shares specific information and materials for renters to help them advocate to landlords for upgrades in their homes. The Energy Advisor works with property owners directly to educate and advocate for upgrades on behalf of renters.</td></tr>
<tr><td>Known Equity Concerns in the Selected Markets:

Residents of single-family homes in HTR and underserved communities often receive limited outreach from energy efficiency programs. Shortfalls in outreach can impede access to vital resources and accessible funding, limiting program participation. Programs often remain inaccessible to community members due to insufficient consideration of equity and inclusion in outreach and educational materials. The absence of culturally-sensitive, linguistically-appropriate, and inclusive materials exacerbates barriers to participation, especially for non-English speaking residents.

Additionally, residents' busy schedules and their need for personalized outreach and program services through multiple mediums further hinders HTR and underserved community participation in energy efficiency programs.</td><td>Proposed Solutions to Equity Concerns:

To address equity concerns within the residential sector, the program implements a multi-faceted approach that includes an Energy Advisor service. Advisors ensure expanded access to program services through technical guidance, community outreach, and engagement.

To make information more accessible to all community members, the program prioritizes marketing materials that are in-person, equitable, and inclusive. These materials are thoughtfully designed, taking into consideration diverse needs such as in-language content, cultural understanding, accommodations for customers with impaired hearing or vision, etc.

Recognizing the importance of community trust and engagement, the program partners with trusted CBOs and community partners for outreach. By working alongside organizations deeply rooted in the community, the program leverages partners' existing networks and credibility to foster community trust and engagement.</td></tr>
<tr><td>Intervention Strategy: Technical assistance, incentives (both rebates and direct install), education, training, and outreach.

● Personal support and coaching for customers through an Energy Advisor service that is accessible through multiple mediums.</td><td>Delivery Type: Downstream – Deemed & Deemed Direct Install, technical assistance, education, training, and outreach.</td></tr>
</table>

<table>
<tr><td>

- Closed loop design for the customer with a single point of contact to provide guidance and referrals to relevant program contractors.
- Equitable and inclusive outreach and marketing materials.
- Educational materials including an energy efficiency starter kit for customers.
- Direct install of selected energy efficiency measures.
- Rebates for selected energy efficiency measures that can stack with, or meet gaps of, other program rebate offerings.

</td><td></td></tr>
<tr><td>Measurement and Verification Methods:
Deemed and installation inspections</td><td>Program Total System Benefit (TSB) for 2028-2031:
4 Year TSB: $6,089,164</td></tr>
<tr><td>Annual Budgets for 2028-2031:
2028: $6,766,510.08
2029: $7,007,454.84
2030: $7,257,145.20
2031: $7,515,905.82
2028-2031 Total: $28,547,015.93</td><td>Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:
4 Year TRC: 0.27
4 Year PAC: .29</td></tr>
<tr><td>Anticipated directional and scale changes in budget for years 2032-2035:
SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.</td><td>Market Actors necessary for success:
• Third party implementer(s).
• Trade professionals.
• Local contractors.
• Equipment manufacturers.
• Homeowners.
• Renters.
• Community-based organizations and community outreach partners.</td></tr>
<tr><td colspan="2">High-level description of delivery workforce including necessary scale and its risks:
SDREN staff, the program implementer staff, and the Energy Advisors guide program participants through the SDREN residential program offerings and services, in partnership with subcontracted engineering consultants, CBOs, SDREN's IDSM working group, and community partners. Licensed local contractors, electricians, and equipment manufacturers support the direct installation of energy efficiency measures, which may also include local workforce members who participated in SDREN's WE&T program. There are no known workforce related</td></tr>
</table>

risks for successful implementation of the program, though a delay in manufacturing or equipment delivery (or high demand) could pose a risk to project completion timelines.

Near-term Program Output(s) (1-4 years):

- Build on early years of concierge and direct-install delivery to serve more single-family customers across SDREN territory, with an emphasis on HTR and underserved households.
- Refine the Energy Advisor model, including customer journeys, communication practices, and referral protocols, based on customer and contractor feedback.
- Expand the mix of energy efficiency and electrification measures offered through direct install and rebates to support deeper decarbonization and comfort improvements.
- Strengthen coordination with ESA, SDG&E programs, and state funding to improve stacked incentives to streamline program navigation, remove capital barriers, and increase project affordability
- Enhance culturally-responsive, in-language outreach in partnership with CBOs to increase trust and awareness in HTR and underserved communities.

Long Term Outcome (5-10 years):

- HTR and underserved customers have fair and equal access to energy efficiency programs.
- HTR and underserved communities leverage program resources and incentives at an equal or greater rate than customer base at large.
- Participants increasingly adopt electrification technologies that improve indoor air quality and reduce reliance on fossil gas.
- Greater access to stacked incentives and financing options reduces long-term energy burden.
- Local contractors trained via WE&T support expanded delivery of home upgrades.

Does this program interact with other programs in this PA portfolio? If so, describe:

WE&T-trained contractors are introduced and directed to relevant SDREN programs such as its residential offerings, creating a direct pipeline of available contractors to help the San Diego region meet its decarbonization goals.

Program Metrics and Indicators (KPIs):

- Sum of all equity segment participants' kilowatt hour (kWh) savings in equity segment - lifecycle gross
- Sum of all equity segment participants' therm savings in equity segment - lifecycle gross
- Sum of all equity segment participants' TSB in equity segment
- Sum of all equity segment participants' greenhouse gas reductions (in tons of carbon dioxide equivalent) in equity segment - lifecycle gross
- Percent of equity target participants in equity segment, by sector
- % of customers anticipated to experience lower energy costs as a result of program participation (public, commercial, residential sectors)
- Total lifetime energy bill savings
- % of customers channeled to non SDREN programs

<table>
<tr><td colspan="2">

- External funding leveraged to support SDREN programs/ communities (% of total budget spend)
- % of equity customers served compared to total customers served

</td></tr>
<tr><td>

Does this program utilize Integrated Demand Side Management (IDSM)?

Yes - Other; including:

- Focus on energy efficiency and IDSM offerings and educational opportunities.
- Provide services and resources to help secure external funding and financing for IDSM opportunities.

</td><td>

Link to Existing Implementation Plan, if existing:

Link to IP

</td></tr>
</table>

Table 10. Program Card for Multifamily

<table>
<tr><th colspan="3">Program Name: Multifamily</th></tr>
<tr><td colspan="3">Program ID: SDREN-01-RES-MFM
New / Existing: Existing
Expected Program Duration: 2028 - onwards</td></tr>
<tr><td>Portfolio Segment: Equity</td><td>Program Implementer Type: Third Party Implementer</td><td>Third-Party Program Implementer (applicable to IOUs only): n/a</td></tr>
<tr><td colspan="2">Applicable Sector: Residential</td><td>Customer Group(s): Multifamily buildings of two or more units</td></tr>
<tr><td colspan="2">Sector Challenges:
HTR and underserved residents and property owners often have limited familiarity with existing energy efficiency and IDSM technologies, programs, and service offerings, especially electrification.
Difficulty establishing trust with HTR customers and within underserved communities.
Split incentives between renters and property owners limit the opportunities to reach renter-occupied homes.
There is no existing single-program solution to meet the needs of a multifamily dwelling.
Local regulations and permitting requirements can be major hurdles.
Risks of tenant displacement as a result of increased property values and rising rents.</td><td>Sector Opportunities (Expected Outcome(s)):
Pair program opportunities with external existing and emerging programs for incentive stacking to realize deeper savings and decarbonization of multifamily properties.
Partner with trusted CBOs and community partners for customer outreach to explain program opportunities.
Focus on energy efficiency and IDSM offerings and educational opportunities that result in reduced energy costs and increased non-energy benefits for residents.
Reduce property owners' energy and operating costs to support reinvestment into the building and improve quality of life for tenants.
Provide energy efficiency and IDSM education and advisory services to property owners, property management companies, and tenants to address the split incentive challenge.</td></tr>
</table>

	● Provide no-cost installations through a direct install offering, with a focus on electrification measures to help HTR and underserved communities decarbonize. ● Work to protect tenants from potential increased rents that can result from property investments. ● Coordinate directly with PAs and implementers to apply the latest lessons learned from other multifamily programs prior to implementation.

Brief Program Description:

SDREN's Multifamily program targets multifamily property owners/managers as well as tenants to address facility upgrades that impact both common area measures (CAM) and renter-specific in-unit utility bill savings.

For property owners and property managers, the program provides customizable engagement strategies tailored to the decision-maker for property upgrades. The program promotes benefits such as energy bill savings, operating cost savings, return on investment, and increased property value, as well as non-energy benefits such as health and comfort. The program also offers technical assistance to property owners and managers in the form of unbiased program staff support throughout the project lifecycle. This turnkey service engages decision-makers in energy upgrade decisions, ensuring that projects achieve their intended energy cost savings and benefits.

The program offers a systems tune-up assessment as an outreach strategy that identifies "quick-win" savings with project payback of less than two years. Building upgrades focus on the impacts on CAM areas by providing energy audits to identify opportunities for energy efficiency measures. Recommended upgrades are presented to the property owner or manager alongside corresponding costs, savings, and financial metrics. The program offers rebates that can be stacked with other applicable utility, regional, or state program incentives. It also provides financial resources to help secure external funding and financing, including IDSM opportunities. Property owners and managers receive guidance on state and municipal building code requirements and compliance, including reach codes and, once the moratorium is lifted, any new Title 24 updates, to help guide upgrade decisions. Additionally, the program offers unbiased reviews of contractor quotes to help make a contractor selection.

Specific to renters, the program meaningfully engages with the renter community, a group historically left out of traditional energy programs, by offering a package of no-cost energy efficiency upgrades (direct install measures) for their residences. These upgrades reduce residents' energy consumption and lower their energy bills, and can complement other existing state programs aimed at reducing income-qualified resident utility bills, such as the Energy Assistance Savings program. Rebates for additional energy efficiency measures are also

available. Targeted efficiency measures include attic and wall insulation, LED lighting, duct testing and sealing, low-flow shower heads, and faucet aerators. The program also focuses on improving indoor air quality for residents through electrification, targeting heat pump water heaters, induction stoves, and heat pump clothes dryers. The program leverages local contractors for installations to stimulate the local economy and support local workforce development.

The program provides energy efficiency kits and educational opportunities for renters to create awareness of the benefits of energy conservation, energy efficiency, electrification, clean and renewable energy, DR program participation, and low-GWP refrigerants. Educational topics may include energy efficiency technologies, why the technologies are eligible for incentives, a sample project scenario with stacked incentives, and energy, financing, and policy-related terms.

The program improves multifamily facilities while protecting tenants from potential increased rents that can result from property investments. The program partners with CBOs and trusted community partners with subject matter expertise alongside local municipalities to create awareness of existing and help inform new anti-displacement policies. An informed and community-driven approach to anti-displacement policies fosters a network that involves tenants, property owners, and community partners, where feedback is shared and incorporated, enabling all stakeholders to participate in and prioritize the overall needs and long-term shared vision for the community.

Known Equity Concerns in the Selected Markets:	**Proposed Solutions to Equity Concerns:**
Multifamily residents and property owners in HTR and underserved communities often receive limited outreach from energy efficiency programs, which results in limited awareness and knowledge of available energy program services and potential benefits. Residents and property owners also often hold the perception that energy efficiency and IDSM measures are too capital intensive. They may not fully understand the savings benefits or long-term payback considerations. Programs may also be inaccessible to community members due to insufficient consideration of equity and inclusion in program outreach and educational materials.	To make information more accessible to all community members, the program prioritizes marketing materials that are in-person, equitable, and inclusive. These materials are thoughtfully designed, taking into consideration diverse needs such as in-language content, cultural understanding, accommodations for customers with impaired hearing or vision, etc. Recognizing the importance of community trust and engagement, the program partners with trusted CBOs and community partners for strategic outreach. By working alongside organizations deeply rooted in the community, the program can leverage their existing networks and credibility to foster community trust and engagement.
Intervention Strategy: Technical assistance, incentives (both rebates and Direct Install), education, training, and outreach.	**Delivery Type:** Downstream – Deemed, Deemed Direct Install, Technical assistance, education, training, and outreach.

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<tr><td>

- Personal project support for property owners and managers through turnkey technical assistance.
- Equitable and inclusive outreach and marketing materials, targeted and customized to property owners, managers, and tenants.
- Educational materials, including an energy efficiency starter kit for customers.
- Direct install of selected energy efficiency measures.
- Rebates for selected energy efficiency measures that can stack with, or meet gaps of, other program rebate offerings.

</td><td></td></tr>
<tr><td>Measurement and Verification Methods:
Deemed and site inspections</td><td>Program Total System Benefit (TSB) for 2028-2031:
4 Year TSB: $3,396,194</td></tr>
<tr><td>Annual Budgets for 2028-2031:
2028: $3,607,519.65
2029: $3,734,647.96
2030: $3,866,345.86
2031: $4,002,781.49
2028-2031 Total: $15,211,294.96</td><td>Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031:
4 Year TRC: 0.27
4 Year PAC: .27</td></tr>
<tr><td>Anticipated directional and scale changes in budget for years 2032-2035:
SDREN will maintain program steady-state beyond 2031. For years 2032-2035, budgets will increase at a moderate 3% annually to address inflation and to meet increasing customer demand.</td><td>Market Actors necessary for success:

- Third party implementer(s).
- Trade professionals.
- Local contractors.
- Equipment manufacturers.
- Community-based organizations and community outreach partners.
- Property owners.
- Property managers.
- Tenants.

</td></tr>
</table>

High-level description of delivery workforce including necessary scale and its risks:

SDREN staff and the program implementer staff guide program participants through the SDREN residential program offerings and services in partnership with subcontracted engineering consultants, CBOs, SDREN's IDSM working group, and other community partners. Licensed local contractors, electricians, and equipment manufacturers support the direct installation of energy efficiency measures. There are no known workforce-related risks to the successful implementation of the program, though a delay in equipment manufacturing or delivery (or high demand) could pose a risk to project completion timelines. Additional partners and stakeholders not under contract may include trade associations, chambers of commerce, and municipalities.

Near-term Program Output(s) (1-4 years):

- Expand support to additional multifamily properties, including deed-restricted affordable housing and smaller, independently owned buildings.
- Increase delivery of turnkey technical assistance, from systems tune-ups to comprehensive retrofit planning, to move more projects into implementation.
- Scale in-unit and common-area direct install offerings while refining electrification and demand-flexibility strategies based on lessons from early projects.
- Deepen partnerships with CBOs, tenant groups, and local jurisdictions to align on anti-displacement strategies and tenant protections.
- Enhance engagement materials and training for property owners, managers, and tenants to build shared understanding of benefits and available protections.
- Improve cross-program and cross-funding coordination so multifamily properties can more easily stack SDREN, IOU, and state resources.

Long Term Outcome (5-10 years):

- HTR and underserved customers, specifically renters, have fair and equal access to programs.
- HTR and underserved communities leverage program resources and incentives at an equal or greater rate than customer base at large.
- Property owners and property managers are aware of program offerings and resources and have the policies to support energy efficiency upgrades.
- Electrification and demand-flexibility upgrades in multifamily housing support the region's decarbonization goals while improving indoor air quality and comfort.
- Tenant protections informed through CBO partnerships help ensure decarbonization does not contribute to displacement.
- Local contractors trained via SDREN's WE&T offerings support consistent, high-quality delivery of upgrades in multifamily buildings.

Does this program interact with other programs in this PA portfolio? If so, describe: WE&T-trained contractors are introduced and directed to relevant SDREN programs such as its residential offerings, creating a direct pipeline of contractors available to support programs and help the San Diego region meet its decarbonization goals.
Program Metrics and Indicators (KPIs): ● Sum of all equity segment participants' kilowatt hour (kWh) savings in equity segment - lifecycle gross ● Sum of all equity segment participants' therm savings in equity segment - lifecycle gross ● Sum of all equity segment participants' TSB in equity segment ● Sum of all equity segment participants' greenhouse gas reductions (in tons of carbon dioxide equivalent) in equity segment - lifecycle gross ● Percent of equity target participants in equity segment, by sector ● % of customers anticipated to experience lower energy costs as a result of program participation (public, commercial, residential sectors) ● Total lifetime energy bill savings ● % of customers channeled to non SDREN programs ● External funding leveraged to support SDREN programs/ communities (% of total budget spend) ● % of equity customers served compared to total customers served

Does this program utilize Integrated Demand Side Management (IDSM)?	**Link to Existing Implementation Plan, if existing:**
Yes - Other; including: ● Focusing on energy efficiency and IDSM offerings and educational opportunities. ● Providing energy efficiency and IDSM education and advisory services to property owners, property management companies, and tenants to address the split incentive challenge. ● Providing financial resources to help secure external funding and financing, including for IDSM opportunities.	Link to IP

Docket No.: A.26-03-009 et al.

Exhibit No.: SDREN – 05

Date: November 13, 2026

Witness: Various

PREPARED OPENING TESTIMONY

ON BEHALF OF

SAN DIEGO REGIONAL ENERGY NETWORK

REGARDING 2028-2031 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN APPLICATIONS

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I. INTRODUCTION AND SUMMARY OF TESTIMONY

The San Diego Regional Energy Network ("SDREN") presents this Opening Testimony in the consolidated Application for Approval of Portfolio Administrators' ("PAs") 2028-2031 Portfolio Plans and 2028-2035 Business Plans.[1] This testimony was prepared on behalf of SDREN by Colin Santulli, Senior Director of Programs, Aisha Cervantes-Cissna, Senior Policy Manager, and Sheena Tran, Associate Director of Programs, San Diego Community Power.

The purpose of this testimony is to address the questions set forth in the September 17, 2026, *Administrative Law Judge's Ruling Seeking Responses to Specific Questions in Opening Testimony* ("Ruling").[2] In response to the questions posed in that Ruling, and in addition to the recommendations set forth in its Application and accompanying testimony,[3] SDREN recommends as follows:

- **Question 1**: Any mechanism to adjust portfolios based on pending or contemplated California Air Resources Board ("CARB") rules should be sufficiently flexible to account for uncertainty in the scope and timing of the final rules.

[1] Application ("A.") 26-03-009 et al. (filed Mar. 16, 2026). On April 15, 2026, the Commission consolidated the Applications of the Bay Area Regional Energy Network, Southern California Edison Company, the Tri-County Regional Energy Network, San Diego Gas & Electric Company, the Northern California Rural Regional Energy Network, Marin Clean Energy, the Southern California Regional Energy Network, Pacific Gas and Electric Company, Southern California Gas Company, SDREN, the Central California Rural Regional Energy Network, Peninsula Clean Energy (Peninsula Clean Energy changed its name to WestLight Energy since filing its initial application), and the Inland Regional Energy Network (*see* A.26-03-009 et al., *Administrative Law Judge's Ruling Consolidating Proceedings and Confirming Final Dates to File Protests, Responses and Replies* (Apr. 15, 2026)).

[2] A.26-03-009 et al., *Administrative Law Judge's Ruling Seeking Responses to Specific Questions in Opening Testimony* (Sept. 17, 2026).

[3] *See generally* A.26-03-009 et al., *Application of San Diego Community Power for Approval of the San Diego Regional Energy Network (CPUC ID U-4001-E) 2028-2031 Portfolio Plan and 2028-2035 Business Plan* (Mar. 16, 2026); *see also* A.26-03-009 et al., *San Diego Regional Energy Network Exhibit 1 2028-2031 Portfolio Plan and 2028-2035 Business Plan Testimony* (Mar. 16, 2026).

- **Question 2**: The Commission should approve SDREN's Equity segment budget, which is tailored to support its offerings and meaningfully contribute towards statewide goals.
- **Question 3**: To the extent the Commission adopts Southern California Edison Company's ("SCE") proposal to consolidate program delivery types, it should ensure that consolidation does not alter how direct install savings, costs, or net-to-gross ("NTG") values are treated.
- **Question 6(a)-(c)**: The Commission should adopt a single definition of "Equity Targeted Customer," reject proposals to narrow existing definitions, and adopt proposals to clarify and modestly expand upon existing definitions. The Commission should operationalize its Equity Targeted Customers definition through a single checklist of existing qualifiers, and should update the third regional energy network ("REN") criterion to refer to the updated definition. The Commission should align identification and verification of customer eligibility with the underlying qualifier type, and should develop a centralized tool that all PAs can use to identify Equity Targeted Customers. Finally, the Commission should decline to ground its definition of Equity Targeted Customers in project count or population size.
- **Question 7**: The Commission should provide PAs sufficient flexibility to support tailored transitions from propane and other unregulated fuels toward efficient electric technologies, where doing so advances decarbonization while appropriately considering affordability, grid reliability, resilience, and customer and community needs. Additionally, Commission staff should develop and issue a staff proposal

synthesizing parties' fuel-switching recommendations in opening testimony and reviewing approaches adopted in other states. The Commission should either provide that staff proposal through an additional ruling requesting comments, or should take notice of it within the record such that parties may address it in briefing.

- **Question 11**: The Commission should generally incorporate "right-sizing" strategies in the energy efficiency ("EE") portfolio and should ensure that cost-effectiveness and attribution methods recognize the value of those strategies.
- **Question 13**: The Commission should continue to support Integrated Demand-Side Management ("IDSM") within the EE portfolio for the current portfolio cycle, and should also consider the longer-term role and design of IDSM in a broader forum, such as Rulemaking ("R.") 25-04-010. In determining when, how, and in what instances the Commission should discontinue EE funding for load shifting, the Commission should consider (1) the size, reach, and accessibility of load shifting opportunities available through other proceedings; (2) whether those opportunities provide viable pathways for all PA types; (3) the extent to which dynamic rates and other market-based mechanisms are sufficiently mature and accessible to support load-shifting objectives; (4) potential impacts on customer participation and program delivery; and (5) whether a transition would maintain equitable access for underserved customers and communities consistent with the Commission's Environmental and Social Justice ("ESJ") Action Plan.

SDREN's decision not to address a particular question or party proposal in this opening testimony should not be construed as agreement with or endorsement of any argument, position, or proposal presented in this proceeding. SDREN reserves the right to

address additional issues and considerations, and to respond to other parties' testimony and proposals, in rebuttal testimony, as appropriate.

II. SDREN'S RESPONSE TO ALJ QUESTIONS

A. Question 1: Any Portfolio Adjustment Mechanism Should Account for Uncertainty in the Scope and Timing of Final CARB Rules.

Question 1 in the Ruling asks:[4]

> Following the adoption of the California Air Resources Board's final rules on the Clean Space and Water Heater Standards, or other regional standards, should the Commission adopt a process to allow adjustments to the Business Plan Applications (in budget caps, strategies, portfolio composition, or other) based on the final rules? If so, why? Please provide a recommendation for what this process would entail.

SDREN does not, at this time, offer a specific recommendation to address the CARB rules on the Clean Space and Water Heater Standards. CARB's Clean Space and Water Heater Standards are not yet final, and the scope, timing, and stringency of the final rules will determine whether and how Business Plan Application ("BPA") assumptions are affected.[5] Final CARB rules could prove more or less stringent, or take effect later, than the assumptions underlying the BPAs. Accordingly, any adjustment process should be sufficiently flexible to ensure that BPAs may be adjusted in response to any of these outcomes.

