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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.

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,

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

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

1 recognizes that the SDG&E off-cycle Business Plan filed in April 2025, if authorized, would
2 significantly impact the EE program landscape in the San Diego region. This application is
3 currently under review by the California Public Utilities Commission (CPUC) with an anticipated
4 decision in August 2026. SDREN will continue to coordinate closely with SDG&E under their
5 existing portfolio and will file an off-cycle Business Plan if deemed necessary following the CPUC
6 decision on SDG&E's request to discontinue regional EE program administration.

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

18 Collectively, SDREN's portfolio-level strategies align with state and regional priorities to
19 advance equity, affordability, decarbonization, workforce development and reliability through
20 reductions in peak period usage. Guided by the CPUC's Environmental and Social Justice Action
21 Plan (ESJAP), SDREN embeds equity principles across program design, implementation and
22 governance, ensuring meaningful community involvement and programs that expand access
23 and deliver increased benefits to underserved and HTR communities. The portfolio is structured
24 to support affordability by reducing customer energy burdens, streamlining access to services,
25 leveraging non-ratepayer funding (e.g., state grants and local community choice aggregator
26 (CCA) programs), and minimizing administrative overhead. Programs are designed to deliver
27 measurable energy efficiency benefits using meter-based savings where appropriate and to
28 optimize total systems benefit (TSB) and other benefits.

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

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

16 SDREN’s services improve customers’ ability to identify and pursue energy upgrades tailored to
17 their needs. Through SDREN, ratepayers will have expanded and streamlined access to technical
18 and financial assistance. SDREN’s concierge-style services, collaboration with trusted
19 community partners, in-language outreach, expanded customer education and support stacking
20 multiple resources ensure that ratepayers have easier access to information and clearer
21 navigation across programs, reducing confusion and increasing participation, particularly for
22 underserved and HTR communities. Together, these integrated strategies position SDREN 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.

1 overcome sector and segment-specific challenges and deliver equitable and long-lasting
2 benefits to San Diego County ratepayers.

3 **Regulatory Context**

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

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

13 **CPUC Requirements and Portfolio Compliance**

14 SDREN’s Business Plan Application complies with all CPUC requirements for RENs, including the
15 directives in D.16-08-019 that RENs must fill service gaps, complement investor-owned utility
16 (IOU) offerings, and prioritize underserved and HTR customers. The portfolio adheres to
17 Business Plan standards adopted in D.21-05-031, including use of CPUC-defined segments
18 (equity, market support, C&S, and resource acquisition), TSB goals, and incorporation of
19 common metrics, market support and equity indicators, and unique value metrics (UVMs).
20 SDREN’s program design, IDSM integration, tracking systems and evaluation approach are
21 structured to meet CPUC reporting, forecasting, and performance management requirements,
22 ensuring the portfolio delivers measurable, ratepayer-beneficial outcomes consistent with
23 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 communities³ 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



Integrate a collaborative and purposeful investment in the region's underserved and HTR communities



Grow a regional clean energy economy that creates opportunities for the local workforce



Be a trusted local resource to coordinate regional policy, partnerships, and programs

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-reach⁴ and underserved communities⁵ 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.

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:

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).

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).

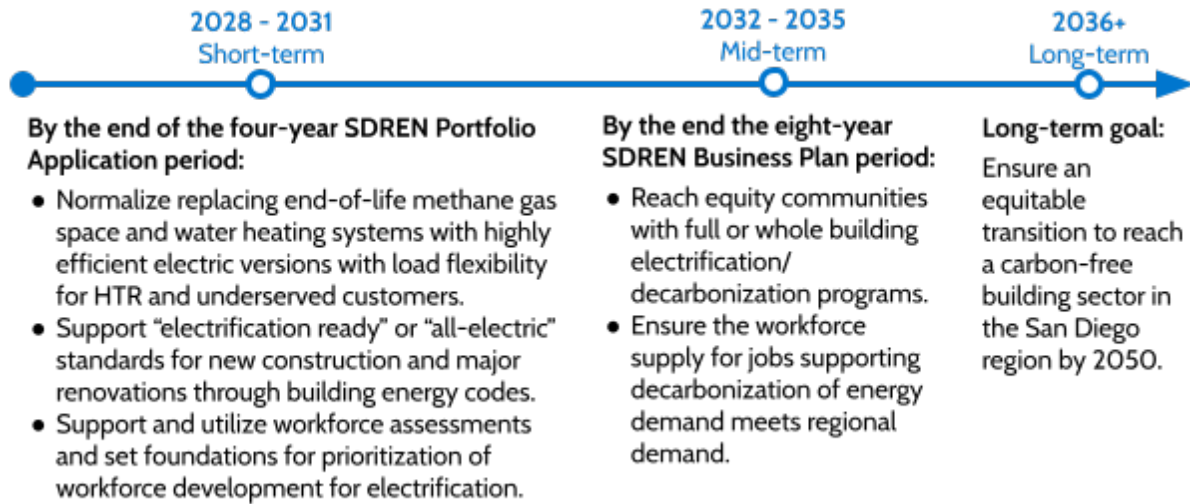
- 1 • **Advance Decarbonization.** Beyond reducing energy use and GHG emissions,
2 decarbonization, including shifting energy use to off-peak times, ushers in a host of
3 benefits, making communities and economies more resilient. Decarbonization lowers
4 energy costs, increases access to clean energy, ensures safer and healthier homes and
5 communities, reduces environmental burdens, and expands economic opportunity and
6 high-quality jobs.
- 7 • **Provide Comprehensive Energy Efficiency Services That Improve Outcomes for HTR**
8 **and Underserved Communities.** SDREN’s portfolio of services is centered around
9 minimizing barriers to participation in its programs and the clean energy transition for
10 underserved and HTR communities.
- 11 • **Accelerate the Clean Energy Economy Through Workforce Opportunities.** As a regional
12 leader, SDREN mobilizes and leverages resources to support the local workforce, create
13 energy-related jobs, and build skills that benefit local communities. SDREN’s goal is to
14 support a high road⁷ approach to grow the regional clean energy economy and create
15 new opportunities for the local workforce, with a focus on HTR and underserved
16 communities. SDREN’s workforce education & training (WE&T) investments help build
17 the skilled labor pipeline to reduce project costs for participants and complete the
18 volume of high-quality energy efficiency and decarbonization projects required to meet
19 San Diego’s clean energy and climate goals.

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

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

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 2.3 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.

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

1 and oversees future Business Plan development. Important decisions will be made using a
2 consensus process. The goal is to reach a consensus on any significant portfolio-wide issues.
3 However, if a consensus is not achieved in a timely fashion, a mediator will be used to make a
4 final decision as a last resort. Community Power and the County of San Diego will proactively
5 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

9 City and the County of San Diego.⁹ As a not-for-profit public entity, Community Power is
10 focused on bringing cleaner power at competitive rates to its customers and investing excess
11 revenue in the communities it serves.

12 Community Power provides affordable clean energy and invests in the community to create an
13 equitable and sustainable future for the San Diego region. Community Power aspires to be a
14 global leader, inspiring innovative solutions to climate change by powering communities with
15 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.
16 Community Power is a values-led, mission-driven organization grounded in
17 Justice/Equity/Diversity/Inclusion (JEDI), impact, integrity, innovation, servant leadership, and
18 togetherness.