Finally, regional standards, such as regional air district requirements, may also impact BPAs. To the extent those regional standards become final during the course of this proceeding, the Commission should apply the same principles to those standards as those set forth in Decision ("D.") 09-05-037. In that Decision, the Commission concluded that

[4] Ruling at 2.

[5] For more information regarding the Clean Space and Water Heater Standards, *see* https://ww2.arb.ca.gov/our-work/programs/clean-space-and-water-heater-standards.

"incentives and savings in communities with 'reach' requirements should be no different from those in other communities, and not be treated as free riders."[6]

SDREN reserves the right to respond to other parties' recommendations in rebuttal, including those related to the design of an adjustment mechanism and the treatment of measure baselines.

B. Question 2: The Commission Should Approve SDREN's Proposed Equity Segment Funding, which Supports its Proposed Equity Program Offerings and Contributes to Statewide Policy Objectives.

Question 2 of the Ruling asks:[7]

> Is equity segment funding from each applicant, individually and/or collectively, sufficient to achieve the Commission's policy objectives for the equity segment? Please provide quantitative and qualitative explanations for your response.

SDREN takes no position as to whether the level of Equity segment funding proposed by other PAs, either individually or collectively, is sufficient to achieve the Commission's policy objectives. However, SDREN's proposed Equity segment funding for 2028-2031 is sufficient and appropriate to support its planned Equity programming; this level of funding will enable SDREN to meaningfully contribute towards the Commission's objectives for this segment.

SDREN proposes a budget of approximately $76.6 million for its Equity segment for 2028-2031. When compared with SDREN's Equity segment budget of approximately $55.0 million for 2024-2027, SDREN's proposal reflects an increase of approximately $21.5 million, or 39 percent. This increase primarily reflects the different stages of program implementation covered by the two portfolio periods and updated costs associated with

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[6] Decision ("D.") 09-05-037, Conclusion of Law ("COL") 6 (May 26, 2009).
[7] Ruling at 2.

delivering the programs during the 2028-2031 period, rather than a significant expansion or restructuring of SDREN's Equity segment programming.

SDREN's 2024-2027 Equity segment budget incorporated the start-up and ramp-up of a newly authorized REN, including a partial initial year focused on foundational activities such as contracting, program solicitations, development of Implementation Plans, coordination, and other activities necessary to establish the portfolio. Accordingly, SDREN's proposed Equity segment budget increased from approximately $7.0 million in 2024 to $17.6 million in 2027 as programs ramped toward full implementation.

In contrast, SDREN's proposed 2028-2031 Equity segment budget reflects four full years of program delivery after SDREN's programs have moved through development and launch. SDREN's 2028-2031 BPA retains the same ten-program portfolio and does not propose significant changes to its portfolio segments or significant budget shifts. All ten programs are fully launched as of this testimony, meaning the 2028-2031 budget reflects sustained delivery at a more mature level rather than the lower expenditures associated with initial program start-up.

Within the Equity segment specifically, SDREN's proposed funding supports the following programs: Tribal Engagement, Single-Family, Multifamily, Efficient Refrigeration, and SMB Energy Coach,[8] which are designed to address barriers that underserved and hard-to-reach ("HTR") customers face in accessing EE opportunities. SDREN's proposed Equity budget also directs substantial resources toward measures delivered directly to customers. Approximately 55 percent of SDREN's proposed 2028-2031 Equity segment budget is allocated to direct-install measures, supporting access to

[8] "SMB" is defined as Small/Medium Businesses.

EE and decarbonization measures for customers who may otherwise face financial, informational, or other barriers to participation.

Consistent with SDREN's approach in the prior portfolio cycle, SDREN developed its 2028-2031 budget using a zero-based budgeting methodology. SDREN's budget forecast incorporates updated regional demographic and equity analysis, anticipated participation among households, small businesses, and public agencies, cost benchmarks from comparable REN and investor-owned utility ("IOU") Equity programs, and current direct-install measure and implementation costs. Because the forecast reflects the costs expected to be incurred during the 2028-2031 period, it also accounts for changes in measure, installation, labor, and other implementation costs over time, including inflationary pressures. SDREN used these inputs to estimate the resources necessary to achieve anticipated participation and savings outcomes at a reasonable scale.

Importantly, the higher dollar amount associated with SDREN's 2028-2031 budget request does not reflect a disproportionate shift toward Equity within SDREN's portfolio. Equity represented approximately 46.1 percent of SDREN's 2024-2027 non-EM&V portfolio and represents approximately 45.4 percent of its proposed 2028-2031 non-EM&V portfolio. Thus, the increase is not indicative of a material change in SDREN's overall portfolio strategy.

Finally, it is also important to consider SDREN's Equity funding proposal within the context of the changing composition of regional Equity programming. In its 2024-2027 portfolio, San Diego Gas & Electric Company ("SDG&E") included six regional Equity programs with a budget of approximately $19.7 million, constituting 6% of its overall budget. In contrast, SDG&E's 2028-2031 BPA proposes no regional programs categorized

in the Equity segment, and its proposed statewide Equity segment budget is $926,434, or 0.3% of its total 2028-2031 budget request. SDREN does not opine on the sufficiency of SDG&E's funding or that proposed by other PAs. However, the reduction in regional Equity programming outside of SDREN underscores the importance of adequately funding SDREN's portfolio to maintain meaningful access to Equity-focused EE services in the San Diego region.

In sum, SDREN's proposed $76.6 million Equity segment budget is sufficient to support the scale and maturity of its planned programming and advance the Commission's Equity segment objectives. SDREN's proposed funding supports four years of mature implementation, dedicates substantial resources to direct-install measures, and reflects updated participation and program-delivery costs for the 2028-2031 period. It also provides continuity of regional Equity-focused services at a time when other proposed regional Equity programming is substantially reduced.

C. Question 3: Any Consolidation of Delivery Types Should Not Alter the Treatment of Direct-Install Savings, Costs, or NTG Values.

Question 3 of the Ruling asks:[9]

> Southern California Edison Company proposed allowing consolidation of program delivery types into sales based or customer based. Describe considerations that would impact consolidating program delivery types in this or any other manner, including but not limited to: cost-effectiveness calculations, impact to operational costs, generation and measurement of total system benefit (TSB), incentive design, delivery expectations, impact on contractor delivery of services, portfolio simplification, etc.

SDREN does not, at this time, take a position on SCE's proposal. Because SDREN's portfolio does not currently include sales-based delivery, the proposal would have limited direct effect on SDREN. However, it is important to note that direct install is

[9] Ruling at 2.

central to SDREN's Equity segment, and that any consolidation of delivery types should not alter how direct install savings, costs, or NTG values are treated. SDREN reserves the right to respond to parties' comments and recommendations regarding consolidation of program delivery types in rebuttal testimony.

D. Question 6: The Commission Should Adopt a Single Definition of Equity Targeted Customer, Reject Proposals to Narrow Existing Definitions, and Adopt Certain Measures to Streamline Implementation.

Question 6 of the Ruling asks:[10]

> Should all portfolio administrators use a single definition of Equity Targeted Customer – instead of using Hard-to-Reach, Disadvantaged Communities, and Underserved? If so, what are the criteria that should be included in that definition so that it can be efficiently and effectively operationalized? If not, should any of the current definitions for Hard-to-Reach, Disadvantaged Communities, or Underserved be adjusted, and if so, how?
>
> a. What level of stringency is appropriate for portfolio administrators in determining who qualifies as an Equity Targeted Customer? How much flexibility should portfolio administrators have in making a determination?
> b. Should the definition of Equity Targeted Customer take into account the number of projects (direct install/incentive) that have historically been implemented in certain communities? If so, how? If not, why?
> c. Should the Commission consider the potential population size of Equity Targeted Customers in determining the appropriate definitions? If so, how? If not, why?

1. Question 6: The Commission Should Adopt a Definition of Equity Targeted Customer that Does Not Reduce Existing Eligibility Criteria, Operationalized Through a Common Checklist.

The Commission should adopt a single, umbrella definition of "Equity Targeted Customer" for use by all PAs, provided the change is additive, is inclusive of existing HTR, disadvantaged communities ("DAC"), and underserved criteria, and results in no net loss of eligibility. Any customer who qualifies today as HTR, is located in a DAC, or meets

[10] *Id*. at 3-4.

underserved criteria should continue to qualify as an Equity Targeted Customer. Consistent with Resolution E-5351, a customer need only satisfy one of these three pathways (HTR, DAC, or underserved) to qualify as an Equity customer. In developing its updated umbrella definition, the Commission should utilize a disjunctive "or" construct to make clear that consolidation does not require a customer to meet more than one pathway. Formally adopting an umbrella term of "Equity Targeted Customers" aligns with prior Commission guidance and would simplify administration, as described below. For additional transparency and efficiency of implementation, the Commission should operationalize this definition through the use of a common checklist.

a. Adoption of a single definition formalizes the framework the Commission and SDREN already use.

In D.23-06-055, the Commission explained that "[t]he purpose of equity segment programs is to provide energy efficiency to hard-to-reach or underserved customers and disadvantaged communities in advancement of the ESJ Action Plan."[11] In that Decision, the Commission defined "equity market participants" as equity program participants identified by at least one of the Equity segment flags in the California Energy Data Reporting System ("CEDARS"), which includes HTR, DAC, or underserved.[12] With this in mind, the Commission's guidance contemplated a definition in which these three subcategories work together as one Equity population.

This unified definition has been applied consistently, albeit with slightly different terminology, since the issuance of D.23-06-055. In that Decision, the Commission also directed the California Energy Efficiency Coordinating Committee ("CAEECC") to re-

[11] Decision ("D.") 23-06-055, p. 43 (Jul. 3, 2023).
[12] *Id*. at 60.

engage the Equity Metrics Working Group and Market Support Working Group to develop recommendations clarifying the Equity and Market Support indicators adopted in D.23-06-055.[13] PAs subsequently submitted a joint advice letter filing responsive to that directive, which the Commission adopted through Resolution E-5351.[14] That advice letter, and Resolution E-5351, defined "equity target participant" as "a program participant that meets Commission-adopted criteria for being hard-to-reach, located in a disadvantaged community, OR [sic] underserved."[15]

SDREN's Application likewise uses the term "equity customers" in alignment with this Commission-approved definition. Formally adopting "Equity Targeted Customer" as the umbrella term would confirm the existing framework and ensure PAs are utilizing uniform terminology to describe these customers.

b. A single definition should simplify administration without narrowing eligibility.

Several PAs agree that the current definitions are challenging to practically apply, but each PA proposes a different solution:

- Pacific Gas and Electric Company ("PG&E") recommends that the definition of HTR "be refined so that it does not require direct data collection from customers..."[16] PG&E similarly recommends "refinement of the definition of underserved so that it does not require any direct data collection from customers…"[17]

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13 *See id*. at 29.
14 Advice Letter 4438-E/3299-G, et al. (May 1, 2024).
15 Resolution E-5351, p. 7 (Jun. 17, 2025).
16 A.26-03-009 et al., Exh. PG&E-1: *Pacific Gas and Electric Company Energy Efficiency 2028-2035 Business Plan and 2028-2031 Portfolio Plan, Prepared Testimony*, p. 6-63:8-14 (Mar. 16, 2026).
17 *Id*. at 6-63:21-25.

- Southern California Gas Company ("SoCalGas") states that "[a] simplified, geography-based approach would improve clarity."[18]
- SCE's recommendation goes further to propose removal of the several qualifying criteria from the Commission's adopted Equity and HTR definitions. For example, it argues that "ESA [Energy Savings Assistance] eligible customers should be excluded from EE equity eligibility to avoid duplication and customer confusion."[19] SCE also recommends removal of non-English primary language, school lunch participation metrics, employee count thresholds, and other metrics from the Commission's Equity and HTR definitions.[20]

SDREN generally agrees that the Commission's Equity definition, including the definitions applicable to the three subcategories, should be easier to apply. However, the Commission should not remove barrier-based criteria or replace existing definitions with a geography-only screen. Such a screen would miss customers who face language, housing-type, and split-incentive barriers, but do not live in a qualifying census tract.

Notably, the Bay Area Regional Energy Network ("BayREN") raised this same concern in its Response to PAs' Applications, explaining that a zip-code screen "would likely exclude and disqualify customers that qualify for the HTR classification due to lack of access to program information or language barriers, housing type and the split incentive barrier for tenants."[21] The Central California Rural Regional Energy Network ("CCR

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[18] A.26-03-009 et al., Exh. SCG-01: *Prepared Direct Testimony of Southern California Gas Company (2028-2031 Portfolio Plan and 2032-2035 Business Plan)*, p. 196:22-23 (Mar. 16, 2026).

[19] A.26-03-009 et al., Exh. SCE-01A: *Amended Direct Testimony of Southern California Edison Company in Support of its Application for Approval of its Energy Efficiency 2028-2031 Portfolio Plan and 2032-2035 Business Plan*, p. 89:23-25 (Sept. 30, 2026) (definition added).

[20] *Id*. at 90:4-11.

[21] A.26-03-009 et al., *Response of Bay Area Regional Energy Network*, p. 10 (May 1, 2026).

REN") similarly warned that excluding ESA-eligible customers "could introduce the need for all Equity programs serving HTR customers to undertake time-consuming and expensive income verification processes."[22] These concerns are well-founded and are informed by the experience of REN PAs most focused on services to Equity customers.

Finally, SCE grounds its recommendation in an observation of "findings indicating no material differences in adoption or free ridership rates" between HTR and non-HTR customers.[23] But this reasoning is based upon faulty uniform attribution assumptions, which treat Equity customers as "just as likely as the broader population to undertake measures absent program support."[24] That assumption is fundamentally "inconsistent with the barrier-based definitions embedded in Commission policy."[25] Accordingly, the Commission should preserve current qualifying metrics in its adoption of any umbrella definition of Equity Targeted Customer.

c. The Commission should adopt several definitional modifications to clarify or modestly expand Equity eligibility.

Several PAs have proposed definitional modifications that would clarify or reasonably expand eligibility for Equity Targeted Customers. The Commission should adopt the following definitional modifications in this proceeding:

- **RUCA Census Tracts.** SDREN recommends that the Commission add United States Department of Agriculture ("USDA" Rural-Urban Commuting Area

[22] A.26-03-009 et al., *Response of Central California Rural Regional Energy Network to the Applications of Portfolio Administrators for Approval of 2028-2031 Energy Efficiency Portfolio Plans and 2028-2035 Business Plans*, p. 8 (May 1, 2026).
[23] Exh. SCE-01A at 90:14-16.
[24] Exh. SDREN-01 at 210:11-13.
[25] *Id*. at 210:13-14.

("RUCA") census tracts to the definition of "underserved" applicable to all PAs.[26] SDREN currently utilizes this metric in its definition of underserved and intends to continue utilizing this SDREN-specific modification if the Commission declines to adopt it statewide.[27]

- **Multifamily and Medical Baseline Customers.** The Tri-County Regional Energy Network ("3C-REN") recommends that the Commission expand the HTR definition to include all multifamily properties and medical baseline customers.[28] 3C-REN explains this modification is necessary because RENs "find it difficult to provide support to medical baseline customers through their programs."[29]
- **Access and Functional Needs ("AFN") and Disaster-Affected Communities.** The Northern California Rural Regional Energy Network ("NREN") recommends adding "individuals with Access and Functional Needs (AFN), [and] communities impacted by climate-related natural disasters."[30] BayREN also recommended the inclusion of Access and Functional Needs communities in Chapter 11 of its BPA.

SDREN supports each of these modifications as equitable and reasonably narrow additions to the Commission's Equity qualifying metrics.

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[26] A.26-03-009 et al., *Protest of San Diego Community Power on Behalf of the San Diego Regional Energy Network*, p. 12 (May 1, 2026) (note that SDREN incorporated this recommendation into its Protest in response to an Energy Division request).

[27] *Id*.

[28] A.26-03-009 et al., Exh. 3C-REN-01: *Tri-County Regional Energy Network 2028-2031 Portfolio Plan and 2028-2035 Business Plan Direct Testimony*, pp. 222:20-223:2 (Mar. 16, 2026).

[29] *Id*. at 222:15-18.

[30] A.26-03-009 et al., *Application of the Redwood Coast Energy Authority on Behalf of the Northern California Rural Regional Energy Network for Approval of 2028-2031 Portfolio Plan and 2032-2035 Business Plan*, p. 15 (Mar. 16, 2026).

d. The Commission should operationalize the definition through a single checklist of existing qualifiers.

To address PAs' concerns surrounding the ease and efficiency of implementing the Commission's Equity Targeted Customer definition, and as a measure that could reduce administrative costs, SDREN recommends that the Commission adopt a common checklist of non-redundant qualifiers drawn from the existing HTR, DAC, and underserved definitions. The checklist would label each qualifier as either:

- geographic, meaning location-based (e.g., a designated DAC census tract or tribal lands); or
- customer-based, meaning based on the customer's own circumstances (e.g., income program enrollment or small business size).

The checklist, which would primarily be used by implementers, would then assign each qualifier to the right verification method, significantly streamlining evaluation. The geographic criteria could further be combined into one statewide list of qualifying census tracts, which would provide a useful reference for implementers and PAs.

SDREN's recommended Equity Targeted Customer checklist is set forth below.

Equity Targeted Customer Checklist

GEOGRAPHIC (check all that apply)	CUSTOMER-BASED (check all that apply)
Verify once: address / census tract lookup	Verify once: bill, rate code, enrollment record, or self-attestation
☐ **G1** CalEnviroScreen disadvantaged community (top 25%) ☐ **G2** Low-income census tract (median household income ≤ 80% of statewide) ☐ **G3** School area where ≥ 75% of students qualify for free/reduced-price meals ☐ **G4** Tribal lands of a federally recognized California tribe ☐ **G5** Outside the major metro areas (SF Bay, Greater LA, Greater Sacramento, San Diego) ☐ G6 RUCA census tract*	☐ **C1** California Native American Tribe ☐ **C2** Enrolled in or eligible for CARE, FERA, or ESA ☐ **C3** Renter in multifamily housing or a mobile home ☐ **C4** Primary language other than English ☐ **C5** Small business (≤ 25 employees, or < 20 kW / < 10,000 therms) ☐ **C6** Business leases or rents its facility ☐ **C7** Women-, minority-, or veteran-owned business ☐ **C8** Business in a low-wealth, rural, or disaster-declared community ☐ **C9** Local government (city, county, special district, public facility) ☐ **C10** Access and functional needs individuals* ☐ **C11** Disaster impacted communities* ☐ **C12** Multifamily property* ☐ **C13** Medical baseline customer*

ELIGIBLE IF ANY ONE RULE IS MET		
✓	**Rule (R)**	**Existing Definition Met (for Reference)**
☐	**R1: G1** or **C1** (qualifies on its own)	DAC; HTR (Tribe)
☐	**R2:** Residential or public customer with any of **G2–G4, G6,** C**10-13**	Underserved**
☐	**R3:** Business with any of **G2–G4**, plus **C7** or **C8**	Underserved (commercial, industrial, agricultural)
☐	**R4: G5**, plus any one of **C2–C6** or **C9**	HTR (geographic + 1)
☐	**R5:** No geographic criterion needed: residential with **C2 + C3 + C4**, or small business with **C4 + C5 + C6**	HTR (3 non-geographic)
Equity target customer: ☐ Yes ☐ No Verified by: _____ Date: _____		

Criteria consolidated from CalEnviroScreen DAC designation; Underserved (Pub. Util. Code §1601(e); Gov. Code §12100.63(h)(2)); and Hard-to-Reach (D.23-06-055). Each criterion is verified once and applied across all three definitions.

** The illustrative checklist reflected above incorporates the definitional changes discussed in subsection (6c) above.*

***SDREN's proposed additions to Equity Target Customer are not specifically seeking to be added to the existing definition of underserved, per Pub. Util. Code §1601(e); Gov. Code §12100.63(h)(2)*

Importantly, SDREN's proposed checklist consolidates adopted criteria, without modifying any adopted criterion. In D.23-06-055, the Commission reiterated the guidance set forth in D.18-05-041, which "required that any proposal for a modified definition must

include concrete data and analysis."[31] That requirement is not implicated here, as SDREN does not propose any modifications to the Commission's existing definitions. Rather, SDREN's checklist proposal puts the existing criteria into one operational format, meaning that no new eligibility determination is needed. This proposal is immediately distinguishable from modifications to the Commission's existing definitions and underlying criteria, such as recommendations to remove adopted criteria.[32]

In evaluating SDREN's proposed checklist, the Commission should note that the illustrative checklist reflected above incorporates the definitional changes discussed in subsection (c) above. SDREN incorporated those definition proposals for illustrative purposes to demonstrate that the checklist allows new qualifiers to be added as rows without fully restructuring the checklist itself.[33] To reiterate, SDREN's checklist proposal is distinct from proposals to modify the Commission's Equity definitions and should be evaluated independently of those proposals.

Finally, Row R4 in the checklist reflected above demonstrates why a geographic screen alone is insufficient in San Diego County. Under D.23-06-055, the HTR geographic criterion is met by customers in a DAC or outside listed metropolitan areas, including the Office of Management and Budget metropolitan statistical areas of San Diego County.[34] Given that none of SDREN's territory falls outside of this statistical area, none of its customers can satisfy the criterion in row R4 above. Therefore, rural customers in San

[31] D.23-06-055 at 50.

[32] For example, SCE's proposal to remove non-English primary language, school lunch participation metrics, and employee count thresholds would constitute a modification to the Commission's Equity definitions and qualifying criteria.

[33] If adopted, RUCA tracts would become a geographic qualifier, and multifamily, medical baseline, and AFN status would become customer-based qualifiers.

[34] D.23-06-055 at Ordering Paragraph ("OP") 33.

Diego County who live outside a DAC tract must meet every non-geographic criterion to qualify as HTR to meet R5. SDREN's RUCA proposal addresses this gap. The Inland Regional Energy Network ("I-REN") similarly argues that the geographic criteria "needs to be updated to reflect the region's rurality and underserved populations that are quite literally hard to reach due to their geography."[35]

e. The Commission should update the third REN criterion to align with the definition of Equity Targeted Customers.

The third REN criterion, adopted in D.12-11-015 and revised in D.19-12-021, encompasses "activities serving hard-to-reach markets, whether or not there is another utility or CCA [community choice aggregator] program that may overlap."[36] For consistency and to align that definition with the umbrella definition pending in the instant proceeding, the Commission should implement the following revision (additions in bold, deletions struck):

> Activities serving ~~hard-to-reach markets~~ **equity targeted customers**, whether or not there is another utility or CCA program that may overlap.

In D.19-12-021, the Commission declined to broaden the criterion to include underserved customers because no adoptable definition existed.[37] The Commission explained that "we will not adopt a broadening of the third criterion" at that time, and that "we would consider broadening this criterion in the future" if parties reached consensus on a definition.[38] Decision 23-06-055 subsequently supplied the missing element—*i.e.*, a

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[35] A.26-03-009 et al., *Response of Western Riverside Council of Governments (WRCOG) on Behalf of the Inland Regional Energy Network (I-REN) ID #246*, p. 6 (May 1, 2026).

[36] D.19-12-021, p. 32, OP 4 (Dec. 12, 2019).

[37] *Id*. at 31 ("Without a specific definition, we fear we would be opening up the REN portfolios too broadly and creating more potential for overlap in customer segments that are being served, but meet a particular proponents' unique definition of underserved").

[38] *Id*.

detailed definition for underserved customers.[39] Incorporation of a single Commission-adopted definition of Equity Targeted Customer resolves the concern identified in D.19-12-021 while preserving the underlying intent of the existing criterion.

Several RENs support this direction:

- SDREN's Application recommended that the REN criterion include underserved customers.[40]
- 3C-REN recommends updating the REN criteria to refer explicitly to equity target participants, and states that "this modification is not a material expansion of REN authority."[41]
- I-REN explains that "PA policy recommendations to streamline the hard-to-reach definition and REN criteria could alleviate some perceived confusion."[42]

Finally, this revision would make the REN criterion durable. Specifically, if the Commission adopts additional Equity qualifiers later, they would be added to the checklist without reopening the REN criteria. Accordingly, the Commission should modify the third REN criteria to align with the umbrella definition of Equity Targeted Customer adopted in this proceeding.

2. Question 6(a): Verification Should Match the Type of Qualifier; the Commission Should Adopt a Statewide Eligibility Tool.

PAs' identification and verification of an Equity Targeted Customer's qualification should match the type of qualifier used. **Geographic qualifiers** can be verified efficiently through an address-based mapping tool based on the consolidated list of equity targeted

[39] D.23-06-055 at 45-48.
[40] Exh. SDREN-01 at 209:3-8.
[41] Exh. 3C-REN-01 at 218:21-219:5.
[42] A.26-03-009 et al., *Reply of Western Riverside Council of Governments (WRCOG) on Behalf of the Inland Regional Energy Network (I-REN) ID #246*, p. 18 (May 18, 2026).

qualifying census tracts mentioned above. **Customer-based qualifiers with existing data**, such as enrollment in California Alternative Rates for Energy ("CARE") or Energy Savings Assistance ("ESA"), should be verifiable through the common tool. **Customer-based qualifiers without existing data** should be verified through documentation or, where appropriate, self-attestation.

To streamline identification and verification processes, the Commission should develop a common, statewide eligibility tool that all PAs can use to identify Equity Targeted Customers. A centralized tool would improve consistency, reduce duplicative efforts across administrators, and ease data availability issues, particularly for non-IOU administrators. Because customer-based qualifiers such as CARE and ESA enrollment can be confirmed from existing IOU data, a common tool would reduce the need for PAs to collect and review documentation from individual customers for those qualifiers. This should lower administrative effort and associated program costs, helping more program dollars reach customers. A single statewide tool would also allow for updates, such as new census data or CalEnviroScreen versions, to be made once rather than separately by each PA. As new criteria are proposed and adopted, the Commission should preserve the ability to add new criteria to updated versions of the tool.[43]

A consistent statewide verification tool is an important measure to address current challenges in non-IOU PA access to eligibility data. Eligibility determinations should not depend only on IOU-held data or IOU verification. As BayREN highlighted, utility billing

[43] D.23-06-055 adopted the underserved definition "while also affording an opportunity to propose inclusion of additional groups, consistent with Option 2 of the EMWG Final Report." That Decision outlined a process for this. A PA submits data showing how a group is missed by the current definition, explains why the group should be considered underserved, and describes how it will track the group. *See* D.23-06-055 at 47.

data "could be considered confidential, personally identifiable, protected customer energy usage data and will not be made available to others to the same degree the utilities have access to such data."[44] SDREN therefore recommends that any statewide verification tool return a "qualifying" or "non-qualifying flag" for each customer or address. RENs and CCAs could then verify eligibility on the same terms as IOUs, without access to underlying customer usage data.

3. Question 6(b)-(c): The Commission's Definition of Equity Targeted Customer Should Not Reflect Number of Projects or Population Size.

a. The definition of Equity Targeted Customer should not take into account the number of projects historically implemented in certain communities.

Equity eligibility should reflect the barriers customers and communities face, not how many projects have been completed within a particular community. A project-count test would conflict with how the Commission's Equity definitions are designed, harm the communities the Equity segment is meant to serve, and would rely on a metric that does not accurately measure program reach.

The Commission's existing Equity definitions center around identification of barriers:

- HTR status addresses barriers such as language, income, and business size;
- DAC status reflects the combined environmental and socioeconomic burdens captured by CalEnviroScreen; and
- Underserved status addresses barriers such as income, pollution burden, tribal lands, and, for nonresidential customers, business ownership and location.

[44] A.26-03-009 et al., *Response of Bay Area Regional Energy Network*, p. 10 (May 1, 2026).

These definitions seek to identify the structural barriers Equity customers face, such as "income constraints, language barriers, split incentives, geographic isolation, limited access to capital, and reduced market engagement."[45] None of the definitions look to whether a program has already served a particular community because completing a project within a community does not remove or eliminate these barriers for customers. A household that receives a direct install measure may still be low-income, still face a language barrier, and still live in a community carrying a heavy pollution burden. Tying eligibility to project counts would treat program activity as if it changed those conditions.

Importantly, grounding the definition of Equity Targeted Customer in project counts would be harmful to the very communities the Equity segment serves. First, a count-based threshold could disqualify communities just as programs begin to reach them. In addition, a customer's eligibility would depend on factors outside the customer's control, such as where programs have focused in the past. Eligibility could also shift from year to year as participation data are updated, meaning that customers, contractors, and community partners could not rely consistently on who qualifies. Finally, it is important to recognize that Equity communities need sustained investment over time to address the barriers they face.

It is further important to understand that project counts are a poor measure of reach. Indeed, project count within a given community says little about participation relative to need and does not capture the depth of services delivered. Project count as a unit of measure may also understate impact. For example, a single multifamily "project" may serve many households.

[45] Exh. SDREN-01 at 210:8-10.

Ultimately, historical community participation data belongs in targeting, rather than eligibility assessments. Decision 23-06-055 described the purpose of the equity segment as "to prioritize those who have been least served and/or hardest to reach."[46] Participation history serves that purpose best as a tool for setting priorities within the eligible population. It can identify communities that have historically been least served by programs and that should therefore come first in outreach efforts. It can also inform how outreach and engagement strategies are tailored to address participation barriers within those communities. In sum, SDREN recommends that the Commission ensure the definition of Equity Targeted Customer is grounded in customer and community characteristics; the Commission should also encourage PAs to use participation data to direct resources where they are most needed.

b. The Commission's definition of Equity Targeted Customer should not consider potential population size in determining definitions.

The Commission should similarly decline to consider the potential size of the Equity Targeted Customer population in forming its umbrella definition. That definition should describe eligible customers, not narrow eligibility or exclude customers based on population size. A large Equity population signals greater need for resources, not evidence that the definition is too broad. Furthermore, a population-size screen could undermine the Commission's own HTR definition, which – for example – already recognizes rural, lower-population communities outside major metropolitan areas as hard to reach. Excluding such communities because they are small would run contrary to that existing guidance. Population size is an appropriate input for planning, budgeting, and performance measurement, but should not be part of the definition itself.

[46] D.23-06-055 at 44-45.

E. Question 7: The Commission's Fuel Switching Policy Should Provide Sufficient Flexibility to Address a Variety of Local Community Needs.

Question 7 of the Ruling asks:[47]

> Does allowing fuel switching measures (with no energy savings from regulated fuel sources):
> a. Align with the statutory authority and legislative intent of the Commission's energy efficiency policies? Please explain.
> b. Offer equity, grid, or other system level benefits in addition to greenhouse gas benefits? Please describe.
> c. Is the existing Avoided Cost Calculator (ACC) sufficient for valuing fuel switching measures? Why or why not? If not, how should the Commission value fuel switching measures?

SDREN does not, at this time, take a position on the specific questions posed in the Ruling. Notwithstanding, SDREN offers its general position as to fuel switching policy and reserves the right to respond to parties' comments and recommendations in rebuttal.

SDREN's portfolio goals include advancing decarbonization and providing comprehensive EE services that improve outcomes for underserved and HTR communities. Consistent with these goals, SDREN supports policies that modernize EE portfolios to better align with California's decarbonization, electrification, and grid reliability objectives. As the State transitions to a cleaner energy future, EE programs should evolve beyond traditional energy savings to support integrated solutions that reduce greenhouse gas emissions, improve affordability, strengthen resilience, and facilitate adoption of cleaner technologies. Fuel switching is an important component of this evolution, particularly where it allows customers who rely on unregulated fuels to access efficient electric technologies and participate more fully in California's clean energy transition.

As the Commission considers statewide fuel-switching policies, both as proposed in the instant proceeding and more broadly, it should ensure that its approach advances

[47] Ruling at 4.

decarbonization and electrification while providing sufficient flexibility to reflect differences in customer needs, infrastructure, and local conditions. Conditions in San Diego County demonstrate the importance of this flexibility. Propane is widely used in rural and unincorporated areas, including at County facilities, and is particularly utilized in tribal communities. None of the tribes currently enrolled in SDREN have natural gas service, making propane-to-natural-gas conversion an impractical pathway for the tribal communities SDREN currently serves. Diesel is also used for backup power in rural and unincorporated areas, including at County facilities and in some tribal communities. These conditions suggest that, in much of rural San Diego County, the practical fuel-switching question is not whether customers should move from propane to natural gas, but how programs can support a tailored transition toward efficient electric technologies while addressing affordability, reliability, resilience, and individual community needs.

These considerations are particularly important in rural and tribal communities, where increased reliance on electricity can create additional vulnerability when electric service is less resilient. Customers at the end of distribution lines, for example, may be reluctant or unable to fully electrify without greater confidence in reliable service or access to resilience measures such as battery storage and backup solutions. Customer circumstances also vary. Some tribal communities have expressed interest in replacing propane appliances with electric technologies, while others may have cultural or other reasons for retaining existing fuels. Fuel-switching policies should therefore enable tailored pathways to electrification, allowing customers and communities to transition at a pace and in a manner that reflects local infrastructure, resilience, affordability, and cultural considerations.

Accordingly, the Commission should provide PAs sufficient flexibility to support tailored transitions from propane and other unregulated fuels toward efficient electric technologies, where doing so advances decarbonization while appropriately considering affordability, grid reliability, resilience, and customer and community needs. Program eligibility should not unnecessarily exclude customers simply because their existing heating or other equipment uses an unregulated fuel, particularly where those customers continue to receive electric service from a regulated utility. Greater flexibility could help address gaps identified in San Diego County, where some public sector and tribal customers interested in electrification may not currently be able to access EE offerings for fuel switching projects.

This approach would better align EE policy with California's climate and equity objectives while recognizing the distinct circumstances of rural, unincorporated, and tribal communities in San Diego County. It would also give PAs flexibility to design offerings that integrate EE, electrification, and resilience, while recognizing that the appropriate pathway and pace of transition may differ across customers and communities.

Finally, SDREN encourages the Commission to develop and issue a staff proposal in this proceeding that synthesizes parties' opening testimony and reviews fuel-switching approaches adopted in other states. Such a proposal could help identify best practices and inform recommendations regarding the role of fuel switching, electrification, resilience, and other decarbonization strategies within California's EE framework. The Commission should either publish the staff proposal via an additional ruling seeking party comment, or should publish and take note of it in the record such that parties may address the proposal in briefing.

F. Question 10: SDREN Does Not Offer a Specific Low-GWP Recommendation at this Time, but Looks Forward to PAs' Feedback on Question 10.

Question 10 of the Ruling asks:[48]

> Would allowing measures with no energy savings, such as low-GWP measures, to claim TSB:
> a. Align with the statutory authority and legislative intent of the Commission's energy efficiency policies? Please explain.
> b. Offer equity, grid, or other system level benefits in addition to GHG benefits? Please describe.
> c. Is the existing ACC sufficient for valuing low-GWP measures with no energy savings? Why or why not? If not, how should the Commission value low-GWP measures if allowed?

SDREN does not offer a recommendation on these questions regarding low-global warming potential ("GWP") measures in opening testimony. However, these questions are directly relevant to SDREN's portfolio and accordingly, SDREN looks forward to reviewing parties' feedback and potentially responding in rebuttal testimony. SDREN's Application incorporates low-GWP refrigerant strategies across its portfolio, including its public, residential, commercial, workforce education and training, and codes and standards programs. These strategies include education on low-GWP refrigerants, support for the proper reclamation of hydrofluorocarbon ("HFC") refrigerants, provision of measures using low-GWP refrigerants, and information and outreach to local permitting agencies regarding HFC phaseout and code requirements. These portfolio strategies include activities both with and without associated energy savings. Specifically, SDREN's current SMB Energy Coach and Refresh Refrigeration programs include low-GWP refrigerant measures that also generate energy savings by supporting the replacement of older commercial refrigeration equipment with newer, lower-GWP technologies.

[48] *Id*. at 5.

G. Questions 11 and 12: The Commission Should Integrate Right-Sizing Principles into the EE Portfolio and Should Recognize their Value in Cost-Effectiveness and Attribution Methods.

Question 11 of the Ruling asks:[49]

> How can portfolio administrators determine when right-sizing/power-efficient design/optimization measures (lower-cost measures like meter socket adaptor, smart splitters, or other load management devices) are effective, or when panel upsizing/upgrade/replacement (a new, higher amp panel) is needed?

Along similar lines, Question 12 of the Ruling asks:[50]

> How should right-sizing measures (meter socket adapters, smart splitters, and any other load management device) be considered in cost-effectiveness and measurement of program attribution (net-to-gross)?

SDREN generally supports incorporation of right-sizing measures into the EE portfolio. In doing so, the Commission should ensure that cost-effectiveness and attribution methods recognize their value, including the role of right-sizing in enabling electrification projects that might not otherwise proceed and in avoiding panel, service, and related grid upgrades. Notably, attribution for right-sizing measures raises issues similar to those SDREN identified in its Application regarding NTG assumptions for Equity customers.[51] SDREN does not offer specific recommendations on those methodologies at this time, but may address this issue further in rebuttal testimony based on parties' recommendations.

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[49] *Id*. at 5-6.
[50] *Id*. at 6.
[51] *See* Exh. SDREN-01 at 209-213.

H. Question 13: The Commission Should Continue to Support IDSM, Assess IDSM Over the Long Term in a Broader Venue, and Consider Existing Opportunities When Assessing Whether to Discontinue EE Funding for Load Shaping Measures.

Question 13 of the Ruling asks:[52]

> Pacific Gas and Electric Company proposed to allow portfolio administrators to continue using energy efficiency funding for ongoing load shifting either for Program Years 2028 through 2031 or until the Commission authorizes load shifting activities in another proceeding as a more appropriate long-term venue. Under this approach, what criteria should the Commission use to determine when, how, and in what instances to discontinue energy efficiency funding for load shifting activities? Please describe considerations on size and reach of load shifting activities in other proceedings, as well as potential use of dynamic rates.

1. The Commission Should Continue to Support IDSM in this Portfolio Cycle and Should Evaluate the Design and Role of IDSM over the Longer-Term in R.25-04-010.

Continued integration of IDSM within EE portfolios is an important next step in maximizing the value and impact of EE investments. Load shifting is a core component of IDSM and, when paired with traditional EE measures, can enable programs to deliver both enduring energy savings and greater grid benefits. As California's electric system evolves, EE should not be viewed solely as a tool for reducing overall energy consumption, but also as part of a broader, integrated approach to improving grid reliability, lowering peak demand, supporting electrification, and delivering customer savings when and where they are most needed. An IDSM approach can also create a more customer-centered experience by integrating EE, load shifting, demand response, and other demand-side resources into coordinated offerings, thereby reducing the need for customers to navigate separate programs, applications, eligibility requirements, and participation processes.

[52] Ruling at 6.

Given the continued and growing importance of IDSM, the Commission should continue to foster IDSM within the current 2028-2035 EE portfolio cycle, including the use of EE funding for any load shifting activities. At the same time, the longer-term role and design of IDSM warrants broader consideration than can reasonably occur through review of individual portfolio applications. Future demand-side portfolios should continue moving toward greater integration, including reducing silos between EE, demand response, and other demand-side resources. However, the Commission should take a measured approach in determining what that integrated portfolio should ultimately look like, balancing greater integration with equity objectives and ensuring that the evolution of IDSM remains aligned with the Commission's ESJ Action Plan.

Broader questions regarding the future scope, funding, administration, and regulatory treatment of IDSM should be considered through R.25-04-010, or another appropriate regulatory venue accessible to all PAs. Such consideration should address the appropriate roles of EE and demand response funding, the treatment of load shifting and other integrated measures, and how the regulatory framework can support coordinated customer offerings while balancing grid needs, customer benefits, and equity objectives. This broader process would allow the Commission to consider the future of IDSM holistically and determine what a more integrated demand-side portfolio should look like without prematurely resolving those questions in the instant proceeding.

In sum, the Commission should evaluate the future design and regulatory treatment of IDSM portfolios in R.25-04-010 or another appropriate proceeding. But those broader questions do not mean that the Commission should dismiss or discontinue IDSM within this portfolio cycle. Rather, the Commission should continue to foster IDSM within the

2028-2035 portfolio cycle while establishing more durable guidance that can be incorporated into future BPAs. This approach allows near-term progress toward more integrated demand-side programs while providing an appropriate forum to develop a longer-term IDSM framework that balances grid and customer benefits, equitable access, and the Commission's broader environmental and social justice objectives.

2. The Commission Should Consider the Scope, Accessibility, and Effectiveness of Existing Load Shaping Opportunities in Determining Where it Should Discontinue EE Funding for Load Shaping Activities.

While SDREN views this broader evolution toward IDSM as the appropriate long-term direction, the more immediate question presented here is narrower: under what circumstances should the Commission discontinue energy efficiency funding for load shifting activities that may also be supported through other regulatory pathways? The existence of load shifting opportunities in another proceeding should not, on its own, determine that energy efficiency funding is no longer appropriate. Rather, the Commission should evaluate whether alternative pathways are sufficiently developed, accessible, and capable of supporting load shifting at a scale and reach that would justify a transition away from energy efficiency funding.

Accordingly, in determining when, how, and in what instances energy efficiency funding for load shifting should be discontinued, the Commission should consider the size, reach, and accessibility of load shifting opportunities available through other proceedings; whether those opportunities provide viable pathways for all portfolio administrator types; the extent to which dynamic rates and other market-based mechanisms are sufficiently mature and accessible to support load-shifting objectives; potential impacts on customer participation and program delivery; and whether a transition would maintain equitable access for underserved customers and communities consistent with the Commission's ESJ

Action Plan. These criteria can inform the Commission's immediate consideration of whether and when energy efficiency funding should transition without requiring the Commission to determine the ultimate design of an IDSM portfolio in this proceeding.

As noted above, an important consideration in both the immediate funding question and the longer-term IDSM framework is the differences in the regulatory pathways currently available to different PAs. As SDREN has previously noted,[53] while IOUs may administer load shifting programs through the Commission's demand response proceedings, RENs and CCA PAs do not currently have equivalent proceeding mechanisms outside the EE portfolio. Any future transition away from EE funding should therefore account for whether a viable and appropriately accessible pathway exists for all portfolio administrator types. This consideration is particularly important to avoid a transition that inadvertently limits geographic coverage, customer reach, or access to load shifting opportunities for underserved customers and communities.

III. CONCLUSION

SDREN appreciates the opportunity to offer these recommendations and looks forward to reviewing parties' comments on these important policy questions.

This concludes our testimony.

[53] SDREN Protest at 11-12.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 8

To:	Community Advisory Committee
From:	Colin Santulli, Senior Director of Programs
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Revision to the Net Billing Tariff
Date:	December 3, 2026

Recommendation

Receive and file informational update on revisions to the Net Billing Tariff (NBT).

Background

Transition from Net Energy Metering to the Net Billing Tariff
In December 2022, the California Public Utilities Commission (CPUC) adopted Decision 22-12-056, establishing NBT as the successor to NEM 2.0. The CPUC concluded that NEM 2.0 did not adequately balance sustainable growth of customer-sited renewable generation with the objective that program benefits and costs be approximately equal for participating and nonparticipating customers. The successor tariff was designed to reduce cost shifting, improve affordability, encourage solar paired with battery storage, and align customer exports with grid needs.

NBT is structurally different from NEM. Under NBT, electricity imported from the grid is measured and charged at the customer's applicable retail rate, while electricity exported to the grid is measured separately and credited using hourly values derived from the CPUC Avoided Cost Calculator (ACC). The export values vary by hour, month, and weekday or weekend period, creating stronger incentives to store solar production and export during periods when energy is most valuable to the grid.

SDG&E began placing new onsite generation customers on its NBT schedule on April 15, 2023. SDCP participated in the CPUC proceeding and advocated for a smoother transition, long-term stability, additional support for low-income customers, and eligibility for commercial

customers. In October 2023, the SDCP Board adopted an NBT that generally aligns generation billing with SDG&E's Solar Billing Plan while preserving SDCP-specific customer benefits.

Original NBT Generation Adders
As part of the October 2023 action, the Board approved SDCP generation adders that supplement ACC-based export compensation. Staff designed the adders to improve the customer value proposition, reduce simple payback periods, support the local solar market, promote equity for CARE/FERA customers, and support grid reliability.

Customer class	Residential non-CARE/FERA	Residential CARE/FERA	Non-residential
Generation adder	$0.0075/kWh	$0.11/kWh	$0.0075/kWh

The standard adder was aligned with the premium for SDCP's Power100 service and recognizes the local renewable generation value of customer exports. The higher CARE/FERA adder was designed to address lower bill savings and produce a payback period comparable to non-CARE/FERA customers. Under the adopted tariff, eligible customers receive their applicable adder for six years, provided they continue to meet tariff requirements.

The Board made the adders available to eligible customers beginning service from April 15, 2023 through December 31, 2026, and directed staff to evaluate market conditions and adder effectiveness before the eligibility sunset.

2023 Stakeholder Engagement and Support
Before the 2023 adoption, staff engaged SDCP's Board, Community Advisory Committee, local elected officials, public agencies, solar and storage industry representatives, labor, environmental and consumer advocates, business organizations, other community choice aggregators, and individual market participants. Stakeholders included the California Solar & Storage Association, Climate Action Campaign, GRID Alternatives, IBEW Local 569, Sierra Club San Diego, Utility Consumers' Action Network, Vote Solar, Baker Electric, and the Cleantech San Diego Energy Working Group.

Stakeholder feedback informed the proposal, including the emphasis on a higher equity adder for CARE/FERA customers, simple tariff design, transparent transition rules, and continued outreach. At its October 2023 meeting, the CAC discussed the customer transition, treatment of legacy NEM customers, system sizing, and the NBT legacy period. The CAC encouraged robust education and outreach and expressed support for the balanced, customer-centered approach. The Finance and Risk Management Committee subsequently voted unanimously to recommend Board approval at its October 2023 meeting.

Analysis and Discussion

Staff is proposing revisions to NBT, primarily focused on extending eligibility for the existing adders. The analysis below evaluates customer participation and market conditions since NBT

adoption, fiscal exposure, implementation considerations, and alternatives. The recommendation preserves a defined eligibility sunset and periodic review rather than establishing an open-ended commitment.

Implementation and Activity Since NBT Billing Began

Although NBT eligibility began in April 2023, full billing implementation occurred later. For purposes of evaluating actual billed activity, staff reviewed data from December 2023 through August 2026, representing approximately two and one-half years of NBT operations. The table below provides a summary of credits paid to customers over this period, including those associated with the Equity adder, Standard adder, and ACC export credits.