19 Community Power's mission is to bring 100% renewable power to its customers by 2035 or
20 sooner. Community Power offers a 100% renewable product called Power100 which has helped
21 many Community Power customers reach their respective environmental, social, and
22 governance or GHG reduction goals. Community Power has also adopted a goal to deliver 150
23 megawatts (MW) of local capacity from distributed energy resources (DERs) and its virtual
24 power plant by 2035, including expansion of its Solar Battery Savings program which provides

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.

1 incentives to customers to shift load and dispatch batteries to the grid at peak times to support
2 local grid reliability.

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

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

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

Figure 2.5 Community Power Community Leadership

Organizations and Committees with Leadership Positions Held by SD Community Power Staff

- Cleantech San Diego
- SDRCC (San Diego Regional Climate Collaborative) – Board of Directors & Programs Subcommittee
- Local Energy Aggregation Network (LEAN) – Federal Affairs Committee
- Power Association of Northern California
- CalCCA Committees (Programs, Equity, Regulatory, Data Analytics, Procurement, Legislative, etc.)
- City of San Diego Independent Rate Oversight Committee
- San Diego Regional Chamber – Sustainability Committee
- San Diego Regional Economic Development Committee
- South County Economic Development Council (EDC) – Policy Committee
- National City Chamber – Economic Development Committee
- North San Diego Business Chamber – Sustainability Council (Co-Chair)
- North San Diego Chamber – Sustainability Committee
- Encinitas Chamber of Commerce – Environmental Sustainability Committee
- Encinitas Chamber of Commerce – Government Affairs & Advocacy Committee
- Chula Vista Chamber – Public Policy Committee
- San Diego Housing Federation – Policy Committee
- San Diego Leadership Alliance – Programming Committee Chair
- Sound Future – Board Member
- San Diego Commons – Advisory Council
- La Mesa Environmental Sustainability Commission – Advisory Board
- YouthWill – Board Member
- Sherman Heights Community Center – Board Member
- Southwestern College Bond Oversight Committee
- Southwestern Community College Superintendent/President's Advisory Council
- Chula Vista Elementary School District – Budget Advisory Committee
- CVESD 7-11 Committee
- California Municipal Clerks Association
- B Local San Diego (Academic Chair)
- California Foundation on the Environment and the Economy
- San Diego Latina Giving Circle – Member
- SDSU Alumni Board of Advisors
- Local Government Sustainability Energy Coalition – Board Member

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.
- 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.

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.

- 1 • Net energy metering and net billing tariff.

2



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.

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

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

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

- 21 • Quarterly hybrid meetings;
- 22 • A two-year, agreement-based participation model with defined attendance
23 expectations;
- 24 • A sector-balanced membership of up to 19 organizations representing governments,
25 nonprofits, and community-based entities, each designating a primary and alternate
26 member; and
- 27 • Formation of limited-term technical subcommittees focused on topics such as
28 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

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

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.

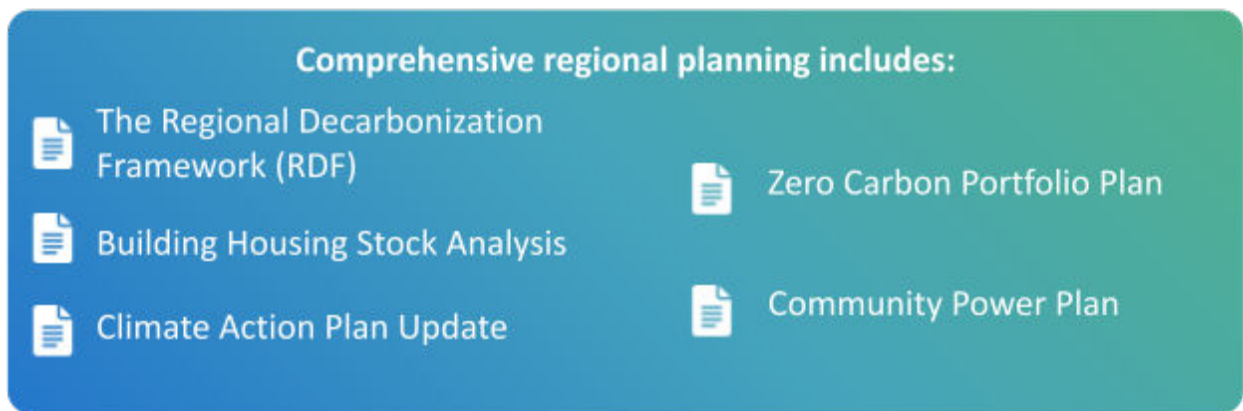
Local government partnerships that formed in 2009 and were discontinued in 2020 not only expanded regional energy efficiency capacity but established an effective collaborative network among participating agencies. In 2023, the San Diego Regional Climate Collaborative (SDRCC) launched its Energy Resilience 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 climate issues together.¹² By leveraging a regional approach, SDREN is able to support agencies in strengthening their approaches and

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).

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



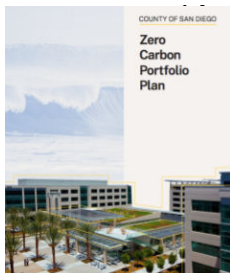
Regional Decarbonization Framework. The Regional Decarbonization Framework (RDF) is OSEJ’s primary lens for climate action. Components of the RDF were published from 2021 to 2023, and the RDF technical documents are founded on science-based research and communities’ voiced priorities. The RDF identifies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

1 including SDREN. As a key component of regional decarbonization needs, OSEJ supports climate
2 action and environmental justice actions in support of the RDF that are co-created to align
3 community, government, and private priorities.



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



19 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.

20 **Community Power Plan (CPP).** Community Power's CPP¹³ integrates community goals, needs,
21 and priorities into a 5-year strategic plan for energy programs. The community needs
22 assessment was a fundamental piece of the CPP. Between May and November 2022,
23 Community Power heard from more than 3,450 community members through listening
24 sessions, workshops, pop-up events in HTR communities, and a customer survey. This helped
25 Community Power understand the challenges, needs, goals, and priorities that could be

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

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 GHG emissions	Reducing my businesses’ energy cost
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

Key Insights

- Community members are concerned about costs.
- Community members want to see a variety of energy solutions.
- Community members need more energy education and resources.
- Rural community members have different concerns than city-dwellers.
- Community members care about climate change, health, and the environment.

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 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

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).

1 serving these communities are more likely to experience compounding challenges related to
2 health and safety, permitting complexity, and limited access to capital.

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

9 **Service Territory and Service Territory-Related** 10 **Factors**

11 **Service Territory**

12 The SDREN service territory is home to 3.3 million people and includes the County of San Diego,
13 18 incorporated cities, 18 Tribal communities, 16 significant naval and military installations, 43
14 K-12 school districts, and 29 water agencies. Public agencies or districts own over 60% of the
15 land in the County.¹⁵ The SDREN territory includes San Diego County, 70 miles of coastline, and
16 shares an international border with Mexico. While the region’s coastal corridor is highly
17 urbanized, the county also includes rural and semi-rural communities in its southern and
18 eastern areas. The territory is a microcosm of the state and includes farming and non-farming
19 workforces, with over 100 languages spoken,¹⁶ a large tourism economy accompanied by high
20 cost of living, and the highest average residential electricity rates in California.¹⁷

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>.