Credit type	Customer count	Credits through Aug. 2026	Rate
Equity adder	3,205	$1,732,599	$0.1100/kWh
Standard adder	20,069	$905,716	$0.0075/kWh
ACC export credits	23,274	$12,032,476	Hourly ACC

The data show that the voluntary NBT adders have provided approximately $2.64 million in supplemental export credits through August 2026. During the same period, ACC export credits were nearly five times this amount totaling more than $12 million in customer payments.

Federal Tax Credit Expiration and Market Shock

During this NBT transition period, federal policy changes further undercut the customer value of the behind the meter solar. The federal residential clean energy credit under Internal Revenue Code Section 25D previously provided a 30% credit for eligible customer-owned residential solar and storage. Federal legislation enacted in July 2025 ended eligibility for residential systems placed in service after December 31, 2025. The change materially increased the net cost of customer-owned solar beginning in 2026.

Market data indicate that the expiration produced a pronounced pull-forward of customer demand in late 2025 followed by a contraction in the residential solar market in 2026. EnergySage reported a 205% year-over-year increase in homeowners actively working with installers during the second half of 2025 as customers sought to complete projects before the federal credit expired, with most participating installers reporting that they had reached annual capacity by October. Following expiration of the credit, U.S. residential solar installations declined 12% year-over-year in the second quarter of 2026. SEIA and Wood Mackenzie specifically identified the expiration of the Section 25D residential credit as a factor in the continued softening of the distributed solar market. The 2026 residential market is projected to contract approximately 23% for the full year, reflecting the combined effects of the lost federal incentive, financing conditions, and other market pressures. These effects are particularly significant for cash- and loan-financed systems, while third-party-owned systems may retain access to separate business tax-credit structures subject to federal requirements.

Extending the SDCP adders would not replace the 30% federal credit. However, it would provide a predictable, locally controlled supplemental revenue stream during a period when the regional market is adjusting to both NBT and the loss of a major federal incentive. The higher equity adder is especially relevant because income-qualified households face greater barriers to upfront capital, tax-credit monetization, and affordable financing.

SDCP NBT Customer Participation and Equity
As of the August 2026 analysis, approximately 23,274 customers had received NBT export credits. Approximately 3,205 customers received the equity adder and approximately 20,069 received the standard adder. The equity group therefore represented about 14% of participating NBT customers, while receiving approximately 66% of total adder credits. This distribution is consistent with the Board's decision to provide a materially higher adder to CARE/FERA customers.

The continuation of both adders preserves a broad market-support mechanism while maintaining targeted assistance for income-qualified customers. Eliminating the standard adder could weaken the regional market signal and reduce SDCP's differentiated customer value. Eliminating or materially reducing the equity adder would disproportionately affect customers who already face higher financing and participation barriers.

Cost of the Adders
Adder credits are reflected as a reduction in retail revenue rather than as a separately budgeted program expense. Through August 2026, the combined adder cost was approximately $2.64 million. Based on observed 2026 monthly growth and average credits per customer during the most recent twelve-month period, staff's preliminary forecast estimated the following cumulative costs:

Scenario	Equity adder	Standard adder	Total
Existing six-year commitments	$6.11 million	$3.72 million	$9.83 million
Three-year eligibility extension	$10.44 million	$6.73 million	$17.17 million
Incremental effect of extension	$4.33 million	$3.01 million	$7.34 million

The costs of the equity adder will be funded with non-operating revenue. Special benefit programs are funded using investment earnings and other non-ratepayer revenues.

Energy Exported to the Grid
From December 2023 through August 2026, NBT customers exported approximately 136,000 MWh of surplus renewable generation to the grid. For scale, that amount of exported energy alone is comparable to the output of a roughly 20–30 MW utility-scale solar facility over a similar period.

Other Administrative Revisions
Staff are also recommending amendments to annual cash out rules to align with SDG&E's Schedule NBT to insure a more consistent customer experience. These amendments update the export credit adjustment logic so that export credits are carried over subsequent true-up periods rather than forfeited.

Fiscal Impact

N/A

Strategic Plan

The item supports the Community Program Delivery goal to "implement energy projects and programs that reduce greenhouse gas emissions, align energy supply and demand and provide benefits to community stakeholder groups." The higher CARE/FERA adder maintains the policy's income-qualified customer focus, while the hourly ACC component continues to encourage exports when energy is more valuable to the grid.

Attachments

A: Redline Version of Revised Net Billing Tariff
B: Resolution Adopting NBT Revisions
Exhibit A: Clean Version of Revised Net Billing Tariff

ITEM 8
ATTACHMENT A

SAN DIEGO COMMUNITY POWER

BOARD POLICY

~~BOARD POLICY~~

POLICY	~~Net Billing Tariff~~NET BILLING TARIFF	**ORIGINAL ADOPTION DATE**	**OCTOBER 26, 2023**
APPROVAL ~~DATE~~DATE	DECEMBER 10, 2026	**RESOLUTION NO.**	2026-XX

~~PURPOSE:~~

PURPOSE AND SCOPE

The purpose of this Net Billing Tariff ("NBT" or "Schedule NBT") is to provide a process for how NBT customers are enrolled into and served by San Diego Community Power.

~~APPLICABILITY:~~

San Diego Community Power Schedule NBT shall be effective beginning on April 15, 2023, the day following the NEM-Successor Tariff ("NEM-ST") eligibility sunset required by the California Public Utilities Commission ("CPUC").

This Schedule NBT shall apply to:

(i) San Diego Community Power customers served under San Diego Gas & Electric Company ("SDG&E") Solar Billing Plan ("SBP") and/or Schedule Net Billing Tariff for Customer-Sited Renewable Distributed Generation[1] ("SDG&E Schedule NBT") receiving electric generation service from San Diego Community Power, including customers with battery storage, fuel cells using renewable

(ii) fuels, ocean wave or other renewable resource,

(iii) San Diego Community Power customers who are eligible for SDG&E's NEM Tariff and elect to switch to San Diego Community Power's Schedule NBT, and

(iv) San Diego Community Power customers who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of their 20-year SDG&E Net Energy Metering ("NEM") legacy period.[2]

[1] SDG&E's Schedule NBT available via: https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs

[2] See SDG&E's Schedule NEM and Schedule NEM-ST at https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs for details on SDG&E's NEM legacy periods.

SDG&E's tariffs are available on SDG&E's website[3] and may be amended or replaced by SDG&E from time to time. This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power's Board of Directors ("Board") at a duly noticed public meeting of the Board.[4]

~~**ELIGIBILITY:**~~

DEFINITIONS

- "Imported Electricity" is defined as when a customer uses any metered electricity supplied by San Diego Community Power, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.
- "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.
- "Energy True Up" is defined as the process performed by SDG&E for the transmission and delivery service and by San Diego Community Power for the generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for schedule NBT, or the date of SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT, whichever is later, and at each anniversary date thereafter.
- "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.
- "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC"),[5] is defined as the rate or amount at which Exported Electricity will be compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. San Diego Community Power utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer

[3] Current and Effective Tariffs | San Diego Gas & Electric (sdge.com) https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs

[4] Board agendas are available at: https://sdcommunitypower.org/resources/meeting-notes.

[5] The EEC Price is a $/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission ("CPUC") Avoided Cost Calculator ("ACC") approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm.

classes or technology. The Generation EEC Price is posted on SDG&E's website.

- "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.
- "Export Credit Balance" is defined as when a customer has excess export credits carried into the subsequent billing period, or into the San Diego Community Power true up process at the end of the relevant period.
- "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NBT, and on every subsequent anniversary thereof.

POLICY

A. Eligibility

San Diego Community Power's Schedule NBT is available to residential and non-residential customers operating a solar, wind, biomass, geothermal, or other renewable resource as defined in the California Energy Commission's ("CEC") Renewables Portfolio Standard ("RPS") Eligibility Guidebook.[6] Renewable Electrical Generation Facilities ("REGF") are limited to 1MW under the San Diego Community Power and SDG&E's Schedule NBT. Additionally, the customer must participate in SDG&E's SBP (or successor) and/or Schedule NBT for non-generation services, such as transmission and distribution. San Diego Community Power customers served under San Diego Community Power's Schedule NBT must provide SDG&E with a completed SDG&E NBT or SDG&E NEM Application and comply with all other SDG&E requirements for enrollment[7] before becoming eligible for the San Diego Community Power Schedule NBT. No direct agreement with San Diego Community Power is necessary.

Eligible San Diego Community Power customers who begin service under the SDG&E's Schedule NBT on or after April 15, 2023, are automatically enrolled in San Diego Community Power's

[6] The latest RPF Eligibility Guidebook can be found at the CEC's website: https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard.

[7] See https://www.sdge.com/solar/solar-billing-plan for more information.

Schedule NBT either at the time of initially enrolling with San Diego Community Power or at the time SDG&E begins serving them on the SDG&E's Schedule NBT. Eligible San Diego Community Power customers who begin service under the SDG&E's NEM Tariff prior to April 15, 2023, will be eligible for service under San Diego Community Power's NEM Tariff[8] for 20 years following their SDG&E Original PTO.

Customers served under San Diego Community Power's NEM Tariff may elect to switch to San Diego Community Power's Schedule NBT. Customers who voluntarily switch to San Diego Community Power's Schedule NBT or who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of their NEM 20-year legacy period are **not** eligible to return to service under San Diego Community Power's NEM Tariff.

This tariff does not apply to customer-generators with multiple meters who wish to aggregate the electrical load of the meters located on the customer's owned, leased, or rented property where the Renewable Electrical Generation Facility is located, including existing Net Energy Metering Aggregation or Virtual Net Energy Metering tariffs. Customers under aggregated designs shall be served on Schedule Net Billing Tariff Aggregation ("NBT-A"), and customers under virtual designs shall be served on Schedule Net Billing Tariff Virtual ("NBT-V").

B. **NBT** ~~TRANSITION CUSTOMERS:~~ Transition Customers

Customers who submitted complete applications to SDG&E on or after April 15, 2023 were interconnected under SDG&E's Schedule NBT but were temporarily billed on NEM-ST until SDG&E's Schedule NBT was fully operationalized in SDG&E's and San Diego Community Power's billing systems, respectively. Once SDG&E's Schedule NBT was operationalized, any customers who interconnected under SDG&E's Schedule NBT but were billed temporarily on NEM-ST completed their true up under their temporary NEM service and transitioned to billing on the SDG&E's Schedule NBT at the beginning of their next available billing cycle in December 2023. The NEM-ST 20-year legacy period is not applicable to SDG&E's Schedule NBT customers who took interim service on NEM-ST as described above.

~~LEGACY PERIOD:~~

C. Legacy Period

[8] San Diego Community Power's NEM Program Policy is available at: https://sdcommunitypower.org/key-documents/.

The terms of Schedule NBT shall remain effective for a period of up to 9 years from the Permission to Operate Notice ("PTO")[9] Date from SDG&E. Per CPUC Decision 22-12-056, the legacy period is linked to the customer that originally caused the system to be installed, not to the system or premise. Should another customer take control of *(e.g., buys, leases, or pays a power purchase agreement for)* the system (such as a new customer moving into the premise), the subsequent customer will not have a new or continued legacy period from the customer that originally caused the system to be installed. Exceptions are made in cases where:

- The subsequent customer is or was the legal partner *(e.g., spouse or domestic partner in the case of residential customers or, in the case of non-residential customers, the account-holding entity continues to be majority controlled by the same underlying individuals or entities from the time the legacy system was installed)* of the original customer. For this latter group, the legacy period maintains its original interconnection date and length of nine years.

- A builder/contractor constructs a new building and receives PTO before selling the unit. The new owner after the rebuild will be able to retain the 9-year legacy period.

~~RATES:~~

D. Rates

All rates for San Diego Community Power's Schedule NBT are in accordance with the applicable customer's otherwise applicable San Diego Community Power rate schedule ("San Diego Community Power Otherwise Applicable Schedule ("OAS")).[10] San Diego Community Power's Schedule NBT residential customers are required to enroll in highly differentiated time-of-use rates currently defined as EV-TOU-5 in San Diego Community Power and SDG&E territory, or other qualified rates that SDG&E and San Diego Community Power may develop in the future, and may choose to enroll in critical peak pricing or peak day pricing rates wherever applicable. San Diego Community Power's Schedule NBT provides the mechanism for billing and crediting customers with generating facilities only. Customers served under this tariff are still responsible for all billed usage charges according to their applicable San Diego Community Power's rate schedule, including volumetric usage, demand charges (if applicable), Power100 surcharges (if applicable), taxes, fees (if applicable) and all other charges owed to San Diego Community

[9] Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

[10] San Diego Community Power's residential rates can be found at https://sdcommunitypower.org/billing-rates/residential-rates and non-residential rates at https://sdcommunitypower.org/billing-rates/commercial-rates.

Power. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

~~CHARGES, CREDITS AND BILLING~~:

E. Charges, Credits, and Billing

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

~~A. Definitions: Generation Electricity Charges:~~

~~i. "Imported Electricity" is defined as when a customer uses any metered electricity supplied by San Diego Community Power, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.~~

~~ii. "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.~~

~~iii. "Energy True Up" is defined as the process performed by SDG&E for the transmission and delivery service and by San Diego Community Power for the generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for schedule NBT, or the date of SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT, whichever is later, and at each anniversary date thereafter.~~

~~iv. "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.~~

~~v. "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC"),[11] is defined as the rate or amount at which Exported Electricity will be compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. San Diego Community Power utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer classes or technology. The Generation EEC Price is posted on SDG&E's website.~~

~~vi. "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.~~

~~[11] The EEC Price is a $/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission ("CPUC") Avoided Cost Calculator ("ACC") approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm.~~

~~vii. "Export Credit Balance" is defined as when a customer has excess export credits carried into the subsequent billing period, or into the San Diego Community Power true up process at the end of the relevant period.~~

~~viii. "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.~~

~~ix. "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NBT, and on every subsequent anniversary thereof.~~

~~B. Generation Electricity Charges:~~

a. As determined in each billing period, Generation Electricity Charges are calculated by multiplying the customer's Imported Electricity (i.e., electricity consumption from the grid) in kWh by the applicable electricity (commodity) rate components ($/kWh) in the customer's applicable San Diego Community Power OAS.

~~C.~~ **Export Credits:**

b. As determined in each billing period, Export Credits are calculated by multiplying the hourly-differentiated customer's Exported Electricity (i.e., electricity generated and sent to the grid) in kWh by the Export Compensation Rate.[12] The calculated value of such net electricity exports shall be credited to the customer and applied as described in Sections (C)E.b and (F),E.e, below.

Export Credits are calculated monthly and can be used to offset currently applicable volumetric (kWh) Generation Electricity Charges (as calculated above) incurred during the billing period but at no point can they offset any SDG&E transmission and delivery charges. Any unused Generation Electricity Export Credits accrued in a given month can be carried forward to offset currently applicable volumetric (kWh) Generation Electricity Charges ~~within the customer's Relevant Period as described in Section (E).~~as long as the account is active with Community Power service. Customers on San Diego Community Power NBT will be billed based on no netting of kWh imports (consumption) and kWh exports (excess generation placed on the grid). Generation charges owed to San Diego Community Power net of any eligible credits will be paid by the customer each month and all ~~charges and credits~~usage will be trued up at the end of the Relevant Period.

For the first five years of San Diego Community Power's Schedule NBT ("lock-in period"), the Export Compensation Rate will be set annually using a 9-year schedule from the ACC.

[12] See https://sdcommunitypower.org/programs/net-billing-tariff.

All customers who interconnect during this five year "lock-in period" will receive a nine-year schedule of Generation ~~ECC~~EEC set in the year of interconnection as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer (or an "eligible customer-generator" as defined in SDG&E's Schedule NBT). During the "lock-in period," these customers will have the Export Compensation Rate derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer's Original PTO Date. A new customer moving into a dwelling with an existing generating facility served under SDG&E's Schedule NBT will not be eligible to retain the Export Compensation Rate associated with the Original PTO Date of the generating facility, with two exceptions as described in SDG&E's Schedule NBT.

Customers may opt out of their nine-year schedule of Generation EEC and receive an Export Compensation Rate that is updated annually based on the most recently adopted ACC. Customers that interconnect during the five-year lock-in period may exit their respective nine-year schedule of Generation EEC, but will not be able to opt back in. ~~Following the five-year~~For the purposes of determining the Export Compensation Rate, the lock-in period is defined as the original adoption date of this tariff (i.e., October 26, 2023) through December 31, 2028. Following the end of this lock-in period, Generation EEC for new NBT customers will be updated annually on January 1 based on the ACC adopted as of January 1 of that year. Generation EEC will be accrued separately for Delivery under SDG&E and Generation under San Diego Community Power.

~~D.~~ **San Diego Community Power Generation Adders:**

c. All new NBT customers are eligible to receive a San Diego Community Power Generation Adder. Customers that subsequently transfer into this Schedule NBT after the conclusion and/or termination of their 20-year NEM legacy period are not eligible for the San Diego Community Power Generation Adder.

The credit is calculated monthly by multiplying the Exported Electricity by the applicable $/kWh Generation Adder Rate shown in Table 1.

~~Table 1: Generation Adder Rates[13]~~

Table 1: Generation Adder Rates[14]

Residential Non-CARE/FERA	Residential CARE/FERA	Non-Residential

[13] ~~Generation Adder Rates are effective as tariff approval date and may be subject to change.~~

[14] Generation Adder Rates are effective as tariff approval date and may be subject to change.

$0.0075/kWh	$0.11/kWh	$0.0075/kWh

i. *Eligibility*:

~~a.~~1. To be eligible for the San Diego Community Power "Residential Non-CARE" and "Non-Residential" Generation Adder, customers need to (a) be served on this tariff, and (b) have an NBT effective date between April 15, 2023 and December 31, ~~2026~~2029.

~~b.~~2. To be eligible for the San Diego Community Power "Residential CARE/FERA" Generation Adder, customers need to (a) be served on this tariff, (b) have an NBT effective date between April 15, 2023 and December 31, ~~2026~~2029, and (c) be enrolled in either the CARE or FERA programs as of the effective date.

~~c.~~3. A new customer moving into a dwelling with an existing Generating Facility served under this tariff on or after January 1, ~~2027~~2030 will not be eligible for the San Diego Community Power Generation Adder.

ii. *Adder Period*:

~~a.~~1. The San Diego Community Power Generation Adder Rates, as defined above, will be fixed during the first six (6) years (the "Adder Period") beginning on the NBT effective date communicated by SDG&E to San Diego Community Power. Residential customers will receive the San Diego Community Power Generation Adder during their Adder Period, as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer.

~~b.~~2. Customers receiving the Residential CARE adder will need to maintain enrollment in either the CARE or FERA programs for the duration of the Adder Period.

~~i.~~a. If a customer account ceases to be enrolled in either the CARE or FERA programs (as communicated to San Diego Community Power by SDG&E), the customer will be moved to the Residential Non-CARE adder rate.

~~ii.~~b. If a customer account enrolls or re-enrolls in either the CARE or FERA programs (as communicated to San Diego Community

Power by SDG&E), the customer will be moved to the Residential CARE adder rate for the remainder of their Adder Period.

~~E.~~ **Monthly Settlement of San Diego Community Power Charges/Credits:**

d. All NBT customers will pay monthly for all applicable charges including the fixed charges within the OAS and any additional net charges due to San Diego Community Power and SDG&E. Customers will have net charges due in a given month if the sum of their Import Charges and Export Credits is greater than zero. Each customer will receive a statement as part of their monthly SDG&E bill indicating accrued San Diego Community Power Electricity Charges for Imported Electricity and/or San Diego Community Power Export Credits for Exported Electricity during the current monthly billing cycle. When a customer's San Diego Community Power credits during the monthly billing cycle result in an accrued credit balance in excess of currently applicable San Diego Community Power Electricity Charges, the value of those credits shall be noted on the customer's bill and carried over as a bill credit for use in a subsequent billing cycle(s~~) within the Relevant Period.~~).

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable San Diego Community Power Generation Electricity Charges, reducing otherwise applicable Generation Electricity Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Generation Electricity Charges, or (ii) the customer no longer receives service from San Diego Community Power~~, or (iii) an annual account true up is performed~~.

~~F.~~e. **San Diego Community Power Annual True Up & Cash Out Processes:**

~~i)~~i. *San Diego Community Power Annual True Up:* At the end of the most recent twelve (12) monthly billing cycles ("Relevant Period") of each Schedule NBT customer, San Diego Community Power will perform a true up of all active customers. San Diego Community Power will determine whether or not each customer has produced net surplus electricity, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in San Diego Community Power's Schedule NBT through the end of their Relevant Period, whichever is shorter ("True Up Period") and at each anniversary date thereafter.

~~a.~~1. *SBP Balance Credit Refund:* If the customer has an Export Credit Balance but incurred San Diego Community Power usage charges earlier within the

same San Diego Community Power Annual True Up period, the credits will be applied up to the value of San Diego Community Power charges applied throughout the Relevant Period and carried over as a Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s). Any Export Credits in excess of San Diego Community Power charges applied over the course of the Relevant Period shall ~~not~~ be carried forward ~~and will instead be zeroed out and a~~to the new Relevant Period ~~will commence~~in accordance with Section E.d.

~~b.~~2. *Net Surplus Compensation ("NSC"):* San Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly Net Surplus Compensation dollar rate per kWh, as defined in Section FE.e.i.~~b.~~12.a, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power's Annual Cash Out practice in Section FE.e.ii below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power's website and updated monthly.[15]

~~1.~~a. San Diego Community Power's NSC Rate is equal to the applicable monthly SDG&E's NSC, which is defined by the CPUC as "a simple rolling average of each utility's Default Load Aggregation Point ("DLAP") price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity market price at each utility's DLAP price published on the California Independent System Operator ("CAISO") Open Access Same-Time Information System ("OASIS"), and ending the twentieth day of each month",[16] of the customer true up month plus $0.0075/kWh.[17]

~~ii)~~ii. *San Diego Community Power Annual Cash Out:* At the end of each customer's relevant period, any current customer who has a combined SBP Balance Credit Refund and Net Surplus Compensation value of $100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file. Customers receiving direct payment will have an equivalent amount removed from their NBT

[15] San Diego Community Power Net Energy Metering (NEM) - https://sdcommunitypower.org/programs/net-energy-metering/
[16] CPUC Decision 11-06-016 https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/137431.pdf
[17] Generation Adder Rates are effective as tariff approval date and may be subject to change.

~~1111~~

account balance at the time of their Annual True Up. In the event that customers have a combined SBP Balance Credit Refund and Net Surplus Compensation value that does not exceed $100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. ~~All NBT accounts will be reset to zero kWh annually at the time of the customer's Annual True Up and the only NBT credits carried forward on the customer's account will be the combined SBP Balance Credit Refund and Net Surplus Compensation credit balances less than $100~~Any Export Credits in excess of San Diego Community Power charges applied over the course of the Relevant Period shall be carried forward in accordance with Section E.d.

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

~~iii)~~iii. *San Diego Community Power Cash Out for Terminations:* Customers who close their electric account through SDG&E, opt out of San Diego Community Power and return to bundled service, and/or move outside of the San Diego Community Power service area prior to the end of their relevant period, shall be trued up according to San Diego Community Power's Annual True Up Process., and any remaining Export Credits will be set to zero. If applicable, the customer shall receive a refund payment by check for any applicable SBP Balance Credit Refund and/or Net Surplus Compensation above any outstanding Electricity Charges if they are determined by San Diego Community Power to have produced Net Surplus Electricity. Payment will be issued via United States Postal Service mail to the customer's U.S. mailing address on file within 60-90 days after final billing to allow for any usage revisions and/or any adjustments from SDG&E.