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



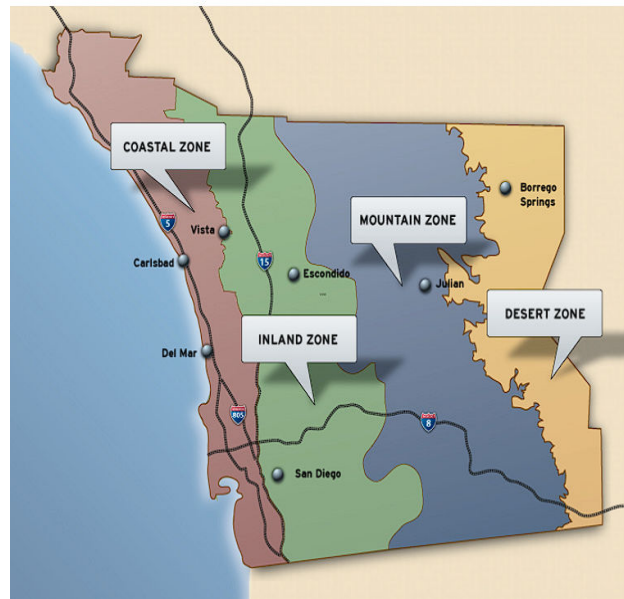
*SDREN's services to customers located in Imperial Irrigation District territory are limited.

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.

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

Figure 2.9 Division of Climate Zones in SDG&E territory¹⁹



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

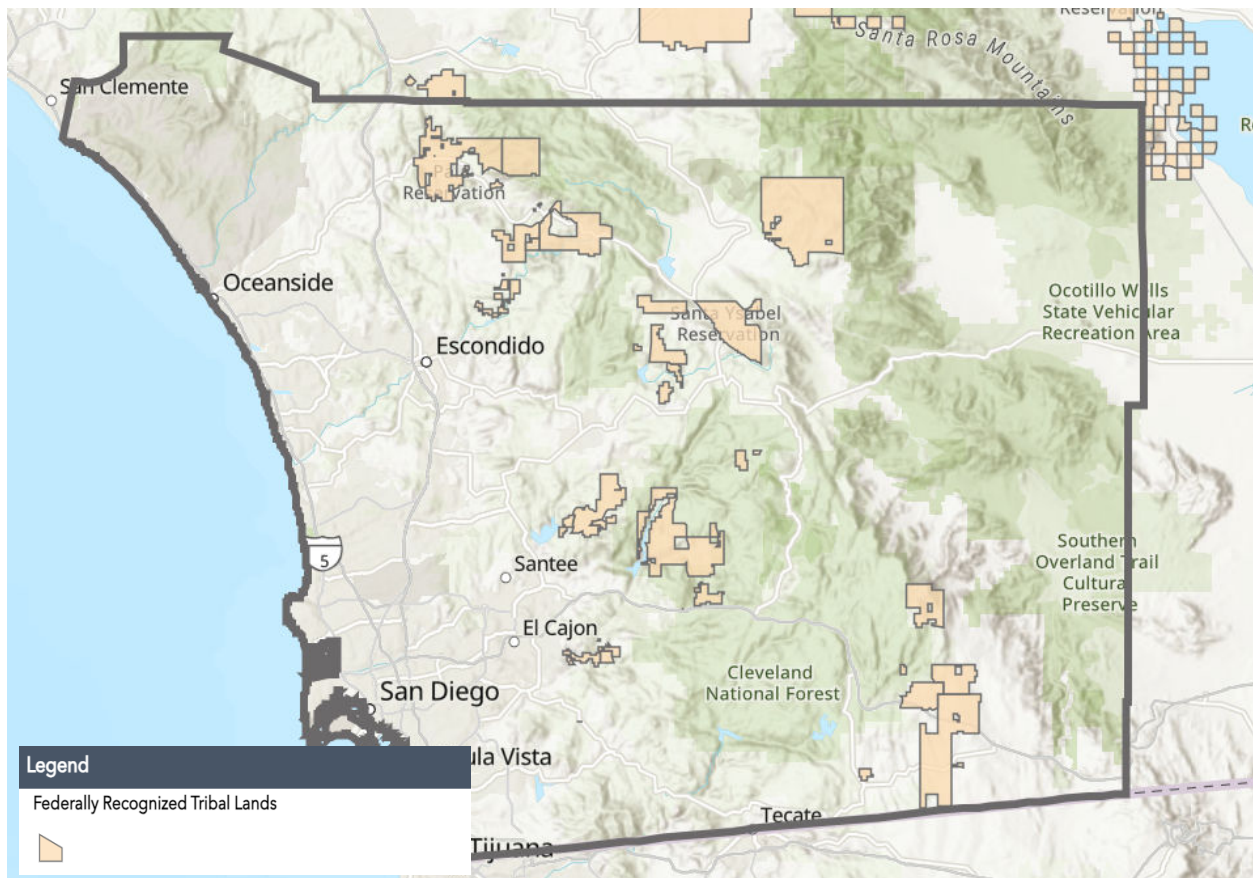
The County of San Diego and Community Power acknowledge the harmony that existed among the land, nature and its original peoples, who have since endured displacement, persecution, and systemic oppression. The County and Community Power pay respect to the unceded territory and homelands of the 18 federally 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

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).

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

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.

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

1 decline by about 30,000 by 2050, according to the latest regional forecast by the SANDAG.²¹
2 Forecasts indicate that while the population is expected to decrease after 2040, the region is
3 still anticipated to add more jobs and housing.

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



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

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

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 County²⁴

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%

2 Climate Impacts

3 The San Diego region is a popular place to live,
 4 known for its lifestyle, beaches, and amenities.
 5 The region is uniquely vulnerable to the impacts of
 6 climate change, with significant implications for its
 7 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)

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

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

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

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.*

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

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.

1 Over the next five decades, **sea level rise** will increase substantially—from threefold to almost
2 sixfold—over its historical rate. By 2050, sea levels will increase relative to the 2000 level by 12-
3 18 inches. As sea levels rise, there will be an increased incidence of extreme high sea level
4 events (which occur during high tides, often when accompanied by winter storms and
5 sometimes exacerbated by El Niño occurrences). Low-lying coastal areas of San Diego are at risk
6 due to the combination of waves, tides, regional wind and barometric effects, El Niño effects,
7 and sea level rise. Sandy beach areas, wetlands, commercial, municipal, and residential
8 properties will be lost or harmed, with implications for ecosystems, the economy, recreation,
9 and public health.

10 Recent comments from the California Air Resources Board (CARB) in response to a proposed
11 Department of Energy report, highlight that the recent defunding of programs and reversal of
12 dozens of environmental policies will hinder efforts to curb the worst impacts of climate
13 change.³⁵ Additionally, CARB notes that the elderly, children, people with pre-existing
14 conditions, low-income households and communities of color are more vulnerable to extreme
15 weather events because they lack access to heating and cooling resources in those extreme
16 weather events. The recent defunding of federal programs includes funding cuts for the NOAA,
17 whose mission is the “systematic study of the structure and behavior of the ocean, atmosphere
18 and related ecosystems, integration of research and analysis; observations and monitoring; and
19 environmental modeling”.³⁶ For SDREN, cuts to NOAA mean less reliable data to leverage when
20 forecasting, decreased insight into the changing impacts the climate will have on the region,
21 and reduced funding from the federal government to help address regional needs and
22 concerns.

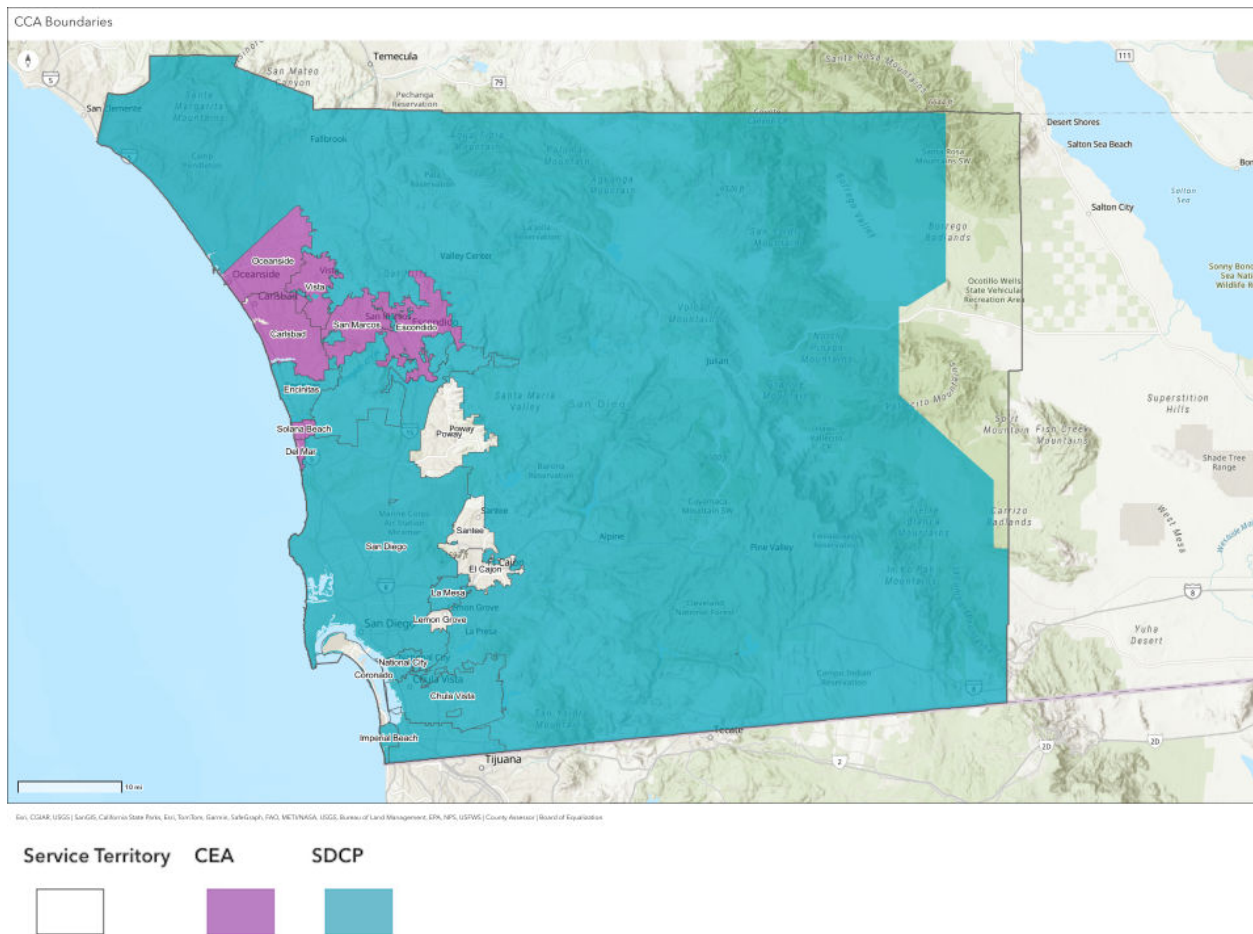
³⁵ *Comments of the California Air Resources Board Responding to the Proposed Department of Energy’s Report Titled, “A Critical Review of Impacts of Greenhouse Gas Emissions on the U.S. Climate,”* CARB, Docket No. DOE-HQ-2025-0207 (Sept. 2, 2025), <https://ww2.arb.ca.gov/sites/default/files/2025-09/CARB-Comments-to-DOE-9-2-25.pdf>.

³⁶ *Our mission, values and vision*, NOAA, <https://www.noaa.gov/our-mission-values-and-vision> (last visited Feb. 11, 2026).

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 Area³⁷



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 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

³⁸ *San Diego Foundation*, supra note 18.

³⁹ *Id.*

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 Underserved⁴¹ Customers in SDREN’s Service Territory

Defining “Underserved Customers”

For the **residential and public sectors**, an underserved customer is a member of an underserved community, as defined by Pub. Util. Code Section 1601(e).

For the **commercial, industrial and agricultural sectors**, a customer must be a member of an underserved community as defined by Pub. Util. Code Section 1601(e), and must also be an underserved business group as defined by Government Code Section 12100.63(h)(2) to be considered an underserved customer.

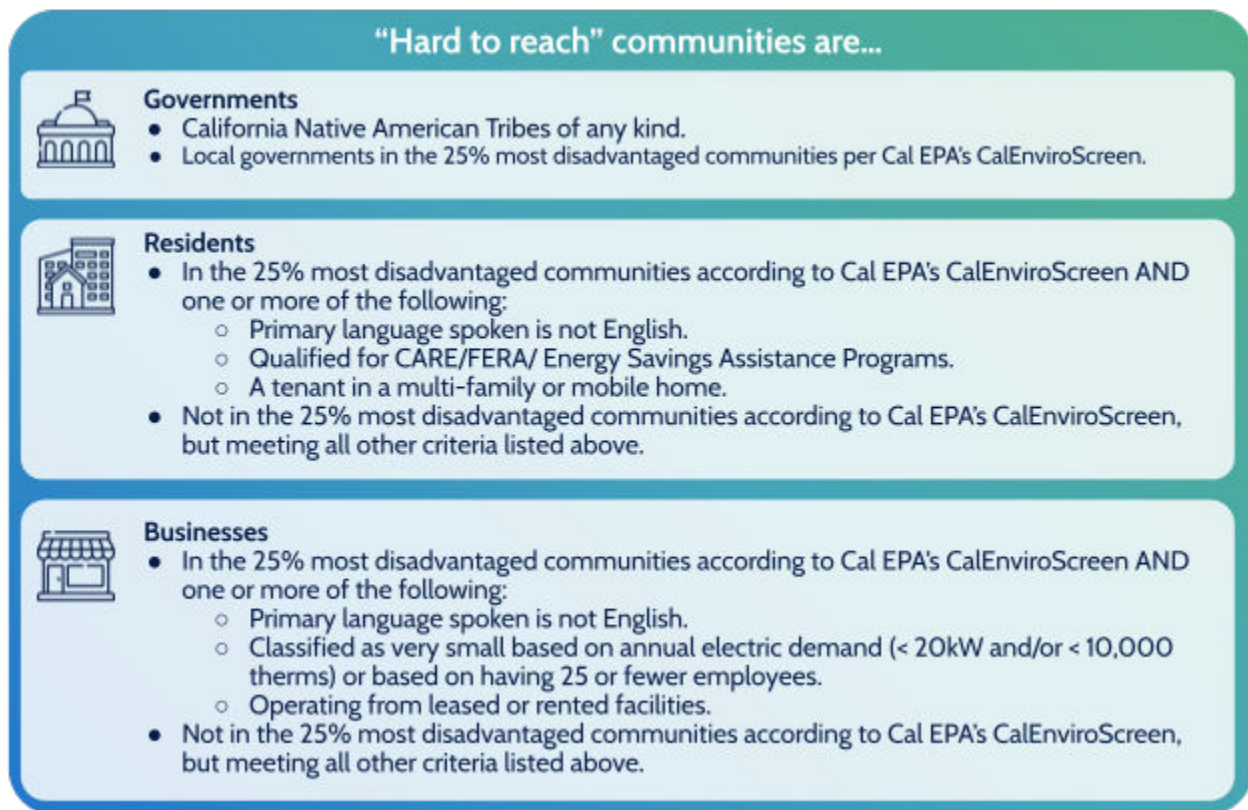
In alignment with D. 23-06-055 (COL 32), SDREN includes rural communities as an additional group in the definition of underserved customers, to ensure equitable access to EE across SDREN’s diverse customer base.