Checks will expire 90 calendar days after issuance. If checks expire or are returned to San Diego Community Power, customers may request the one-time reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. ~~After one year~~Un-cashed and expired checks~~, the funds~~ will be unclaimed property ~~and~~ and will be handled in accordance with Community Power's Unclaimed Property Policy~~turned over to the California State Controller's Office~~.

F. SDG&E's ~~SCHEDULE~~Schedule NBT:

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NBT (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate schedules). San Diego Community Power may amend this Schedule NBT to align with SDG&E's Schedule NBT following CPUC approval of the SDG&E's Schedule NBT and any future amendments to the SDG&E Schedule NBT. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's NBT Rate Schedule, and San Diego Community Power credits cannot be applied to any SDG&E charges or vice versa.

Please review the SDG&E's Schedule NBT[18] for more information.

G. ~~RETURN TO~~Return to SDG&E ~~BUNDLED SERVICE:~~ Bundled Service

San Diego Community Power customers participating in San Diego Community Power's NBT program may opt out and return to SDG&E's bundled service, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NBT.

San Diego Community Power will perform a true up of the customer's account in accordance with Section ~~(F)~~(E.e.iii) at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

~~MISCELLANEOUS:~~

AUTHORITY AND DELEGATION

The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including

[18] See https://www.sdge.com/solar/solar-billing-plan

but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

RELATED POLICIES

Net Energy Metering Policy
Net Billing Tariff Aggregation Policy
Net Billing Tariff Virtual Policy
Unclaimed Property Policy

PRIOR ~~VERSIONS:~~VERSIONS

DATE	ACTION	~~Action~~ RESOLUTION NO.	POLICY NO.
~~OCTOBER~~OCTOBER 26, 2023	~~Adoption~~ ~~N/A~~ADOPTION	~~N/A~~N/A	N/A
SEPTEMBER 25, 2025	UPDATE	2025-15	N/A

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ITEM 8
ATTACHMENT B

RESOLUTION NO. 2026-__

A RESOLUTION OF THE SAN DIEGO COMMUNITY POWER BOARD OF DIRECTORS, APPROVING REVISIONS TO THE NET BILLING TARIFF.

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

A. San Diego Community Power ("Community Power") is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated December 16, 2021 ("JPA Agreement").

B. Section 3.2.12 of the JPA Agreement authorizes Community Power to adopt rules, regulations, policies, bylaws and procedures governing the operation of Community Power and Section 4.5.5 identifies setting policy as a duty of the Board.

C. In December 2022, the California Public Utilities Commission adopted Decision 22-12-056 establishing the Net Billing Tariff (NBT) as the successor to Net Energy Metering 2.0.

D. Community Power approved its NBT in October 2023 and subsequently revised the tariff in September 2025.

E. Community Power's NBT includes generation adders that supplement Avoided Cost Calculator-based export compensation for eligible residential non-CARE/FERA, residential CARE/FERA, and non-residential customers.

F. The currently approved eligibility period for the generation adders applies to eligible customers with an NBT effective date from April 15, 2023, through December 31, 2026, and eligible customers receive the applicable adder for six years.

G. Community Power staff evaluated NBT participation, customer credits, market conditions, fiscal exposure, and implementation considerations and recommends extending generation-adder eligibility through December 31, 2029, while maintaining the current rates and six-year adder period.

H. Community Power staff also recommends revisions to annual true-up, cash-out, credit rollover, account-termination, unclaimed-property, and related administrative provisions to improve tariff clarity and align customer billing treatment more closely with applicable SDG&E processes.

I. The Community Advisory Committee reviewed the proposed revisions on December 3, 2026.

J. The Board of Directors considered the proposed revisions at a duly noticed public meeting on December 10, 2026.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

1. The Board of Directors hereby approves and adopts a revised NBT attached hereto as Exhibit A and incorporated herein by this reference.

2. The Board of Directors approves the revised Net Billing Tariff in substantially the form presented with this Resolution, including: (a) extension of generation-adder eligibility through December 31, 2029; (b) continuation of the existing generation-adder rates of $0.0075/kWh for residential non-CARE/FERA and non-residential customers and $0.11/kWh for residential CARE/FERA customers; (c) continuation of the six-year adder period; and (d) revisions to annual true-up, cash-out, export-credit rollover, account-termination, unclaimed-property, and related administrative provisions.

3. The Chief Executive Officer, or designee, is authorized and directed to take all actions reasonably necessary to implement the revised Net Billing Tariff, including completing non-substantive, technical, clerical, and conforming edits that do not materially alter the Board-approved policy.

4. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution and the policy are severable. The Board of Directors hereby declares that it would have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

5. This resolution shall take effect immediately upon its adoption and shall remain in effect except as amended or until repealed by the Board of Directors.

PASSED, APPROVED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on December 10, 2026.

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

_____
Maricela Hernandez, MMC, CPMC
Clerk of the Board/Board Secretary
San Diego Community Power

APPROVED AS TO FORM:

_____
Veera Tyagi, General Counsel
San Diego Community Power

ITEM 8
EXHIBIT A

SAN DIEGO COMMUNITY POWER

BOARD POLICY

POLICY	NET BILLING TARIFF	ORIGINAL ADOPTION DATE	OCTOBER 26, 2023
APPROVAL DATE	DECEMBER 10, 2026	RESOLUTION NO.	2026-__

PURPOSE AND SCOPE

The purpose of this Net Billing Tariff ("NBT" or "Schedule NBT") is to provide a process for how NBT customers are enrolled into and served by San Diego Community Power.

San Diego Community Power Schedule NBT shall be effective beginning on April 15, 2023, the day following the NEM-Successor Tariff ("NEM-ST") eligibility sunset required by the California Public Utilities Commission ("CPUC").

This Schedule NBT shall apply to:

(i) San Diego Community Power customers served under San Diego Gas & Electric Company ("SDG&E") Solar Billing Plan ("SBP") and/or Schedule Net Billing Tariff for Customer-Sited Renewable Distributed Generation[1] ("SDG&E Schedule NBT") receiving electric generation service from San Diego Community Power, including customers with battery storage, fuel cells using renewable fuels, ocean wave or other renewable resource,

(ii) San Diego Community Power customers who are eligible for SDG&E's NEM Tariff and elect to switch to San Diego Community Power's Schedule NBT, and

(iii) San Diego Community Power customers who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of their 20-year SDG&E Net Energy Metering ("NEM") legacy period.[2]

SDG&E's tariffs are available on SDG&E's website[3] and may be amended or replaced by SDG&E from time to time. This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power's Board of Directors ("Board") at a duly noticed public meeting of the Board.[4]

[1] SDG&E's Schedule NBT available via: https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs

[2] See SDG&E's Schedule NEM and Schedule NEM-ST at https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs for details on SDG&E's NEM legacy periods.

[3] Current and Effective Tariffs | San Diego Gas & Electric (sdge.com) https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs

[4] Board agendas are available at: https://sdcommunitypower.org/resources/meeting-notes.

DEFINITIONS

- "Imported Electricity" is defined as when a customer uses any metered electricity supplied by San Diego Community Power, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.

- "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.

- "Energy True Up" is defined as the process performed by SDG&E for the transmission and delivery service and by San Diego Community Power for the generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for schedule NBT, or the date of SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT, whichever is later, and at each anniversary date thereafter.

- "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.

- "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC"),[5] is defined as the rate or amount at which Exported Electricity will be compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. San Diego Community Power utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer classes or technology. The Generation EEC Price is posted on SDG&E's website.

- "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.

- "Export Credit Balance" is defined as when a customer has excess export credits carried into the subsequent billing period, or into the San Diego Community Power true up process at the

[5] The EEC Price is a $/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission ("CPUC") Avoided Cost Calculator ("ACC") approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm.

end of the relevant period.

- "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.

- "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NBT, and on every subsequent anniversary thereof.

POLICY

A. Eligibility

San Diego Community Power's Schedule NBT is available to residential and non-residential customers operating a solar, wind, biomass, geothermal, or other renewable resource as defined in the California Energy Commission's ("CEC") Renewables Portfolio Standard ("RPS") Eligibility Guidebook.[6] Renewable Electrical Generation Facilities ("REGF") are limited to 1MW under the San Diego Community Power and SDG&E's Schedule NBT. Additionally, the customer must participate in SDG&E's SBP (or successor) and/or Schedule NBT for non-generation services, such as transmission and distribution. San Diego Community Power customers served under San Diego Community Power's Schedule NBT must provide SDG&E with a completed SDG&E NBT or SDG&E NEM Application and comply with all other SDG&E requirements for enrollment[7] before becoming eligible for the San Diego Community Power Schedule NBT. No direct agreement with San Diego Community Power is necessary.

Eligible San Diego Community Power customers who begin service under the SDG&E's Schedule NBT on or after April 15, 2023, are automatically enrolled in San Diego Community Power's Schedule NBT either at the time of initially enrolling with San Diego Community Power or at the time SDG&E begins serving them on the SDG&E's Schedule NBT. Eligible San Diego Community Power customers who begin service under the SDG&E's NEM Tariff prior to April 15, 2023, will be eligible for service under San Diego Community Power's NEM Tariff[8] for 20 years following their SDG&E Original PTO.

[6] The latest RPF Eligibility Guidebook can be found at the CEC's website: https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard.

[7] See https://www.sdge.com/solar/solar-billing-plan for more information.

[8] San Diego Community Power's NEM Program Policy is available at: https://sdcommunitypower.org/key-documents/.

Customers served under San Diego Community Power's NEM Tariff may elect to switch to San Diego Community Power's Schedule NBT. Customers who voluntarily switch to San Diego Community Power's Schedule NBT or who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of their NEM 20-year legacy period are **not** eligible to return to service under San Diego Community Power's NEM Tariff.

This tariff does not apply to customer-generators with multiple meters who wish to aggregate the electrical load of the meters located on the customer's owned, leased, or rented property where the Renewable Electrical Generation Facility is located, including existing Net Energy Metering Aggregation or Virtual Net Energy Metering tariffs. Customers under aggregated designs shall be served on Schedule Net Billing Tariff Aggregation ("NBT-A"), and customers under virtual designs shall be served on Schedule Net Billing Tariff Virtual ("NBT-V").

B. NBT Transition Customers

Customers who submitted complete applications to SDG&E on or after April 15, 2023 were interconnected under SDG&E's Schedule NBT but were temporarily billed on NEM-ST until SDG&E's Schedule NBT was fully operationalized in SDG&E's and San Diego Community Power's billing systems, respectively. Once SDG&E's Schedule NBT was operationalized, any customers who interconnected under SDG&E's Schedule NBT but were billed temporarily on NEM-ST completed their true up under their temporary NEM service and transitioned to billing on the SDG&E's Schedule NBT at the beginning of their next available billing cycle in December 2023. The NEM-ST 20-year legacy period is not applicable to SDG&E's Schedule NBT customers who took interim service on NEM-ST as described above.

C. Legacy Period

The terms of Schedule NBT shall remain effective for a period of up to 9 years from the Permission to Operate Notice ("PTO")[9] Date from SDG&E. Per CPUC Decision 22-12-056, the legacy period is linked to the customer that originally caused the system to be installed, not to the system or premise. Should another customer take control of *(e.g., buys, leases, or pays a power purchase agreement for)* the system (such as a new customer moving into the premise), the subsequent customer will not have a new or continued legacy period from the customer that originally caused the system to be installed. Exceptions are made in cases where:

[9] Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

- The subsequent customer is or was the legal partner *(e.g., spouse or domestic partner in the case of residential customers or, in the case of non-residential customers, the account-holding entity continues to be majority controlled by the same underlying individuals or entities from the time the legacy system was installed)* of the original customer. For this latter group, the legacy period maintains its original interconnection date and length of nine years.

- A builder/contractor constructs a new building and receives PTO before selling the unit. The new owner after the rebuild will be able to retain the 9-year legacy period.

D. Rates

All rates for San Diego Community Power's Schedule NBT are in accordance with the applicable customer's otherwise applicable San Diego Community Power rate schedule ("San Diego Community Power Otherwise Applicable Schedule ("OAS")).[10] San Diego Community Power's Schedule NBT residential customers are required to enroll in highly differentiated time-of-use rates currently defined as EV-TOU-5 in San Diego Community Power and SDG&E territory, or other qualified rates that SDG&E and San Diego Community Power may develop in the future, and may choose to enroll in critical peak pricing or peak day pricing rates wherever applicable. San Diego Community Power's Schedule NBT provides the mechanism for billing and crediting customers with generating facilities only. Customers served under this tariff are still responsible for all billed usage charges according to their applicable San Diego Community Power's rate schedule, including volumetric usage, demand charges (if applicable), Power100 surcharges (if applicable), taxes, fees (if applicable) and all other charges owed to San Diego Community Power. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

E. Charges, Credits, and Billing

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

a. **Generation Electricity Charges:** As determined in each billing period, Generation Electricity Charges are calculated by multiplying the customer's Imported Electricity (i.e., electricity consumption from the grid) in kWh by the applicable electricity (commodity) rate components ($/kWh) in the customer's applicable San Diego Community Power OAS.

[10] San Diego Community Power's residential rates can be found at https://sdcommunitypower.org/billing-rates/residential-rates and non-residential rates at https://sdcommunitypower.org/billing-rates/commercial-rates.

b. **Export Credits:** As determined in each billing period, Export Credits are calculated by multiplying the hourly-differentiated customer's Exported Electricity (i.e., electricity generated and sent to the grid) in kWh by the Export Compensation Rate.[11] The calculated value of such net electricity exports shall be credited to the customer and applied as described in Sections E.b and E.e, below.

Export Credits are calculated monthly and can be used to offset currently applicable volumetric (kWh) Generation Electricity Charges (as calculated above) incurred during the billing period but at no point can they offset any SDG&E transmission and delivery charges. Any unused Generation Electricity Export Credits accrued in a given month can be carried forward to offset currently applicable volumetric (kWh) Generation Electricity Charges as long as the account is active with Community Power service. Customers on San Diego Community Power NBT will be billed based on no netting of kWh imports (consumption) and kWh exports (excess generation placed on the grid). Generation charges owed to San Diego Community Power net of any eligible credits will be paid by the customer each month and all usage will be trued up at the end of the Relevant Period.

For the first five years of San Diego Community Power's Schedule NBT ("lock-in period"), the Export Compensation Rate will be set annually using a 9-year schedule from the ACC. All customers who interconnect during this five year "lock-in period" will receive a nine-year schedule of Generation EEC set in the year of interconnection as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer (or an "eligible customer-generator" as defined in SDG&E's Schedule NBT). During the "lock-in period," these customers will have the Export Compensation Rate derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer's Original PTO Date. A new customer moving into a dwelling with an existing generating facility served under SDG&E's Schedule NBT will not be eligible to retain the Export Compensation Rate associated with the Original PTO Date of the generating facility, with two exceptions as described in SDG&E's Schedule NBT.

Customers may opt out of their nine-year schedule of Generation EEC and receive an Export Compensation Rate that is updated annually based on the most recently adopted ACC. Customers that interconnect during the five-year lock-in period may exit their respective nine-year schedule of Generation EEC, but will not be able to opt back in. For the purposes of determining the Export Compensation Rate, the lock-in period is defined as the original adoption date of this tariff (i.e., October 26, 2023) through December 31, 2028. Following the end of this lock-in period, Generation EEC for new NBT customers will be updated annually on January 1 based on the ACC adopted as of January 1 of that

[11] See https://sdcommunitypower.org/programs/net-billing-tariff.

year. Generation EEC will be accrued separately for Delivery under SDG&E and Generation under San Diego Community Power.

c. **San Diego Community Power Generation Adders:** All new NBT customers are eligible to receive a San Diego Community Power Generation Adder. Customers that subsequently transfer into this Schedule NBT after the conclusion and/or termination of their 20-year NEM legacy period are not eligible for the San Diego Community Power Generation Adder.

The credit is calculated monthly by multiplying the Exported Electricity by the applicable $/kWh Generation Adder Rate shown in Table 1.

Table 1: Generation Adder Rates[12]

Residential Non-CARE/FERA	Residential CARE/FERA	Non-Residential
$0.0075/kWh	$0.11/kWh	$0.0075/kWh

i. *Eligibility*:

1. To be eligible for the San Diego Community Power "Residential Non-CARE" and "Non-Residential" Generation Adder, customers need to (a) be served on this tariff, and (b) have an NBT effective date between April 15, 2023 and December 31, 2029.

2. To be eligible for the San Diego Community Power "Residential CARE/FERA" Generation Adder, customers need to (a) be served on this tariff, (b) have an NBT effective date between April 15, 2023 and December 31, 2029, and (c) be enrolled in either the CARE or FERA programs as of the effective date.

3. A new customer moving into a dwelling with an existing Generating Facility served under this tariff on or after January 1, 2030 will not be eligible for the San Diego Community Power Generation Adder.

ii. *Adder Period*:

1. The San Diego Community Power Generation Adder Rates, as defined above, will be fixed during the first six (6) years (the "Adder Period")

[12] Generation Adder Rates are effective as tariff approval date and may be subject to change.

beginning on the NBT effective date communicated by SDG&E to San Diego Community Power. Residential customers will receive the San Diego Community Power Generation Adder during their Adder Period, as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer.

2. Customers receiving the Residential CARE adder will need to maintain enrollment in either the CARE or FERA programs for the duration of the Adder Period.

    a. If a customer account ceases to be enrolled in either the CARE or FERA programs (as communicated to San Diego Community Power by SDG&E), the customer will be moved to the Residential Non-CARE adder rate.

    b. If a customer account enrolls or re-enrolls in either the CARE or FERA programs (as communicated to San Diego Community Power by SDG&E), the customer will be moved to the Residential CARE adder rate for the remainder of their Adder Period.

d. **Monthly Settlement of San Diego Community Power Charges/Credits:** All NBT customers will pay monthly for all applicable charges including the fixed charges within the OAS and any additional net charges due to San Diego Community Power and SDG&E. Customers will have net charges due in a given month if the sum of their Import Charges and Export Credits is greater than zero. Each customer will receive a statement as part of their monthly SDG&E bill indicating accrued San Diego Community Power Electricity Charges for Imported Electricity and/or San Diego Community Power Export Credits for Exported Electricity during the current monthly billing cycle. When a customer's San Diego Community Power credits during the monthly billing cycle result in an accrued credit balance in excess of currently applicable San Diego Community Power Electricity Charges, the value of those credits shall be noted on the customer's bill and carried over as a bill credit for use in a subsequent billing cycle(s).

    A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable San Diego Community Power Generation Electricity Charges, reducing otherwise applicable Generation Electricity Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Generation Electricity Charges, or (ii) the customer no longer receives service from San Diego Community Power.

e. San Diego Community Power Annual True Up & Cash Out Processes:

i. *San Diego Community Power Annual True Up:* At the end of the most recent twelve (12) monthly billing cycles ("Relevant Period") of each Schedule NBT customer, San Diego Community Power will perform a true up of all active customers. San Diego Community Power will determine whether or not each customer has produced net surplus electricity, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in San Diego Community Power's Schedule NBT through the end of their Relevant Period, whichever is shorter ("True Up Period") and at each anniversary date thereafter.

1. *SBP Balance Credit Refund:* If the customer has an Export Credit Balance but incurred San Diego Community Power usage charges earlier within the same San Diego Community Power Annual True Up period, the credits will be applied up to the value of San Diego Community Power charges applied throughout the Relevant Period and carried over as a Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s). Any Export Credits in excess of San Diego Community Power charges applied over the course of the Relevant Period shall be carried forward to the new Relevant Period in accordance with Section E.d.

2. *Net Surplus Compensation:* San Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly Net Surplus Compensation dollar rate per kWh, as defined in Section E.e.i.2.a, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power's Annual Cash Out practice in Section E.e.ii below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power's website and updated monthly.[13]

a. San Diego Community Power's NSC Rate is equal to the applicable monthly SDG&E's NSC, which is defined by the CPUC as "a simple rolling average of each utility's Default Load Aggregation Point ("DLAP") price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity market price at each utility's DLAP price published on the California Independent

[13] San Diego Community Power Net Energy Metering (NEM) - https://sdcommunitypower.org/programs/net-energy-metering/

System Operator ("CAISO") Open Access Same-Time Information System ("OASIS"), and ending the twentieth day of each month",[14] of the customer true up month plus $0.0075/kWh.[15]

ii. *San Diego Community Power Annual Cash Out:* At the end of each customer's relevant period, any current customer who has a combined SBP Balance Credit Refund and Net Surplus Compensation value of $100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file. Customers receiving direct payment will have an equivalent amount removed from their NBT account balance at the time of their Annual True Up. In the event that customers have a combined SBP Balance Credit Refund and Net Surplus Compensation value that does not exceed $100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. Any Export Credits in excess of San Diego Community Power charges applied over the course of the Relevant Period shall be carried forward in accordance with Section E.d.

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

iii. *San Diego Community Power Cash Out for Terminations:* Customers who close their electric account through SDG&E, opt out of San Diego Community Power and return to bundled service, and/or move outside of the San Diego Community Power service area prior to the end of their relevant period, shall be trued up according to San Diego Community Power's Annual True Up Process, and any remaining Export Credits will be set to zero. If applicable, the customer shall receive a refund payment by check for any applicable SBP Balance Credit Refund and/or Net Surplus Compensation above any outstanding Electricity Charges if they are determined by San Diego Community Power to have produced Net Surplus Electricity. Payment will be issued via United States Postal Service mail to the customer's U.S. mailing address on file within 60-90 days after final billing to allow for any usage revisions and/or any adjustments from SDG&E.

[14] CPUC Decision 11-06-016 https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/137431.pdf

[15] Generation Adder Rates are effective as tariff approval date and may be subject to change.

Checks will expire 90 calendar days after issuance. If checks expire or are returned to San Diego Community Power, customers may request the one-time reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. Uncashed and expired checks will be unclaimed property and will be handled in accordance with Community Power's Unclaimed Property Policy.

F. SDG&E's Schedule NBT

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NBT (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate schedules). San Diego Community Power may amend this Schedule NBT to align with SDG&E's Schedule NBT following CPUC approval of the SDG&E's Schedule NBT and any future amendments to the SDG&E Schedule NBT. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's NBT Rate Schedule, and San Diego Community Power credits cannot be applied to any SDG&E charges or vice versa.

Please review the SDG&E's Schedule NBT[16] for more information.

G. Return to SDG&E Bundled Service

San Diego Community Power customers participating in San Diego Community Power's NBT program may opt out and return to SDG&E's bundled service, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NBT.

San Diego Community Power will perform a true up of the customer's account in accordance with Section E.e.iii at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

[16] See https://www.sdge.com/solar/solar-billing-plan

AUTHORITY AND DELEGATION

The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

RELATED POLICIES

Net Energy Metering Policy – Resolution No. 2025-15
Net Billing Tariff Aggregation Policy – Resolution No. 2025-15
Net Billing Tariff Virtual Policy – Resolution No. 2025-15
Unclaimed Property Policy – Resolution No. XXXX-XX

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
OCTOBER 26, 2023	ADOPTION	N/A	N/A
SEPTEMBER 25, 2025	UPDATE	2025-15	N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 9

To:	Community Advisory Committee
From:	Lucas Utouh, Senior Director of Data Analytics and Customer Operations Carly Newman, Account Services Manager
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Proposed Emergency Disaster Customer Protections Policy
Date:	December 3, 2026

Recommendation

Receive and file an update on the proposed Emergency Disaster Customer Protections Policy and provide feedback to staff.

Background

California Public Utilities Commission (CPUC) Decision 19-07-015 establishes emergency consumer protections by Investor-Owned Utilities for customers affected by disasters when a state of emergency is declared by the Governor of California or the President of the United States and utility service is disrupted, degraded, or needed at increased levels for disaster recovery, excluding droughts. This proposed policy formalizes the corresponding emergency consumer protection actions that San Diego Community Power will apply to its actively served residential and small business customers impacted when a state of emergency is declared by the Governor of California or the President of the United States.

In January and February 2024, thousands of customers were displaced following severe rain and flooding that resulted in devastation throughout the San Diego region. This catastrophic event left customers experiencing disruptions to their electric service and increased electric needs to respond to the disaster. To provide some relief to those customers impacted by the disaster, Community Power suspended the mailing of late payment notices, transferring service back to San Diego Gas & Electric ("SDG&E") for non-payment, and collection activities for 12 months.

El Niño conditions are expected to peak in early 2027. With that in mind, staff is proposing to formalize these customer protections in a policy that would apply in the event of a declared emergency. The proposed policy would ensure that the agency has well-defined protocols in

place for delinquency and account handling when a state of emergency proclamation has been issued. This would allow for an agency-wide response that is implemented consistently, promptly, and transparently when a qualifying state or federal emergency occurs within Community Power's service area.

Analysis and Discussion

The proposed policy would create a consistent framework for determining when protections apply, which customers are eligible, and which Community Power account actions will be implemented and for how long. The policy would apply to Community Power residential and small business customers when a qualifying disaster occurs within the service area and results in a loss or disruption of electric service, degradation in electric service quality, or an unexpected increase in electricity use associated with restoration activities. Residential and small business customer designations shall be defined in accordance with SDG&E's definition, consistent with their electric rules and tariffs as well as established emergency protocols from other public agencies.

Eligibility would require that SDG&E identify the customer as impacted by the emergency event, because SDG&E has the operational information necessary to identify customer premises directly impacted by an emergency event. General geographic indicators, such as ZIP code, neighborhood, or circuit, may be used temporarily while SDG&E confirms account-level information. This would allow Community Power to act quickly and provide temporary protections as SDG&E finalizes the list of impacted customers.

The policy would provide the following protections for eligible customers for 12 months from the date of the emergency declaration:

- Community Power will not send late payment notices to impacted customers for delinquent Community Power charges.
- Community Power will not transfer impacted customers to SDG&E generation service for non-payment of Community Power charges.
- Community Power will suspend collection activity on eligible Community Power charges.

Community Power's CEO could, at their discretion, extend these protections for up to six additional months. By establishing the measures in advance, the policy supports timely and equitable treatment of impacted customers while preserving oversight for any extension beyond the initial 12-month period.

The proposed policy is limited to Community Power generation charges and account actions controlled by Community Power. It does not alter SDG&E delivery charges, disconnection practices, billing operations, or other responsibilities under SDG&E tariffs and CPUC

requirements. Implementation would therefore require timely coordination with SDG&E to identify affected premises and apply protections accurately.

Staff is also assessing multiple options with regards to emergency disaster customer assistance pathways and will be bringing a complementary customer assistance policy by the second quarter of 2027 for this committee's review.

Fiscal Impact

There is no fiscal impact associated with this informational item. If adopted, fiscal impacts of this policy would depend on the scope and duration of a future qualifying emergency, the number of eligible accounts, and the amount and collectability of affected Community Power charges. Potential impacts may include delayed customer payment collections, increased past due accounts receivable, additional bad-debt exposure, and administrative costs associated with account identification and implementation.

Staff would monitor and report material impacts through the regular budget and financial reporting process and will seek Board direction if additional budget authority is needed.

Strategic Plan

This item supports Strategic Goal 6, Customer Care: ensure high customer satisfaction and retention. The policy advances the related objectives to address arrearages and connect customers to available resources by establishing consistent protections for customers affected by declared emergencies.

Attachments

A: Resolution, Approving an Emergency Disaster Customer Protection Policy
Exhibit A: Proposed Emergency Disaster Customer Protections Policy

ITEM 9
ATTACHMENT A

RESOLUTION NO. 2026-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER ADOPTING THE EMERGENCY DISASTER CUSTOMER PROTECTIONS POLICY.

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

A. San Diego Community Power ("Community Power") is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated December 16, 2021 ("JPA Agreement").

B. Section 3.2.12 of the JPA Agreement authorizes Community Power to adopt rules, regulations, policies, bylaws and procedures governing the operation of Community Power and Section 4.5.5 identifies setting policy as a duty of the Board.

C. The California Public Utilities Commission requires Investor-Owned Utilities to provide emergency consumer protections for customers affected by disasters when a state of emergency is declared by the Governor of California or the President of the United States and utility service is disrupted, degraded, or needed at increased levels for disaster recovery, excluding droughts.

D. The proposed Emergency Disaster Customer Protections Policy ("Policy") provides similar emergency consumer protections for Community Power's actively served residential and small business customers and is intended to provide some relief to eligible Community Power customers affected by disasters.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

1. The Board of Directors approves the Emergency Disaster Customer Protections Policy, attached hereto as Exhibit A and incorporated by reference.

2. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution and the policy are severable. The Board of Directors hereby declares that it would have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

3. This resolution shall take effect immediately upon its adoption and shall remain in effect except as amended or until repealed by the Board of Directors.

PASSED, APPROVED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on December 10, 2026.

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

_____
Maricela Hernandez, MMC, CPMC
Clerk of the Board/Board Secretary
San Diego Community Power

APPROVED AS TO FORM:

_____
Veera Tyagi, General Counsel
San Diego Community Power

ITEM 9
EXHIBIT A

POLICY	EMERGENCY DISASTER CUSTOMER PROTECTIONS	ORIGINAL ADOPTION DATE	DECEMBER 10, 2026
APPROVAL DATE	DECEMBER 10, 2026	RESOLUTION NO.	2026-__

PURPOSE AND SCOPE

The purpose of this Emergency Disaster Customer Protections Policy ("Policy") is to provide emergency and disaster relief protections to actively served residential and small business customers of San Diego Community Power ("Community Power") when the Governor of California or the President of the United States declares a state of emergency that results in the loss, disruption or degradation of electric utility services (excluding droughts).

POLICY STATEMENT

A. State of Emergency Proclamation

This Policy applies when a state of emergency proclamation is issued by the Governor of California or the President of the United States due to a disaster affecting Community Power's service area (excluding droughts) and:

a. Results in the loss or disruption of the delivery or receipt of electric utility service; and/or
b. Results in the degradation of the quality of electric utility service; and/or
c. Results in the unexpected increase of electric usage due to damage restorative efforts.

B. Customer Eligibility

A customer is eligible to receive customer protections under this Policy if the customer meets the following criteria:

a. The customer is a residential or small business customer of Community Power; and
b. The customer's premises have been identified by SDG&E, through a physical inspection or otherwise, as having been impacted by the emergency event for which the emergency proclamation was issued.

If the SDG&E impact list is not available within 30 days of the emergency declaration, Community Power may use general geographic indicators, such as zip code, neighborhood, or circuit, to identify potentially impacted customers and temporarily provide customer protections until the impact list becomes available.

For clarity, residential and small business customer designations shall be defined in accordance with SDG&E's definition, consistent with their electric rules and tariffs.

C. Customer Protections

Eligible customers will receive the following protections under this Policy:

a. **No Late Payment Noticing**: Community Power will not send Late Payment Notices to eligible customers who are delinquent on Community Power charges for a period of 12 months;
b. **No Transfer of Electric Service Back to SDG&E for Non-Payment**: Community Power will not transfer eligible customers back to SDG&E generation service as a result of non-payment of Community Power charges for a period of 12 months; and
c. **Halt Collections**: Community Power will halt collection activity for eligible customers for a period of 12 months.

The Chief Executive Officer or their designee may, at their discretion, extend these protections for up to six additional months and employ the required operational methods that best meet the needs of the agency's customers.

RELATED POLICIES

1. Collections and Delinquent Handling Policy
2. Financial Reserves Policy

SAN DIEGO COMMUNITY POWER
Staff Report – Item 10

To:	Community Advisory Committee
From:	Timothy Manglicmot, Chief Financial Officer/Treasurer Kevin Bateman, Financial Analyst
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Proposed Unclaimed Property Policy
Date:	December 3, 2026

Recommendation

Receive and File Proposed Unclaimed Property Policy.

Background

In the normal course of business, San Diego Community Power (Community Power) issues payments to customers, vendors, contractors, and energy suppliers, including Net Energy Metering (NEM) and Solar Billing Plan (SBP) true-up cash-out payments, program incentive payments, energy supplier deposit reimbursements, and other authorized disbursements. Some of these payments go uncashed, are returned as undeliverable, or otherwise remain unclaimed despite staff outreach. These funds are held as a liability, and Community Power does not currently have a Board-adopted policy governing how they are tracked, publicly noticed, and resolved. California Government Code Sections 50050 through 50057 allow local agencies, including joint powers authorities, to take ownership of money that has remained unclaimed for three years, after publishing notice and giving owners an opportunity to file a claim. Section 3.3 of Community Power's Joint Powers Authority Agreement grants Community Power the powers conferred upon it by law, and Section 3.2.12 authorizes it to adopt policies and procedures.

For purposes of this Policy, "unclaimed property" is limited to unclaimed funds held by Community Power, such as uncashed or returned payments, and is not intended to encompass other categories of unclaimed property under California law.

Analysis and Discussion

The proposed Policy establishes a consistent process for identifying, managing, reporting, and resolving unclaimed property under these Government Code sections. It complements Community Power's Financial Reserves Policy (Resolution No. 2025-20), Net Energy Metering Tariff and Net Billing Tariff (Resolution No. 2025-15), and Records Retention Policy (Resolution No. 2022-02).

Uncashed and returned payments are recorded in a liability account managed by the Finance Department, along with the payee's name, amount, issue date, and transaction details. Each year, the Finance Department will review items of $15 or more. Items more than three years old, measured from the issue date or the payee's last contact with Community Power, whichever is later, become eligible for further action under the proposed Policy. As permitted by Government Code Section 50055, items under $15, or of any amount if the depositor's name is unknown, that remain unclaimed for one year, or upon a court order, will be transferred to the general operating fund without newspaper notice. Because many unclaimed payments fall below $15, this provision will reduce publication costs and staff workload.

Before an item of $15 or more becomes Community Power's property, Community Power will publish a notice once a week for two consecutive weeks in a newspaper of general circulation. The notice will list the payee's name, the amount, the fund holding the money, claim instructions, and the date the money will become Community Power's property, which must be 45 to 60 days after the first publication. Any party of interest may file a claim before that date, providing their name, address, the amount claimed, the basis for the claim, and any other information Community Power requires. The Chief Financial Officer/Treasurer will accept or reject each claim under Government Code Sections 50052 and 50053.

Under the proposed Policy, money that remains unclaimed after the date stated in the notice becomes Community Power's property, and the Chief Financial Officer/Treasurer will transfer it to the general operating fund without further Board approval. Staff will report annually to the Board on the status of unclaimed property and the amounts transferred. This report will be provided through the annual financial audit and management report, which the Finance and Risk Management Committee also reviews, so no separate process is needed. Records of payments, notification attempts, publications, claims, and resolutions will be retained under the Records Retention Policy.

Fiscal Impact

Through December 3, 2026, staff estimate $242,499.83 in unclaimed property will have aged three years and will be available for public notice to potentially add to Community Power's

reserves. These unclaimed funds should they complete the required holding and notice periods can be transferred from a liability to the general operating fund, increasing reserves. Newspaper notices will result in minor advertising costs.

Strategic Plan

The Policy supports Community Power's commitment to sound financial stewardship, transparency, and accountability by establishing a clear, publicly noticed process for returning funds to their owners and accounting for long-standing unclaimed property.

Attachments

A: Resolution, Approving Unclaimed Property Policy
Exhibit A: Proposed Unclaimed Property Policy

ITEM 10
ATTACHMENT A

RESOLUTION NO. 2026-__

A RESOLUTION OF THE SAN DIEGO COMMUNITY POWER BOARD OF DIRECTORS, APPROVING AN UNCLAIMED PROPERTY POLICY.

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

A. San Diego Community Power ("Community Power") is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated December 16, 2021 ("JPA Agreement").

B. Section 3.2.12 of the JPA Agreement authorizes Community Power to adopt rules, regulations, policies, bylaws and procedures governing the operation of Community Power and Section 4.5.5 identifies setting policy as a duty of the Board.

C. California Government Code sections 50050 through 50057 establish procedures by which a local agency may identify, notice, process claims for, and take ownership of money that has remained unclaimed for the applicable statutory period.

D. In the normal course of business, Community Power issues payments to customers, vendors, contractors, energy suppliers, and other parties, some of which may remain uncashed, undeliverable, or otherwise unclaimed.

E. The proposed Unclaimed Property Policy establishes a uniform process for tracking unclaimed funds, providing public notice, reviewing claims, transferring eligible funds to the general operating fund, maintaining records, and reporting annually to the Board of Directors in accordance with applicable law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

1. The Board of Directors hereby approves and adopts the Unclaimed Property Policy, attached hereto as Exhibit A and incorporated herein by this reference.

2. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution and the policy are severable. The Board of Directors hereby declares that it would have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

3. This resolution shall take effect immediately upon its adoption and shall remain in effect unless amended or repealed by the Board of Directors.

PASSED, APPROVED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on December 10, 2026.

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

_____
Maricela Hernandez, MMC, CPMC
Clerk of the Board/Board Secretary
San Diego Community Power

APPROVED AS TO FORM:

_____
Veera Tyagi, General Counsel
San Diego Community Power

ITEM 10
EXHIBIT A

SAN DIEGO COMMUNITY POWER

BOARD POLICY

POLICY	UNCLAIMED PROPERTY POLICY	ORIGINAL ADOPTION DATE	DECEMBER 10, 2026
APPROVAL DATE	DECEMBER 10, 2026	RESOLUTION NO.	2026-__

PURPOSE AND SCOPE

The purpose of this Unclaimed Property Policy ("Policy") is to establish a process for identifying, managing, reporting and handling unclaimed monies in the custody of San Diego Community Power ("Community Power") in accordance with Sections 50050 to 50057 of the Government Code. This Policy applies where Community Power has issued payments but the money remains uncashed, undeliverable or otherwise unclaimed after three years, including customer-related payments such as Net Energy Metering (NEM) and Solar Billing Plan (SBP) true up Cash Out payments, program incentive payments, vendor or contractor payments, energy supplier deposit reimbursements, and any other authorized disbursements issued by the agency.

POLICY STATEMENT

A. Procedures

1. Identification and Tracking
   All uncashed or returned payments shall be tracked in a designated liability account. Community Power shall maintain records including payee name, amount, issue date, and transaction details.

2. Uncashed and Returned Payments Less than Fifteen Dollars ($15)
   Individual items of less than fifteen dollars ($15), or of any amount if the depositor's name is unknown, which remain unclaimed in the treasury or in the official custody of an officer of Community Power for a period of one year, or upon an order of the court, will be transferred to the general operating fund without the necessity of publication of a notice in a newspaper.

3. Uncashed and Returned Payments Fifteen Dollars ($15) or More
   Community Power's Finance Department will annually review uncashed and returned payments that are fifteen dollars ($15) or greater, and that are more than three years old, in the designated liability account, based on the payment issuance date or last contact with payee, whichever is later. Items more than three years old will be processed according to applicable law by taking the following steps:

   a. Publication of Notice. Community Power shall publish a notice once a week for two consecutive weeks in a newspaper of general circulation.

b. Notice contents. The notice shall include the payee's name, the total amount of money, the fund in which it is held, and a statement that it is proposed that the money will become the property of Community Power on a designated date not less than forty-five (45) days nor more than sixty (60) days after the first publication of the notice. The notice shall also include instructions for submitting a claim.

c. Claim. Any party of interest may file a claim with Community Power which must include the claimant's name, address, amount of claim, the ground on which the claim is founded, and any other information that may be required by Community Power. Any claim must be filed before the date the unclaimed money becomes the property of Community Power as provided in the notice. The Chief Financial Officer, who is also the Treasurer, shall either accept or reject the claim under Government Code Sections 50052-50053, as may be amended from time to time.

d. Final Disposition. If the money remains unclaimed after the date provided in the notice, the money becomes the property of Community Power, and the Chief Financial Officer shall move the money to the general operating fund.

4. Annual Processing Cycle and Reporting
Community Power staff shall provide an annual report to the Board of Directors regarding the status of unclaimed property and the amount transferred to the general operating fund and shall strive to align the report close to Community Power's fiscal year end.

B. Record-Keeping

Community Power shall maintain records of all unclaimed property, including payment details, notification attempts, publication records, and claims and resolutions. Records shall be retained in accordance with Community Power's records retention policy.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
N/A	N/A	N/A	N/A

RELATED POLICIES
Financial Reserves Policy – Resolution No. 2025-20
Net Energy Metering Tariff – Resolution No. 2025-15
Net Billing Tariff – Resolution No. 2025-15
Records Retention Policy – Resolution No. 2022-02

SAN DIEGO COMMUNITY POWER
Staff Report – Item 11

To:	Community Advisory Committee
From:	Timothy Manglicmot, Chief Financial Officer/Treasurer Jeb Spengler, Associate Director of Strategic Finance & Procurement Will Weisman, Associate Director of Finance Capital Investment Plan Chris Do, Finance Manager
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Fiscal Year 2025-2026 Financial Year End Review
Date:	December 3, 2026

Recommendation

Review the Community Power Fiscal Year 2025-2026 Financial Year-End Review and reserve outlook and designation of $115 Million Fiscal Year rate stabilization reserve deferral.

Background

On October 1, 2019, the initial members of San Diego Community Power ("Community Power") adopted a Joint Powers Agreement which was amended and restated on December 16, 2021 ("JPA"). Section 4.6.2 of the JPA specifies that the Community Power Board of Directors ("Board") shall adopt an annual budget prior to the commencement of the fiscal year. The Community Power fiscal year runs from July 1 to June 30.

Section 7.3.1 of the JPA specifies that the Board may revise the budget from time to time as may be necessary to address contingencies and unexpected expenses.

On June 26, 2025, the Board approved the FY 2025-26 ("FY26") Operating Budget which included net revenue of $1,199,619,579 and total expenses of $1,016,711,339, resulting in a net position of $182,908,241. Additionally, on June 26, 2025, the Board approved the FY26 capital budget which included revenue and expenses of $54,545,636 to fund 12 projects in FY26, totaling 21 active projects during the fiscal year when including previously appropriated carry-forward funds. Finally, on June 26, 2025, the Board approved the FY 2026-30 Capital

Investment Plan which outlined anticipated funding needs over the five-year outlook period, totaling $344.3 million. The first year of the FY 2026-2030 CIP comprised the FY26 capital budget.

Subsequently, on February 26, 2026, the Board approved an amendment to the FY26 Operating Budget (FY26 Amended Budget) to decrease net revenue to $1,175,418,914 and total expenses to $1,025,004,360, resulting in a projected net position of $150,414,553 for FY26. The Board additionally approved an amendment to the FY26 capital budget that includes total revenue and expenses of $55,239,247. The amendment included $11.2 million in unspent continuing funds as well as Grant revenue for the California Energy Commission CHARGE UP project.

Finally, on September 24, 2026, the Board received and filed the Treasurer's Report for 12-Month Period Ending June 30, 2026. As part of the report, staff noted actual financial results for the period ending June 30, 2026: $1.226 billion in net operating revenues were reported compared to $1.175 billion budgeted for the period. Community Power's change in net position of $293.9 million was reported year-to-date for FY26. Table 1 reflects the summary of the actual results through June 30, 2026, compared to the FY26 Amended Budget:

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Year-to-Date			
	Amended Budget	Actual	Amended Budget Variance (Under) Over	Actual/ Amended Budget %
REVENUES AND OTHER SOURCES				
Gross Ratepayer Revenues	$ 1,194,789,000	$ 1,234,884,127	$ 40,095,127	103%
Rate Stabilization Fund transfer	-	(115,000,000)	(115,000,000)	na
Less: Uncollectible Customer Accounts	(19,370,000)	(12,242,027)	7,127,973	63%
Other Income	-	3,115,059	3,115,059	na
Total Revenues and Other Sources	1,175,419,000	1,110,757,158	(64,661,842)	
OPERATING EXPENSES				
Cost of Energy	969,917,000	885,841,666	(84,075,334)	91%
Professional Services and Consultants	23,414,000	18,565,184	(4,848,816)	79%
Personnel Costs	19,612,000	18,836,768	(775,232)	96%
Marketing and Outreach	2,317,000	2,113,484	(203,516)	91%
General & Administrative	4,648,000	4,826,439	178,439	104%
Total Operating Expenses	1,019,908,000	930,183,540	(89,724,460)	
Operating Income (Loss)	155,511,000	180,573,619	25,062,619	
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	18,295,000	19,187,155	892,155	105%
Interest and Related Expenses	(1,515,000)	(1,858,591)	(343,591)	123%
Transfer to Capital Investment Program	(21,881,000)	(21,881,000)	-	100%
Total Non-Operating Revenues (Expenses)	(5,101,000)	(4,552,436)	548,564	
NET CHANGE	$ 150,410,000	$ 176,021,182	$ 25,611,182	

Table 1. Budget Comparison by Budget Level 2, actual results through June 30, 2026 compared to the FY26 Amended Budget.

The report also noted that additional information regarding the FY26 year-end financial results, including the rate stabilization reserve determination and related reserve considerations, and potential recommendations for a supplemental budget appropriation, will be provided as part of the full-year FY26 financial review in October.

On July 28, 2022, the Board also approved Community Power's Budget Policy. Most notably, the Budget Policy states the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") may authorize expense transfers between and within Budget Level 2 categories provided that net transfers total $150,000 or less from the budget category. Budget movements exceeding this threshold require Board approval. Further, the FY26 Operating Budget Book defined the budget structure and budget level hierarchy where budget appropriations occur as shown in Figure 1.