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.

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Figure 2.13 Defining HTR Customers in SDREN's Service Territory



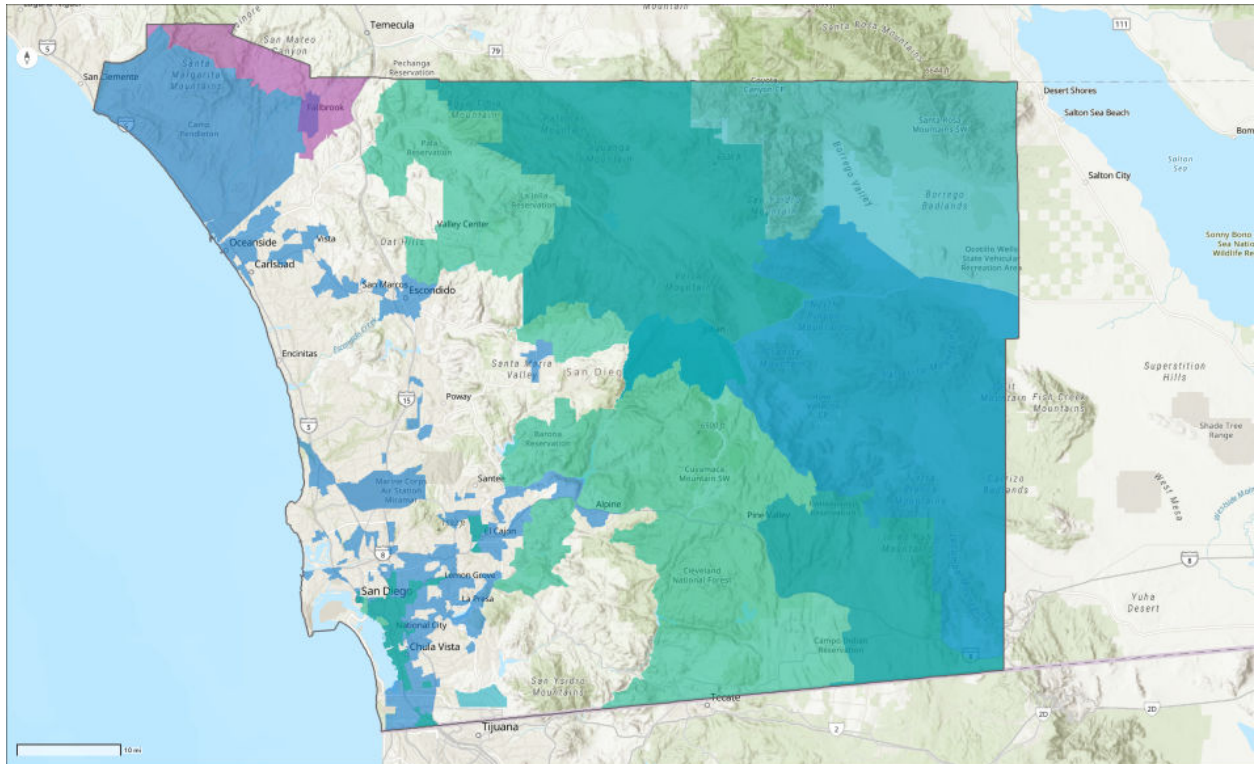
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3 Based on these criteria, SDREN has determined that approximately 46% of the region's
 4 population lives in an underserved community. Given this, along with the demographic trends
 5 of a growing non-English speaking population, a geography with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

8 SDREN acknowledges the region's substantial disparities in poverty. Compared to their white
 9 counterparts, Latino/a San Diegans under the age of 18 were twice as likely to live in poverty,
 10 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)



San Diego, CA: SDREN Service Territory. Data sources: Esri, Garmin, NOAA, USGS, Bureau of Land Management, EPA, NPS, USFWS (Source: Esri, U.S. Department of Commerce, Census Bureau, U.S. Department of Commerce (DOC), National Oceanic and Atmospheric Administration (NOAA), National Ocean Service (NOS), National Geographic Society (NGS), County Assessor).

SDREN Service Territory Rural FRPM DAC per CalEPA Low-Income per HSC Sec 39713



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 as the additional

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.

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

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

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

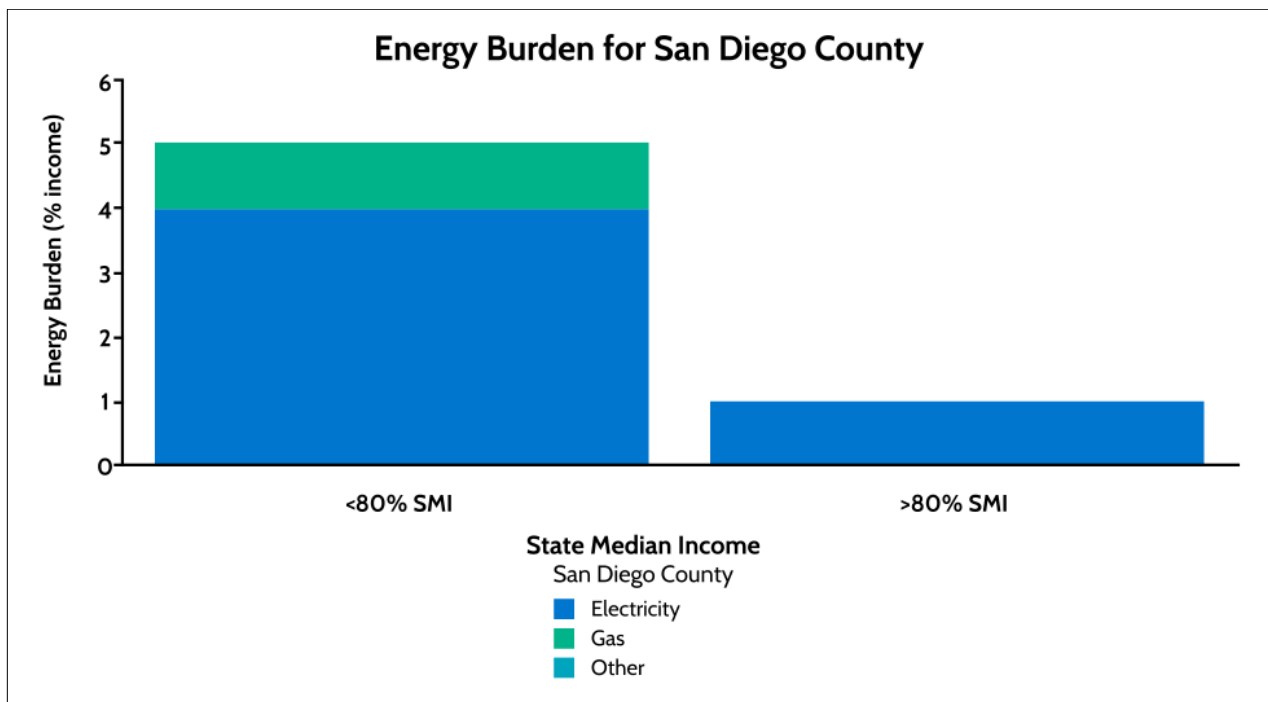
17 The goal of the CEI is to measure the level of access to opportunity residents have within a
18 census tract and assess the degree of potential impact from climate change to these areas.
19 With the CEI, the City of San Diego has identified Communities of Concern to include census
20 tracts with very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

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

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

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 County⁴⁶



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](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

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

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

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

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](https://netzeroamerica.princeton.edu/img/Princeton%20NZA%20FINAL%20REPORT%20SUMMARY%20(29Oct2021).pdf).

- 1 efficiency and decarbonization projects required to meet San Diego’s clean energy, equity, and
2 reliability goals on schedule.

3 **Summary Tables of Expected Performance**
4 **Metrics**

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

6 *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

7

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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 MMOTHERMS	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

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Table 2.5 4-year Budget Forecast Summary (2028-2031)

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

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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

- 1 incorporation would ensure continued alignment between REN authorization standards and
- 2 current Commission equity directives, including advancement of the ESJAP.

3 Overview of Proposed Programs

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

5 *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	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
	provide education on the benefits of EE and healthy food.	
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 technologies and electrical service

Program Name	Program Description	REN Objectives Alignment
		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). ● Support access to IDSM funding and financing. Targets Public HTR markets.

Program Name	Program Description	REN Objectives Alignment
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

1 examine ratepayer-funded programs and make recommendations that could “reduce costs to
2 electric ratepayers without compromising public health and safety, electric grid reliability, or
3 the achievement of the state's 2045 clean electricity goal and the state's 2045 economy-wide
4 carbon neutrality goal.” Since the issuance of this Executive Order, several reports have been
5 published that highlight the value of energy efficiency programs in terms of affordability and
6 discuss opportunities to better measure energy efficiency programs’ impact. These include the
7 CPUC response to EO N-5-24, State Auditor’s report, and AB 3264 report (Report on Demand-
8 Side Management Programs Pursuant to PUC Section 913.5).

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

16 Energy Efficiency’s Role in Affordability

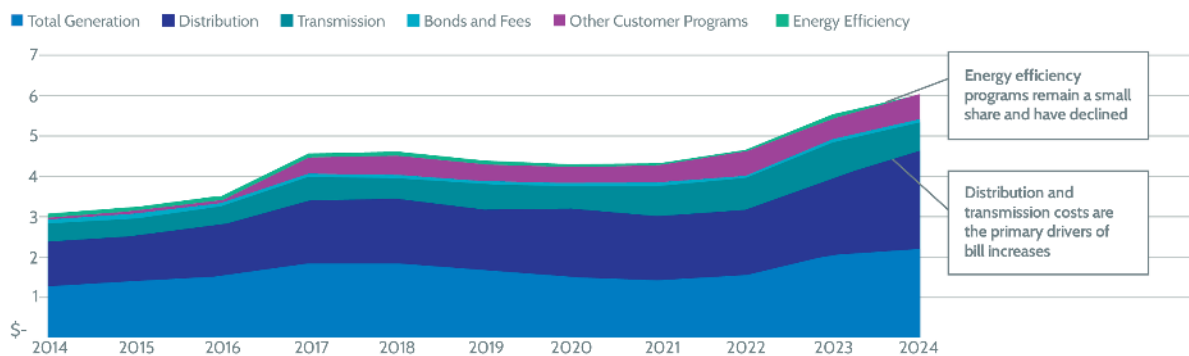
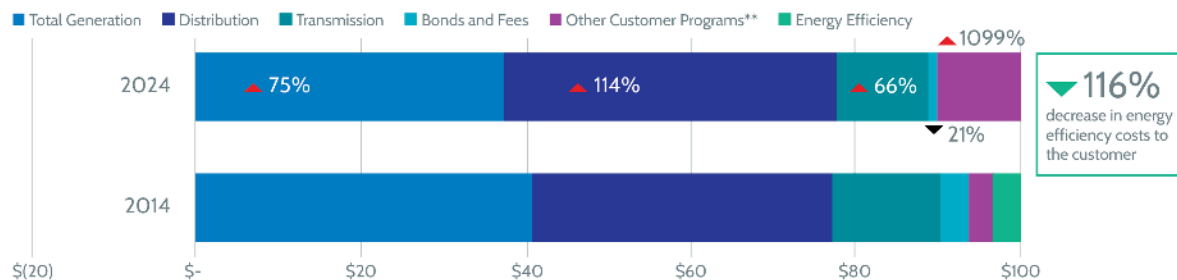
17 Community Power and the County of San Diego sought REN authorization to invest in locally
18 delivered tools that directly reduce customer bills—an area where local governments are
19 uniquely positioned to intervene. In 2024, SDG&E estimates that its energy efficiency programs
20 generated **\$1.15 billion** in lifetime bill savings for customers in its service territory alone.⁵¹
21 Across all IOU territories, projected lifetime bill savings for California customers total **\$11.3**
22 **billion**.⁵²

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).

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



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

Catalyzing Collaboration and Innovation

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.

Program Name	Strategies to Advance Affordability
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.
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.

Program Name	Strategies to Advance Affordability
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.
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.

1

2 SDREN’s portfolio is built to advance affordability and reduce rate impacts. It is fully aligned

3 with Executive Order N-5-24 and recent state guidance emphasizing cost control, oversight, and

4 leveraging available funds. Through its equity-first approach, regional coordination, funding

5 leverage strategies, and disciplined cost management, SDREN ensures that San Diego

6 households—particularly those facing the highest energy burdens—benefit from an efficient,

7 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:

- **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

⁵⁵ Decision 19-12-021, at p. 82.

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 Report⁵⁷ 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 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.

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).

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.

1

2 In alignment with the portfolio goals outlined in Chapter 5, SDREN will prioritize equity so that

3 building decarbonization includes underserved and HTR communities and relieves the burden

4 of increasing fossil gas rates. SDREN has the opportunity to meet the need for incorporating

5 social equity considerations (e.g., tenant protections for multifamily projects) into building

6 decarbonization policies. SDREN is focused on working with these communities and providing

7 programs and resources that meet their needs. As emphasis on electrification grows at the local

8 and state level, SDREN will continue to focus on regional coordination, tools, and capacity

9 building alongside targeted investments for appliance replacements that address equity

10 concerns and scale electrification in the region.