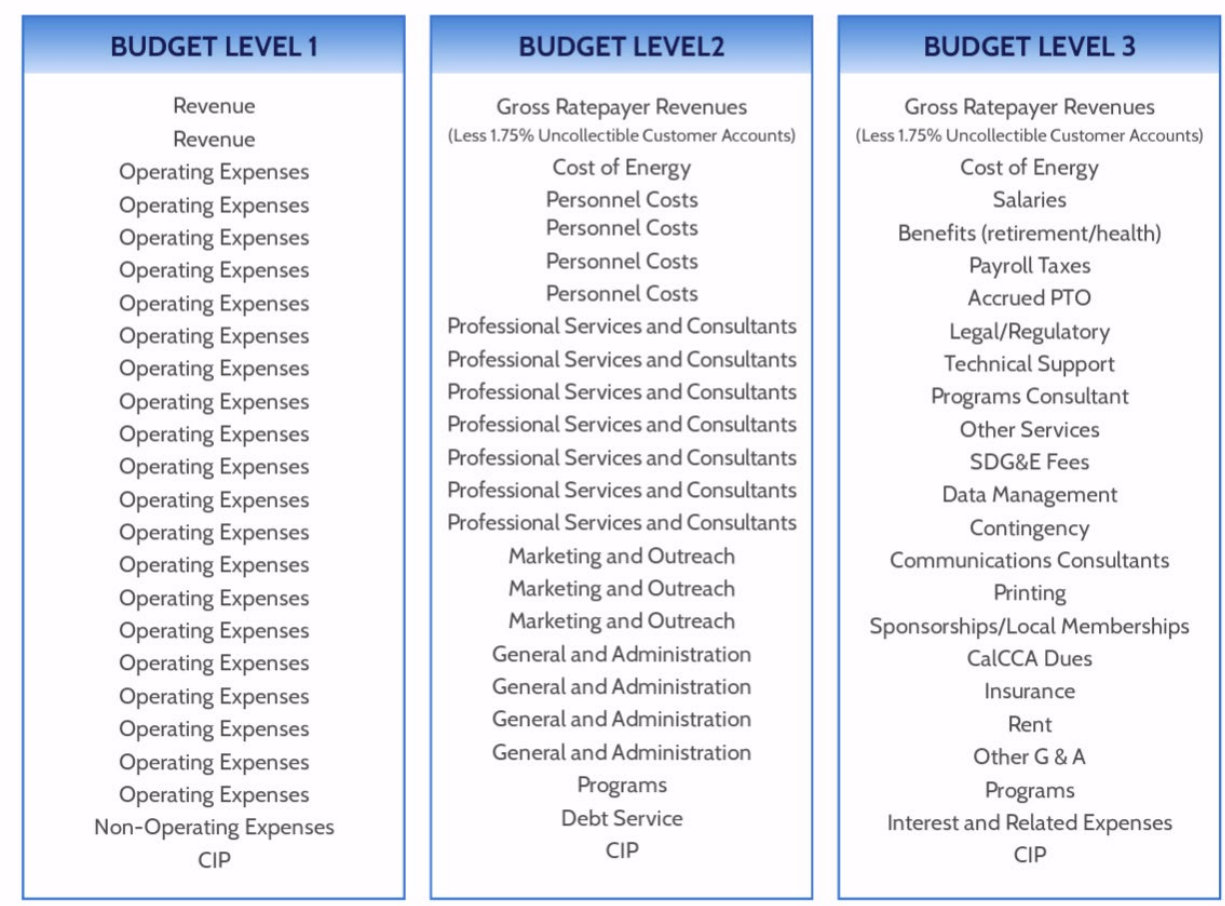

Figure 1. Budget Structure – Budget Level Hierarchy

Relatedly, on December 11, 2025, as part of a fourth revision to the financial reserves policy, and on May 28, 2026, as part of a budget presentation, the Board received updates from staff noting that the most significant financial risk facing the agency is volatility in Market Price Benchmarks ("MPBs") as they flow through the Power Charge Indifference Adjustment ("PCIA") and SDG&E bundled rates. As of April 30, 2026, Community Power's projected market prices for on-peak energy, off-peak energy, and renewable resources for calendar years 2026 and 2027 were materially lower than the CPUC's published benchmark values on October 1, 2025.

As noted in the staff report, the FY27 Operating Budget reflects significant downside risk to calendar year 2027 net revenue resulting from Market Price Benchmark volatility - the single largest financial risk facing the agency. This risk is projected to be partially mitigated within the cost of energy through (1) open energy positions that can be closed at lower projected market prices and (2) lower projected renewable prices under the VAMO contract with SDG&E. Together, these factors drove the reduction in projected operating expenses in the FY27 Operating Budget.

The following includes an analysis and discussion of the FY26 year-end results, the resulting reserve position, and a preliminary outlook and reserve projection for FY27 and FY28.

Analysis and Discussion

FY26 concluded materially better than the FY26 Amended Budget. Favorable market conditions resulted in higher-than-budgeted revenues and lower-than-budgeted energy costs, increasing Community Power's reserves from 114 days cash on hand at the end of FY25 to 249 days cash on hand at the end of FY26. The strengthened financial position enabled full funding of the $115 million Rate Stabilization Reserve framework previously approved by the Board and positioned the agency to manage anticipated PCIA-related financial pressures in FY27 and FY28. Staff is additionally requesting approval of budget-neutral transfers between Budget Level 2 categories; however, no increase to the Board-approved budget is required.

The actual financial results for FY26 through the period ending June 30, 2026, compared to the FY26 Amended Budget by budget level 2 are shown in Table 1 in the Background section. The financial results are a compilation and reflect unaudited financials for FY26. The final FY26 Financial Audit, which includes the final audited financials for the period, is expected to be reviewed by the Board on December 10, 2026. While staff expect the unaudited financials to remain largely unchanged, staff nonetheless expect further adjustments to the results shown in Table 1.

Revenues and Other Sources

Before designation of the $115 million Rate Stabilization Reserve, FY26 net revenues exceeded budget by $50.3 million, or 4.3%. Following designation of the $115.0 Rate Stabilization

Reserve, discussed further in the reserve section, reported net revenues were ($64.6 million), or 5.5% under budgeted projections, because the designated amount was deferred rather than recognized as FY26 revenue. This deferral does not affect cash reserves and reflects implementation of the Board-approved Rate Stabilization Reserve framework discussed later in this report.

The primary drivers for the total net revenues exceeding the budget included:

1. **Super Off-Peak Expansion**. The Super Off-Peak expansion from 10am to 2pm for residential customers resulted in lower-than-expected credits to Net Energy Metering customers. The lower rates during solar hours meant that the value of solar generation during the new super-off peak was reduced.
2. **Uncollectibles**. The FY26 Amended Budget included a 1.75% uncollectible rate, but actual results estimate a 1.24% uncollectible rate for the remaining fiscal year. This result led to actual results finishing $7.1 million higher than expected.
3. **PowerBase Enrollment**. During the fiscal year, fewer customers enrolled in Community Power's PowerBase product, which is 10% less expensive than SDG&E's generation rates. This led to additional revenue as these customers instead remained in Community Power's PowerOn base product, which was 4% less expensive than SDG&E's generation rates in calendar year 2027.
4. **Load Usage**. Customers had slightly higher than forecast load usage especially as weather was hotter than expected during the fiscal year.

Operating Expenses

Cost of Energy

Energy costs were $84.1 million, or 8.6% below the year-to-date budget.

As background, when a Community Choice Aggregator ("CCA") is formed, it typically purchases energy in the volatile short-term energy market. CCAs also procure renewable energy, such as Portfolio Content Category 1 ("PCC1"), to meet renewable portfolio requirements, as well as resource adequacy to comply with mandatory planning and procurement obligations designed to ensure there is sufficient generation capacity available to reliably serve consumer demand in real time.

Community Power's long-term strategy since its formation has been to shift from the volatile, short-term markets into long-term renewable power purchase agreements ("PPAs"). Long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also hedging power supply costs and meeting resource adequacy obligations. Long-term PPAs also generally provide fixed pricing for energy, renewables and resource adequacy.

However, in FY26, a significant portion of Community Power's energy, renewable resources and resource adequacy was purchased in the volatile, short-term market as more long-term PPAs continue to come online and as staff continue to bring long-term PPAs for Board approval.

As a result, because energy, renewables and resource adequacy prices are at historically low levels, discussed further in the Projected Use of Reserves in FY27 and FY28 section, Community Power saw significant savings from short-term market purchases. These savings were driven primarily by:

1. **Renewable Energy Costs**. $91.6 million in lower renewable energy costs, reflecting recent declines in PCC1 prices. This market trend resulted in more favorable Renewable Portfolio Standard (RPS) procurement pricing and reduced costs under the Voluntary Allocation Market Offer (VAMO) contract with San Diego Gas and Electric (SDG&E). Additionally, the volume of renewables delivered under the VAMO contract was lower than expected during the fiscal year leading to additional savings.
2. **Energy Costs**. Load-serving costs were $16.3 million below budget, driven by lower Day-Ahead market energy prices. These savings were partially offset by $33.3 million in lower-than-budgeted CAISO credits, which increased net energy costs relative to forecast. After accounting for this offset, total energy costs were $84.1 million under budget year-to-date.

Non-Energy Costs

Non-energy operating expenses ended FY26 generally in line with budget expectations and did not contribute materially to overall financial variances for the year. Actual expenditures across the major non-energy categories were largely consistent with the assumptions reflected in the FY26 Amended Budget, with only limited deviations requiring discussion.

The following section provides a brief overview of the primary non-energy expense categories and highlights notable variances where applicable. As discussed later in this report, staff is also recommending several budget-neutral transfers between Budget Level 2 categories to align appropriation authority with final year-end expenditures. These administrative adjustments do not increase the total Board-approved revenue or expense appropriations for FY26.

- **Professional Services & Consultants** were ($4.8 million), or 8.6% below the annual budget. Savings within this category were primarily attributable to increased internal staffing in alignment with the budget, which reduced reliance on certain external professional and consulting services. This category also included lower-than-anticipated costs for contracted and operational services most notably from Community Power's largest non-energy contracts for Calpine Community Energy, LLC, and San Diego Gas & Electric for service fees.
- **Personnel Costs** were ($0.8 million), or 4.0% below the year-to-date budget which was in-line with expectations.

- **Marketing and Outreach** was ($0.2 million) or 8.8% below the year-to-date budget primarily due to reduced printing requirements during the fiscal year.
- **General & Administration** was $0.2 million or 3.9% over the year-to-date budget due to higher-than-anticipated costs across several operating areas, including insurance, software and technology services, and utilities. These variances primarily reflected evolving organizational needs and higher-than budgeted costs.

Non-Operating Expenses

Investment income finished $0.9 million or 4.9% better than the year-to-date budget as Community Power generated more cash reserves than anticipated generally leading to higher-than-expected investment income. Debt Service or Interest and Related Expenses, by comparison, finished $0.3 million or 22.7% above the budget due to higher-than-anticipated costs associated with the organization's credit facilities and related financing fees.

Recommended Budget Movement

As part of the fiscal year-end close, staff is recommending Board approval of certain budget movements between Budget Level 2 categories to ensure appropriation authority is appropriately aligned with final expenditures. Staff consider these adjustments administrative and non-substantive in nature. The proposed movements are budget-neutral and do not increase the Board-approved revenue or expense appropriations for FY26.

Proposed budget movements between Budget Level 2 categories:

- **Professional Services & Consultants**: Transfer $1,000,000 of available budget authority from the Professional Services & Consultants Budget Level 2 category.

- **General & Administration**: Transfer $500,000 of budget authority to the General & Administration Budget Level 2 category.

- **Debt Service**: Transfer $500,000 of budget authority to the Debt Service Budget Level 2 category.

No additional budget authority is requested. The proposed transfers reallocate existing appropriations within the FY26 Operating Budget and are budget-neutral, with no change to the total Board-approved budget.

These adjustments reflect staff's year-end review of actual expenditures and are intended to ensure that budget appropriations are appropriately aligned with expenditures within the applicable Budget Level 2 categories. Completing these adjustments following receipt of final June actuals provides a more accurate representation of fiscal year activity and addresses year-

end budget variances without requiring an increase to the overall approved budget. Table 3 reflects the budget movement request in further detail.

Funding From (Budget Level 2)	Funding to	Transfer
Professional Services & Consultants	Debt Service	$ 500,000.00
Professional Services & Consultants	General & Administrative	$ 500,000.00
Total Budget Movement		$ 1,000,000.00

Table 2. Proposed budget movements between Budget Level 2 categories

Board Policy Direction and Reserve Strategy

The FY26 results allowed Community Power to further strengthen reserves and implement the reserve management framework approved by the Board to address anticipated future market volatility and PCIA-related risks.

The FY26 year-end reserve position is the culmination of a series of Board policy actions taken during FY26. In December 2025, the Board increased reserve targets to address growing market risks. In March 2026, the Board established the Rate Stabilization Reserve framework to preserve affordability during adverse market conditions. In May 2026, staff identified MPB volatility and a potential PCIA snapback as the most significant financial risk facing the agency. The better than projected FY26 results provided the financial capacity necessary to implement each of these policy objectives.

Financial Reserves:

As a result of the year-end financials, Community Power's cash and investment reserves grew from approximately $364.0 million at the close of FY25 (114 days cash on hand) to approximately $696.1 million at the close of FY26 (249 Days Cash on Hand "DCOH", or 274 DCOH based on FY27 budgeted expenses). This growth was driven by better than anticipated market conditions (higher revenue and lower wholesale energy costs than budgeted) and was reinforced by two Board actions during the year: the December 11, 2025 revision to the Financial Reserves Policy (Resolution 2025-23), which raised the reserve target from 180 to 225 days cash on hand, and the March 26, 2026 adoption of a formal Rate Stabilization Reserve Policy (Resolution 2026-07).

This section of the staff report will provide (1) an overview of the month-by-month accounting of the growth in Community Power's financial reserves during FY26, (2) an explanation of the $115 million deferral of FY26 revenue that has been designated as Rate Stabilization Reserves ("RSR"), including the policy authority and accounting mechanics for how the deferral will ultimately be recognized, and (3) staff's current projections of how reserves (including RSR) are expected to be used in Fiscal Years 2027 and 2028 as Community Power anticipates a reversal ("snapback") in Power Charge Indifference Adjustment ("PCIA") market conditions.

Growth of Financial Reserves in FY26

Community Power's reserve policy is measured in Days Cash on Hand, defined under the current policy as unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes, divided by average daily operating expenses. The tables below show the DCOH as presented in the monthly Treasurer's Reports to the FRMC throughout FY26.

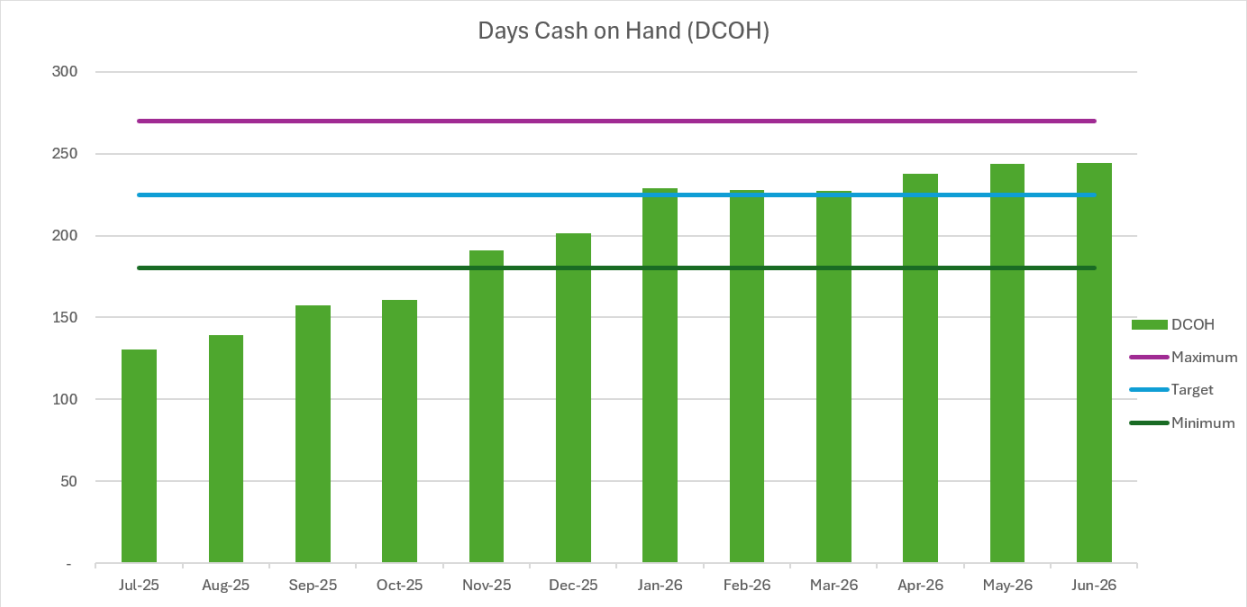

Figure 2. San Diego Community Power's Days Cash on Hand

Month-End	Days Cash on Hand	vs. Minimum (180)	vs. Target (225)	vs. Maximum (270)
Jul-25	**139**	-41	-86	
Aug-25	**157**	-23	-68	
Sep-25	**161**	-19	-64	
Oct-25	**191**	+11	-34	
Nov-25	**201**	+21	-24	
Dec-25	**229**	+49	+4	
Jan-26	**228**	+48	+3	
Feb-26	**227**	+47	+2	
Mar-26	**238**	+58	+13	

Month-End	Days Cash on Hand	vs. Minimum (180)	vs. Target (225)	vs. Maximum (270)
Apr-26	**244**	+64	+19	
May-26	**244**	+64	+19	
Jun-26	**249 (FY26 expenses)** **274 (FY27 expenses)**	+69 +94	+24 +49	- +4

Table 3. San Diego Community Power's Days Cash on Hand by Month

At fiscal year-end, total reserves (cash and investments) stood at $696.1 million, composed as follows:

Reserve Component (as of 6/30/2026)	Balance	% of Total
Unrestricted Cash	$497,203,424	71%
Current Investments	$80,988,906	12%
Non-Current Investments	$117,874,747	17%
Total Reserves (Cash & Investments)	**$696,067,077**	**100%**

Table 4. San Diego Community Power's Reserves by Component

$115 Million Rate Stabilization Deferral

One of the most significant outcomes of FY26 was the successful implementation of the Board's reserve strategy. Through adoption of the revised Financial Reserves Policy in December 2025 and the Rate Stabilization Reserve Policy in March 2026, the Board established a framework intended to accumulate reserves during favorable market conditions and use those reserves to moderate future rate volatility. FY26 results provided sufficient financial performance to fully fund the maximum eligible Rate Stabilization Reserve designation of $115 million.

As footnoted in the FY26 year-end Treasurer's Report, $115 million of what would otherwise have been FY26 operating revenue was deferred and designated as a Rate Stabilization Reserves rather than recognized in FY26. This deferral impacts the "Net Operating Revenues" and "Change in Net Position" figures reported to the Board for FY26 ($1,110.8 million and $176.0 million, respectively). These numbers are $115 million less than what Community Power actually collected in FY26.

The deferral was made possible by favorable FY26 market conditions – energy costs came in $84.1 million under the amended budget – which produced revenue and positive operating margins above what was needed to meet FY26 financial obligations and reserve targets.

Rather than allowing that full positive margin to be recognized in FY26, staff exercised the authority granted by the newly adopted Rate Stabilization Reserve Policy to set aside $115 million specifically to cushion anticipated cost increases in FY27 and FY28 as discussed further in the “Projected Use of Reserves in FY27 and FY28” section below.

RSR Accounting Mechanics:

It’s important to remember that the RSR deferral does not move cash and all funds designated as RSR are still included in the total reserves calculation. The RSR is a revenue-recognition mechanism as defined by the Governmental Accounting Standards Board (“GASB”). The GASB framework was applied by staff in designing the RSR policy. This policy allows staff to treat a defined portion of favorable current-year revenues as a deferred revenue inflow rather than current-period revenue, provided there is a documented intent and mechanism to flow that amount through to benefit customer rates in a specific future period. For Community Power's financial statements and Treasurer's Reports, the deferral results in the following:

- The $115 million is excluded from the "Net Operating Revenues" and "Change in Net Position" lines in the Statement of Revenues, Expenses, and Changes in Net Position for FY26.
- The cash and investments remain on the balance sheet and continue to count as unrestricted cash and investments for DCOH and total-liquidity reporting purposes. The $115 million is included within the $696.1 million of total reserves reported at June 30, 2026, and within the 249 days cash on hand figure, even though it is not part of recognized FY26 revenue.

The amount is carried as a designated (Board-restricted, not legally restricted) component of reserves until a future recognition event converts it into recognized revenue in the period the Board selects.

Process for Future RSR Recognition:

The RSR policy established two decision points with different approval authorities that govern the full lifecycle of a RSR determination:

1) Designation – At fiscal year-end, the Chief Executive Officer (or Acting CEO) may authorize the designation of eligible reserves into the RSR, subject to the policy’s cap (approximately 45 days cash on hand). The determination will then be reported to the Board at the next regularly scheduled Board meeting. This is the step that occurred at the FY26 year-end that produced the $115 million designation reflected in the June 30, 2026 Treasurer’s Report.

2) Recognition (release into Revenue) – Board approval is required to recognize some or all of the $115 million designated as RSR. Staff will bring a recommended recognition amount and timing to the Board as part of the annual financial review cycle. During the

January rate-setting process, staff will present financial scenarios that may include the use of reserves, including amounts designated as RSR; the Board may also authorize the use of reserves not designated as RSR. Any RSR amount approved for recognition would be recorded as revenue later in the fiscal year if needed to satisfy financial covenants.

Projected Use of Reserves in FY27 and FY28:

FY27 – Managing an anticipated PCIA "snapback"

The preliminary FY27 operating and capital budget, presented to the FRMC on May 21, 2026, and to the full Board on May 28, 2026, projects a reversal of the favorable conditions that created FY26's reserve growth.

On June 10, 2026, as part of a stress test analysis for its Board, Silicon Valley Clean Energy (SVCE), a peer CCA with similar underlying metrics, noted for its Board that it believed market prices are collapsing (see Figure 2).

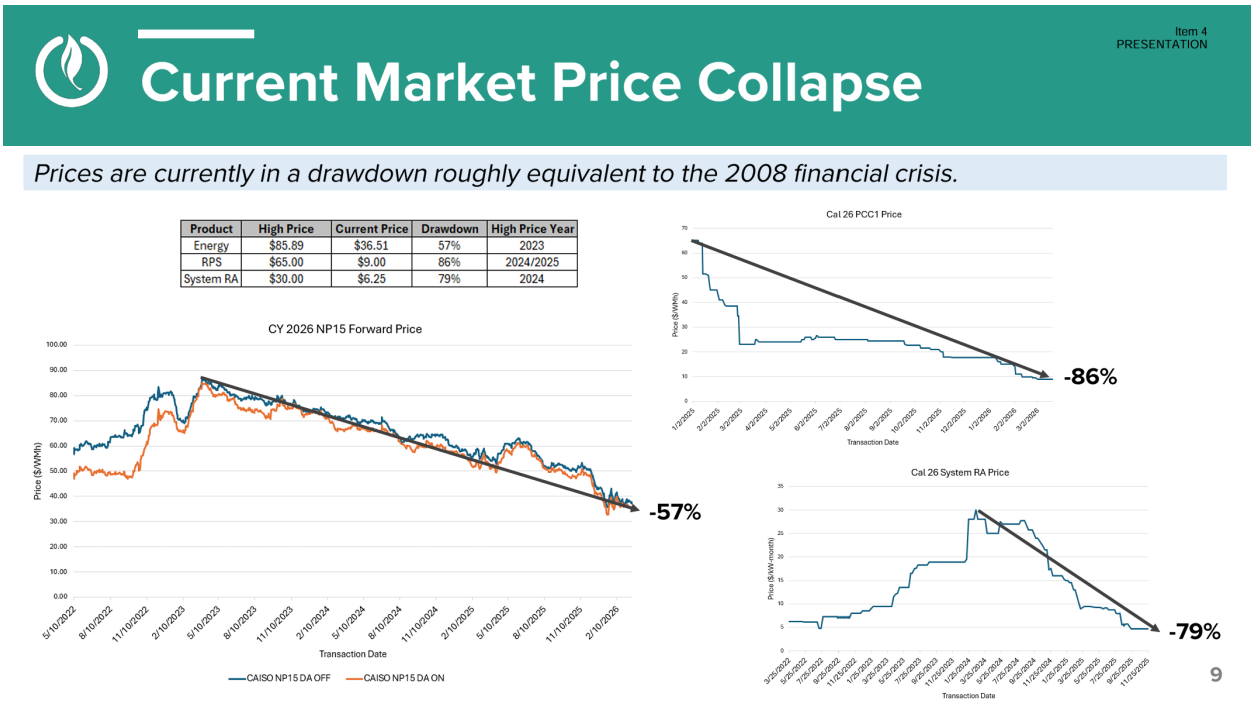

Figure 3. SVCE Board of Directors Meeting, Stress Test Analyses, June 10, 2026.

As noted in May 2026 to the FRMC and Board, declining market price benchmarks have a compounded financial impact on Community Power due to the timing mechanics of the PCIA and the Portfolio Allocation Balancing Account (PABA). Lower MPB values increase calculated above-market costs and are reflected through the PABA true-up in 2026, which results in a higher PCIA applied to Community Power customers in 2027. At the same time, those same market conditions contribute to lower SDG&E bundled generation rates in 2027. Together, these effects place downward pressure on Community Power's relative rate position by

increasing PCIA charges while reducing the competing utility rate benchmark, although as noted in this report, Community Power realized significant cost of energy savings in FY26 from the same declining market price benchmarks.

Based on current market conditions, staff continue to project materially lower revenues and reduced operating margins in FY 27 and FY28 relative to FY26, driven by an expected PCIA "snapback": CPUC market-price benchmarks that had been suppressed through 2025 and into 2026 are expected to normalize, which functionally shrinks the PCIA credit Community Power customers have been receiving. Updated forecasts reflecting the latest market information will be presented to the Board as part of future budget and rate-setting discussions.

As a result of the operating margin compression, the FY27 budget anticipates a positive net margin of $3.9 million. This is in comparison to the FY26 amended budget net margin of $150.4 million that was intentionally designed to grow reserves to reach the target DCOH by fiscal-year end.

Staff expect to bring forward a specific recommendation to the Board during the FY27 rate-setting process to show a use of reserves (either RSR-designated reserves or regular reserves, or some combination of the two) that are above the 225-day target. This use of reserves will offset the projected margin compression, protect necessary financial metric covenants, and moderate rate impacts to customers.

FY28 and beyond – Preliminary Outlook
The FY28 operating and capital budget will follow Community Power's normal cycle with preliminary versions brought to the FRMC and Board in spring 2027. Based on current planning materials and directional trends, staff anticipates a further draw down on reserves as PCIA is a multi-year true-up mechanism. Staff will continue to report reserve balances, RSR activity, and updated multi-year projections to the FRMC and Board and will highlight any material change in the FY27 or FY28 outlooks as soon as they are identified.

Capital Investment Program Fund

The FY 2026-30 Capital Investment Plan (CIP) contains all the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years. Contributions to the CIP are considered one-time in nature and do not reflect future funding commitments.

The first year of the FY 2026-30 CIP is Community Power's capital budget for the FY26 as shown in Table 3 below. Contributions are made strategically from operations based on available resources to support future anticipated needs. Unspent funds are kept within the CIP and carried forward to the subsequent fiscal year. Fund balance presented in the Budgetary Comparison Schedule represents this carry-forward budget. The CIP includes

funding for local development feasibility studies, customer program pilot projects, community grants, a customer education platform, and other community-focused areas.

The FY26 budget most notably included contributions from the Operating Fund to support the Solar Battery Savings Program, with $18.8 million to support ongoing program needs projected in the Capital Investment Plan. The total program need over the five-year outlook period is expected to be $55 million. $3.9 million in program expenses reported below were from the Solar Battery Savings program, $3.6 or which were incentive payments to program participants. As of September 4, 2026, 706 applications have been completed representing an enrolled energy capacity of 18 MWh, with another 536 applications approved pending installation.

FY26 also saw a ramp up in expenses related to SDREN, with $9.5 million in related program costs. Through focused efforts, SDREN has launched the Tribal Energy Upgrade program, Refresh Refrigeration program, Multifamily Energy Upgrade program, and the Home Energy Savings program. SDREN also continues prelaunch efforts for the Small Business Energy Coach and Business Energy Upgrade Program, while supporting early implementation efforts for the Energy Coach program, Spark Your Education, Spark your Career and the Public Sector Energy Upgrade program. SDREN is supported externally through Public Purpose Program funding.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Annual Amended Budget	YTD Actual	Amended Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 21,881,000	$ 21,881,000	$ -
Grant Revenue - SDREN	31,868,547	9,221,586	(22,646,961)
Grant Revenue - CDFA Efficient Refrigeration Pilot	-	642,592	642,592
Grant Revenue - DAC	589,822	-	(589,822)
Total Revenue and Other Sources	54,339,369	31,745,177	(22,594,192)
EXPENDITURES AND OTHER USES			
Program Expenditures	54,628,369	15,895,042	$ (38,733,327)
Net increase (decrease) in fund balance	$ (289,000)	15,850,136	
Fund balance at beginning of period		10,340,567	
Fund balance at end of period		$ 26,190,703	

Table 5. Capital Investment Program Fund - Budgetary Comparison Schedule

Summary

FY26 concluded with operating results that exceeded budget expectations, allowing Community Power to materially strengthen its financial position while maintaining competitive rates. The resulting reserve growth enabled full funding of the Rate Stabilization Reserve framework approved by the Board and positions the agency to manage the projected PCIA and market-price volatility discussed throughout FY26. While staff anticipates reserves may be utilized in FY27 and FY28 to moderate customer impacts and preserve key financial metrics, Community Power enters that period from its strongest financial position since formation and is poised to continue delivering competitive and stable rates for its customers.

Fiscal Impact

The recommended action reallocates $1.0 million of existing appropriation authority between Budget Level 2 categories to align appropriations with actual FY26 expenditures. No additional budget authority is requested, and there is no impact to the total Board-approved FY26 Operating Budget, revenue appropriations, expense appropriations, reserves, or projected financial position. Staff consider the proposed adjustments administrative and non-substantive from a financial perspective.

Strategic Plan

This item advances Community Power's Financial Stability strategic goals approved by the Board on March 27, 2025, including building reserves, developing a Rate Stabilization Reserve to mitigate power cost fluctuations and economic downturns, and continuing to enhance financial controls and policies that meet or exceed financial management best practices.

FY26 results exceeded budget expectations, allowing Community Power to materially strengthen reserves, fully implement the Board's Rate Stabilization Reserve framework, and improve readiness for anticipated market-price benchmark and PCIA volatility. These outcomes reinforce the agency's commitment to long-term fiscal sustainability, affordability, and prudent financial management.

Attachments

A: 2026-06 Community Power Budgetary Comparison

ITEM 11
ATTACHMENT A

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying operating fund and capital investment program fund budgetary comparison schedules of San Diego Community Power (SDCP), a California Joint Powers Authority, for the year ended June 30, 2026 and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

These special purpose statements are prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SDCP.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. SDCP's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to SDCP because we performed certain accounting services that impaired our independence.

Maher Accountancy
San Rafael, CA
August 12, 2026

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Year-to-Date			
	Amended Budget	Actual	Amended Budget Variance (Under) Over	Actual/ Amended Budget %
REVENUES AND OTHER SOURCES				
Gross Ratepayer Revenues	$ 1,194,789,000	$ 1,234,884,127	$ 40,095,127	103%
Rate Stabilization Fund transfer	-	(115,000,000)	(115,000,000)	na
Less: Uncollectible Customer Accounts	(19,370,000)	(12,242,027)	7,127,973	63%
Other Income	-	3,115,059	3,115,059	na
Total Revenues and Other Sources	1,175,419,000	1,110,757,158	(64,661,842)	
OPERATING EXPENSES				
Cost of Energy	969,917,000	885,841,666	(84,075,334)	91%
Professional Services and Consultants	23,414,000	18,565,184	(4,848,816)	79%
Personnel Costs	19,612,000	18,836,768	(775,232)	96%
Marketing and Outreach	2,317,000	2,113,484	(203,516)	91%
General & Administrative	4,648,000	4,826,439	178,439	104%
Total Operating Expenses	1,019,908,000	930,183,540	(89,724,460)	
Operating Income (Loss)	155,511,000	180,573,619	25,062,619	
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	18,295,000	19,187,155	892,155	105%
Interest and Related Expenses	(1,515,000)	(1,858,591)	(343,591)	123%
Transfer to Capital Investment Program	(21,881,000)	(21,881,000)	-	100%
Total Non-Operating Revenues (Expenses)	(5,101,000)	(4,552,436)	548,564	
NET CHANGE	$ 150,410,000	$ 176,021,182	$ 25,611,182	

See accountants' compilation report.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Annual Amended Budget	YTD Actual	Amended Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 21,881,000	$ 21,881,000	$ -
Grant Revenue - SDREN	31,868,547	9,221,586	(22,646,961)
Grant Revenue - CDFA Efficient Refrigeration Pilot	-	642,592	642,592
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Net increase (decrease) in fund balance	$ (289,000)	15,850,136	
Fund balance at beginning of period		10,340,567	
Fund balance at end of period		$ 26,190,703	

See accountants' compilation report.

SAN DIEGO COMMUNITY POWER
Staff Report - Item 12

To:	Community Advisory Committee
From:	Lucas Utouh, Senior Director of Data Analytics and Customer Operations Aaron Lu, Rates and Strategy Manager Pete Polonsky, Senior Rates Analyst
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on SDG&E's 2027 Projected Rates
Date:	December 3, 2026

Recommendation

Receive and file an update on SDG&E's 2027 projected rates.

Background

As San Diego Community Power (Community Power) prepares to develop and propose rates for 2027, it is critical to understand current San Diego Gas and Electric (SDG&E) bundled commodity/generation and the Power Charge Indifference Adjustment (PCIA) rates – as both SDG&E bundled generation and PCIA rates play a role in the Community Power rate setting process, particularly as it relates to Community Power's competitiveness. Community Power's Board of Directors last adjusted Community Power commodity/generation rates on March 26, 2026, and those rates came into effect as of April 1, 2026.

Analysis and Discussion

Rate Development Process

Community Power will establish rates that are sufficient to recover all costs related to the operations of our service, and the Board of Directors has the ultimate responsibility for setting the electric generation rates for Community Power's customers. The Chief Executive Officer, in coordination with staff, and committees of the Board, is responsible for developing proposed rates for the Board to consider before finalization. For Community Power to be fiscally sustainable, the final approved rates should, at a minimum, meet the annual revenue requirements developed by Community Power, including any reserves or coverage

requirements set forth in policy and/or loan covenants/debt service. The Board has the flexibility to consider rate adjustments, provided that the overall revenue requirement is achieved. In alignment with the Rate Development Policy adopted by the Board of Directors on November 17, 2022,[1] Community Power considers the following objectives in its rate setting framework:

- Cost Recovery,
- Reserves,
- Rate Competitiveness and Customer Value,
- Rate Stability,
- Equity Among Customers,
- Rate Structure Simplicity and Comparability,
- Transparency,
- Avoidance of Cost Shifting, and
- Cost of Service.

Additionally, per previous Board direction, staff will, if possible, recommend rates that remain competitive with SDG&E service.

It is important to note that rates are made up of several components, only one of which Community Power has control over (i.e., Community Power's generation rate). The chart below is an example of a current rate tariff composition for a residential customer on TOU-DR-1 to illustrate the various components that affect rates and make up a total customer bill.[2] Staff tracks the changes to the PCIA rate, as it is the above market cost of power associated with SDG&E's portfolio that both SDG&E's bundled customers and Community Power's customers, who have departed SDG&E's generation service, pay and can affect Community Power's competitiveness. "Above-market cost" refers to expenditures for generation resources that cannot be fully recovered through sales of these resources at current market prices.

[1] See https://sdcommunitypower.org/wp-content/uploads/2023/02/2022-12-Rate-Development-Policy.pdf.

[2] See https://www.sdge.com/sites/default/files/SDCP_SDGE%20JRC%2006.01.2025_Final.pdf for Community Power and SDG&E's Joint Rate Comparisons, which provide this table for each tariff.

Time of Use – TOUDR1-Residential

Residential: TOUDR1	SDG&E 41% Renewable	Community Power		
		PowerBase 45% Renewable	PowerOn 53% Renewable + 2% Carbon Free	Power100 100% Renewable
Generation Rate ($/kWh)	$0.12898	$0.11988	$0.13000	$0.14000
PCIA ($/kWh)	$0.04771	$0.03349	$0.03349	$0.03349
SDG&E Delivery Rate ($/kWh)*	$0.29437	$0.29434	$0.29434	$0.29434
Franchise Fees ($/%)	$0.00522	$0.00522	$0.00522	$0.00522
Total Electricity Cost ($/kWh)	$0.47628	$0.45293	$0.46305	$0.47305
Average Monthly Bill ($)	**$158.12**	**$150.37**	**$153.73**	**$157.05**

Average Monthly Usage: 332 kWh

*Includes Base Services Charge, see definitions

Rate Development Timeline

Community Power, like most Community Choice Aggregators (CCAs), usually adjusts rates annually and/or in response to utility rate adjustments. Currently, per CPUC filings, SDG&E is expected to adjust their rates once in 2027, on January 1, 2027.

The currently planned schedule for Community Power's 2027 rate setting is as follows:

- October 15, 2026: SDG&E filed its 2027 Energy Resource Recovery Account (ERRA) Forecast Update.
- November 17, 2026: SDG&E filed its advice letter for Preliminary Consolidated Filing to Implement January 1, 2027, Electric Rates.
- December 2026: Community Power staff will brief the committees and Board of Directors on SDG&E's 2027 projected generation and PCIA rate changes.
- December 31, 2026: SDG&E is expected to file its advice letter for Final Consolidated Filing to Implement January 1, 2027, Electric Rates.
- January 1, 2027: SDG&E's expected effective date of implementation of its generation and delivery, as well as the PCIA rates.
- January 28, 2027: Community Power Board adopts 2027 rates, effective on February 1, 2027.

2027 SDG&E Bundled Generation & PCIA Rate Projections

Based on SDG&E's most recent November Preliminary Consolidated Filing to Implement January 1, 2027, Electric Rates, the projected bundled system average generation rates are expected to decrease by approximately 13% on January 1, 2027, as articulated in the table below.

	SDG&E Commodity Rate ($/kWh)			SDG&E Commodity Rate Change (%)	
Customer Class	8/1/2026 (Currently Effective)	1/1/2027 (Oct. ERRA)	1/1/2027 (Nov. Prelim)	8/1/2026 - 1/1/2027 (Oct. ERRA)	8/1/2026 - 1/1/2027 (Nov. Prelim)
Residential	0.18085	0.16148	0.15564	-10.71%	-13.94%
Small Commercial	0.16136	0.14615	0.14104	-9.43%	-12.59%
Med Commercial	0.18804	0.16293	0.16315	-13.35%	-13.24%
Large C&I	0.19775	0.17772	0.17202	-10.13%	-13.01%
Agricultural	0.12372	0.11096	0.10625	-10.31%	-14.12%
Lighting	0.12374	0.11080	0.10661	-10.46%	-13.84%
System Total	**0.18193**	**0.16211**	**0.15750**	**-10.89%**	**-13.43%**

Based on SDG&E's filings, Community Power is expected to see an increase in PCIA rates for all vintages relevant to its customers, including Vintage Year 2020 (Phase 1 & 2 customers), Vintage Year 2021 (Phase 3 customers), Vintage Year 2022 (Phase 4 customers), and Vintage Year 2027 (Phase 5 customers as part of providing service to customers in the City of Coronado in 2028).

If SDG&E's ERRA Forecast and Update are approved by the CPUC before this year ends, SDG&E's projected bundled generation and PCIA rate changes are expected to be effective on January 1, 2027.

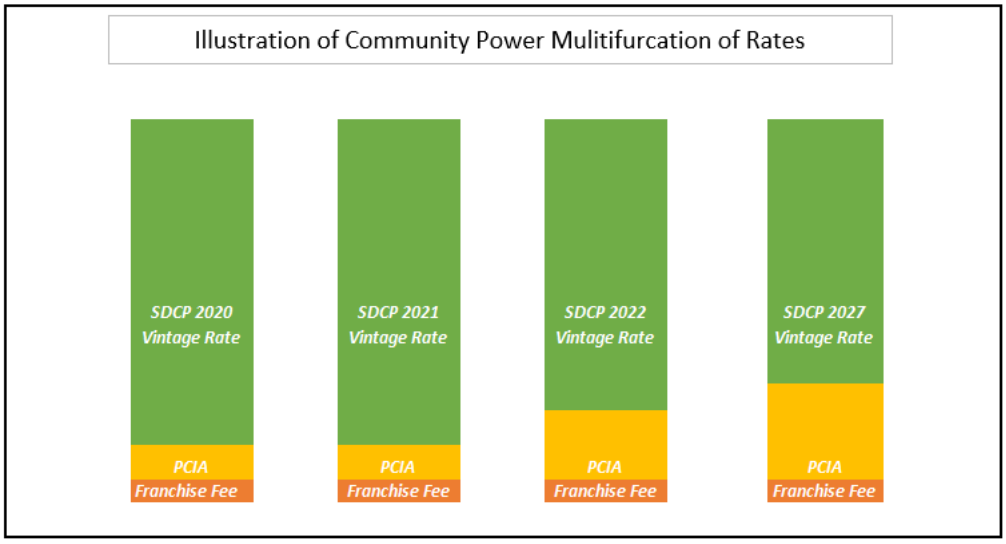
Rate Development Mechanics

In accordance with SDG&E's definition of load transfer from bundled service to Community Power's service per Schedule CCA-CRS, Community Power Phase 1 and 2 customers' Vintage Year is 2020, Phase 3 customers' Vintage Year is 2021, Phase 4 customers' Vintage Year is 2022, and Phase 5 customers' Vintage Year is 2027. Vintaging denotes the year during which SDG&E recognizes the transition of Community Power customers from bundled service into Community Power service and creates a mechanism for the assessment of the PCIA rate.

Next Steps

Staff will continue to monitor all updates from SDG&E and CPUC throughout the remainder of the year and into 2027 to be able to better analyze and recommend rate changes that are reflective of all the inputs articulated in CPUC's decision(s). Staff expects to present rates to the Community Power Board for adoption at the January 28, 2027 meeting that both meet the revenue and prudent reserve needs of Community Power as well as maintain value for our customers.

As a result of the material deltas expected between PCIA rates for Vintage Years 2020, 2021, 2022, staff will also recommend the Board to continue to multifurcate three sets of rates. This trifurcation will maintain a fair, equitable, and balanced rate structure that does not create winners and losers across our customers with differing vintage years as illustrated below.



Fiscal Impact

N/A

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 13

To:	Community Advisory Committee
From:	Jen Lebron, Senior Director of Public Affairs Xiomalys Crespo, Senior Manager Community Engagement
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Creation of a 2027 Community Advisory Committee Work Plan Ad-Hoc Committee
Date:	December 3, 2026

Recommendation

Approve the creation of a 2027 Community Advisory Committee (CAC) Work Plan Ad-Hoc Committee and appoint CAC volunteers.

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." Over the last two years, the CAC has created CAC Work Plan Ad-Hoc Committees to recommend revisions to the CAC Work Plan, which is informed by ample CAC member feedback. The 2026 CAC Work Plan was unanimously approved at the February 2026 regular meeting of the Board of Directors and the February 2026 regular meeting of the CAC.

Analysis and Discussion

The CAC may create an ad-hoc committee to discuss and recommend revisions to the CAC Work Plan for the 2027 calendar year. The CAC may create ad-hoc committees to address issues more in depth outside of regular meetings and bring findings or recommendations back to the full CAC.

Ad-Hoc committees are temporary committees appointed for a specific purpose, such as updating the work plan. The CAC may establish temporary ad hoc advisory committees that: (a) are composed of less than a quorum of the CAC, (b) have no continuing subject matter jurisdiction, and (c) have no meeting schedule fixed by motion or other formal action of the CAC. Such temporary ad-hoc committees are not subject to Brown Act noticing and meeting requirements.

In addition to establishing the committee, the CAC Chair will seek volunteers to serve on the ad-hoc committee, working to ensure all members have a chance to participate in various groups as formed throughout the year.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 14

To:	Community Advisory Committee
From:	Jen Lebron, Senior Director of Public Affairs Xiomalys Crespo, Senior Manager Community Engagement
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Creation of a Community Advisory Committee Policies and Procedures Ad-Hoc Committee
Date:	December 3, 2026

Recommendation

Approve the creation of a Community Advisory Committee (CAC) Policies and Procedures Ad-Hoc Committee to review existing procedures and develop recommendations for potential revisions and appoint CAC volunteers.

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.

Last approved by the CAC during its January 11, 2024 regular meeting, the CAC Policies and Procedures were revised to streamline and clarify guidance around compliance relating to CAC membership, meetings, and processes. Staff worked with Community Power's legal counsel to create those changes, which have since enhanced committee and meeting efficiency. During those revisions, staff notably included the Membership Terms and Criteria, a previously separate document, in the proposed Policies and Procedures to create a single document relating to the policies, procedures, and membership of the CAC that members may more efficiently reference.
Other amendments made at the time included: consolidating various sections under new headings; outlining the member selection process; clarifying term duration after a vacancy is

filled and term limits are reached; establishing the bylaws as meeting procedure unless otherwise provided in the Policies and Procedures; reaffirming that no items suggested during a regular meeting can be discussed unless included in the agenda; and adding Brown Act language regarding social media and email addresses.

Analysis and Discussion

The CAC may create an ad-hoc committee to review the existing CAC Policies and Procedures and develop recommendations for potential revisions to bring forth to the full CAC. The review could consider the CAC's membership and governance framework, as well as the operational procedures that guide its work. Areas of consideration may include, but are not limited to, the following:

- Membership Composition and Representation: Evaluate the CAC's current membership structure, learn about that of similar public agencies, and identify opportunities to balance representation, inclusivity, and operational efficiency.
- Roles, Responsibilities, and Participation: Review expectations for CAC members and clarify the roles and responsibilities associated with committee participation.
- Governance and Operating Procedures: Assess whether existing governance provisions adequately support the CAC's responsibilities and effective operation.

The CAC may create ad-hoc committees to address issues more in depth outside of regular meetings and bring findings or recommendations back to the full CAC. Ad-Hoc committees are temporary committees appointed for a specific purpose, such as updating the work plan. The CAC may establish temporary ad hoc advisory committees that: (a) are composed of less than a quorum of the CAC, (b) have no continuing subject matter jurisdiction, and (c) have no meeting schedule fixed by motion or other formal action of the CAC. Such temporary ad-hoc committees are not subject to Brown Act noticing and meeting requirements.

In addition to establishing the committee, the CAC Chair will seek volunteers to serve on the ad-hoc committee, working to ensure all members have a chance to participate in various groups as formed throughout the year.

Fiscal Impact

N/A

Attachments

N/A

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.