Figure 3.2 Regional Decarbonization Framework on Replacing Appliances

Replacing appliances is expensive so building decarbonization policies should account for incentivizing electrification equitably, especially in communities of concern, low-income communities, rural areas, and for renters. Developing the capacity and tools to understand and address the equity implications of building decarbonization policies in the San Diego region requires additional work.

- Regional Decarbonization Framework, Summary for Policy Makers, Page 25

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 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

⁵⁸ *San Diego Foundation*, supra note 18, at p. 98.

⁵⁹ *Id.* at 8.

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.

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.

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>.

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 PAs⁶² 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 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.

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.

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

6 *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.
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2 SDREN aims to promote viable electric alternatives whenever possible. Still, we recognize that
3 some customers may be unable to electrify existing fossil gas appliances. This may be due to
4 renter status (and lack of control over appliances and replacement), space constraints, or other
5 technical or logistical challenges. SDREN will prioritize marketing, outreach, and exempt
6 measure installation for customers who cannot replace fossil gas equipment to support the
7 long-term reduction of fossil gas emissions for all customers.

8 Further, many Tribal and rural communities rely on unregulated fuels, such as propane, to meet
9 energy demands such as space and water heating; 4-9% of households in the county use non-
10 regulated fuels for house heating fuel and are not eligible for CPUC-authorized energy efficiency
11 incentives.⁶⁴ SDREN will engage directly with Tribal communities through the Tribal program to
12 better understand their needs in order to develop customized services and approaches to
13 accompany existing SDREN programs. Support with exempt measures can be offered in
14 compliance with energy efficiency guidance where an unregulated fuel is involved.

15 Finally, as discussed in more detail in *Chapter 11: Recommendations for New or Modified*
16 *Energy Efficiency Policy*, SDREN recognizes that successful deployment of exempt measures in
17 equity communities requires alignment between program design and evaluation
18 methodologies. In markets where structural barriers suppress naturally occurring adoption,

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>.

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 goals⁶⁵ as described below.

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

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

	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.

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.
- **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

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

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.
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.

- 1
- 2 SDREN's WE&T programs will build capacity across the entire energy workforce pipeline from
- 3 students and entry-level trainees to experienced technicians and employers through:

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.

- **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, 2025⁶⁸ (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

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

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 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.

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).

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 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

1 adoption of energy efficiency and other IDSM practices and measures. Common barriers
2 include limited staff capacity, competing operational priorities, lack of upfront capital, and the
3 split incentive problem between tenants and building owners.

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

11 **Public Sector**

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

16 SDREN's portfolio includes two Public sector programs. One is a market support program
17 designed to alleviate barriers to comprehensive energy efficiency implementation in public
18 facilities through end-to-end technical assistance, energy planning support, tailored project
19 development support, and direct installation of energy efficiency measures. The second is an
20 equity program that collaborates with Tribal communities to determine program design and
21 delivery with the goal of advancing climate resilience on Tribal lands. Together, these programs
22 address institutional and capacity barriers by embedding long-term planning, funding
23 alignment, and culturally responsive engagement into public-sector energy management
24 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 requirements⁷⁰ 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 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.

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

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.
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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

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.

⁷¹ Decision 21-05-031, at p. 60.

	● 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 ● 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
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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

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

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.

⁷³ Decision 23-06-055, at p. 68.

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 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:

- 1 • Program design and modifications.
- 2 • Outreach strategies.
- 3 • Equity outcomes.
- 4 • Funding and resource coordination opportunities.

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

7 **Tribal Engagement and Consultation Processes**

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

13 **Community Feedback Channels via Outreach and Web Tools**

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

- 16 • Feedback forms.
- 17 • In-person comments.
- 18 • Event-based engagement.

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

20 By combining community-driven program design, CBO partnerships, Tribal-led strategies,
21 concierge support models, equity-focused workforce investments, and ongoing governance
22 structures, SDREN fully satisfies the requirements of D.23-06-055, Ordering Paragraph 31.

23 SDREN’s portfolio is built to meaningfully involve communities, align with ESJ Action Plan goals,
24 and ensure that programs deliver equitable, community-centered outcomes across the San
25 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 guidance⁷⁴ 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

⁷⁴ *Decision 21-05-031*, at pp. 32-33 (providing direction on program administration and implementation costs).

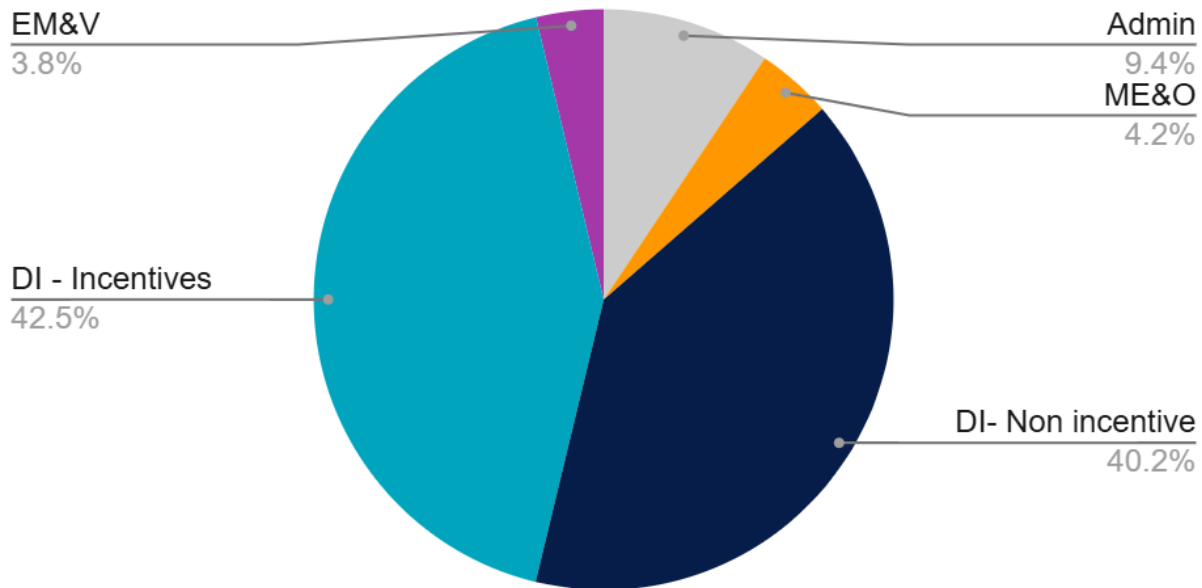
⁷⁵ CPUC, ENERGY EFFICIENCY POLICY MANUAL VERSION 6.0 (2020), <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/eepolicymanualrevised-march-20-2020-b.pdf>.

1 implementation. SDREN will meet regularly with other PAs, such as the other RENs, to
2 understand best practices for decreasing the overall budget allocation to administration.

- 3 • **Marketing, Education, and Outreach (ME&O):** 4% of ME&O has been allocated across
4 programs and portfolio level support, consistent with guidance in the EE Policy
5 Manual.⁷⁶ ME&O budget allocations include outreach activities such as customer
6 engagement materials, enrollment support, and educational workshops.
- 7 • **Direct Implementation - Incentives:** this has been allocated at the program level for any
8 program that offers incentives for measures that deliver TSB. The allocation by program
9 has been determined based on the estimated incentive value disbursed through the
10 program and energy savings targets achieved for measures installed.
- 11 • **Direct Implementation - Non-Incentives:** this allocation has been made at the program
12 level and is based on the services and resources that the programs will deliver including
13 implementer labor, technical assistance, workforce education and training activities,
14 and energy savings validation. It has been developed to align with the incentive program
15 forecast when applicable.
- 16 • **EM&V:** 4% has been allocated at the portfolio level in accordance with D.21-05-031 and
17 in alignment with the 2028-2035 EE Application (Exhibit 4 - 2028-2035 EE Application
18 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

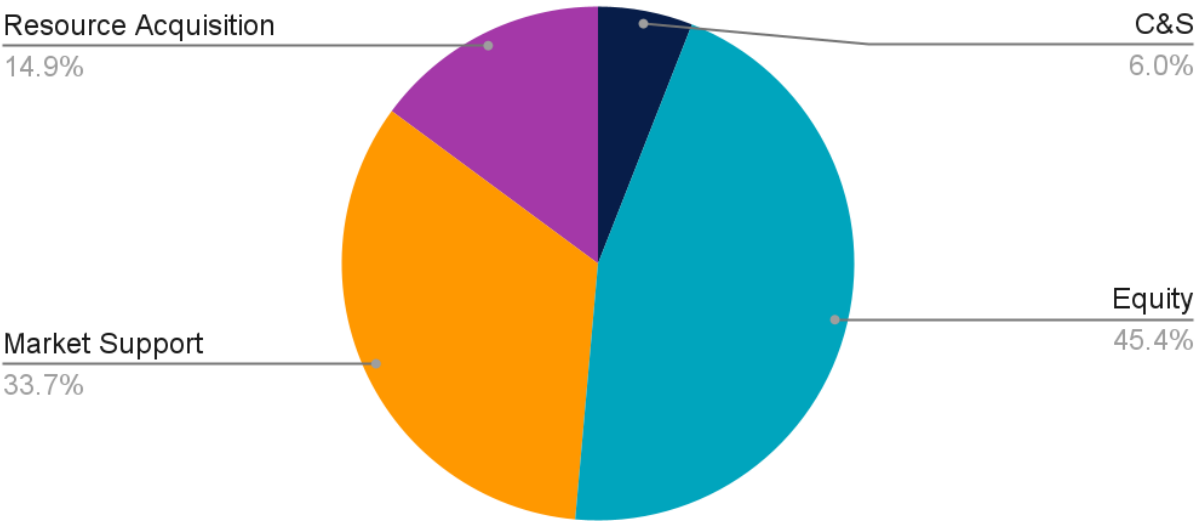
Segment-level budgets were derived from SDREN’s analysis of how each activity contributes to achieving measurable benefits under the resource acquisition, market support, equity, and C&S segments. Allocations reflect the level of investment required to achieve those outcomes efficiently and equitably.

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 \$15.6M 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.

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

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.”

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.
- 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.

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).

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.

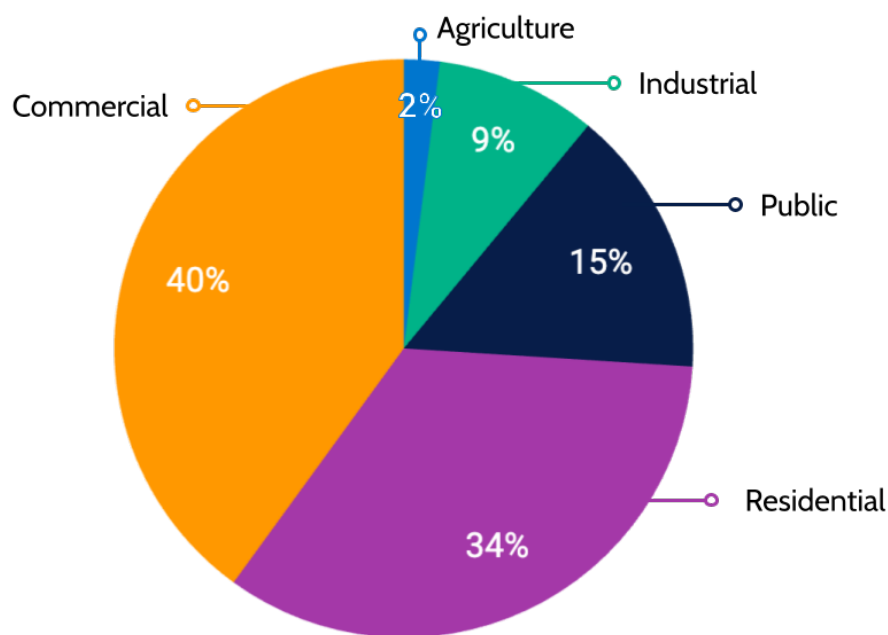
This approach ensures that resources are distributed proportionally to achievable impacts within each market and that all sectors contribute to SDREN’s decarbonization, equity, and workforce development goals.

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 Sector⁷⁹



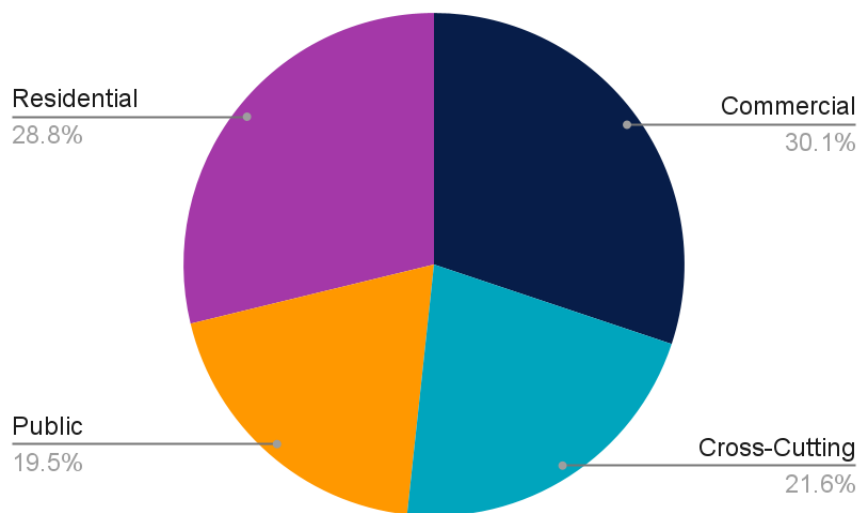
The Commercial, Residential, and Public sector budget allocations also reflect the portfolio objectives related to decarbonization and providing comprehensive services. SDREN’s

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).

1 investment in the Cross-Cutting sector supports the portfolio objectives related to accelerating
2 the clean energy economy through workforce education and training and codes and standards
3 offerings.

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

5 *Figure 4.4 SDREN 2028-2031 Budget Allocation by Sector*



6

7

8 *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 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

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).

⁸¹ *Id.* at 71.

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.
- 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 Report⁸⁴ 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.

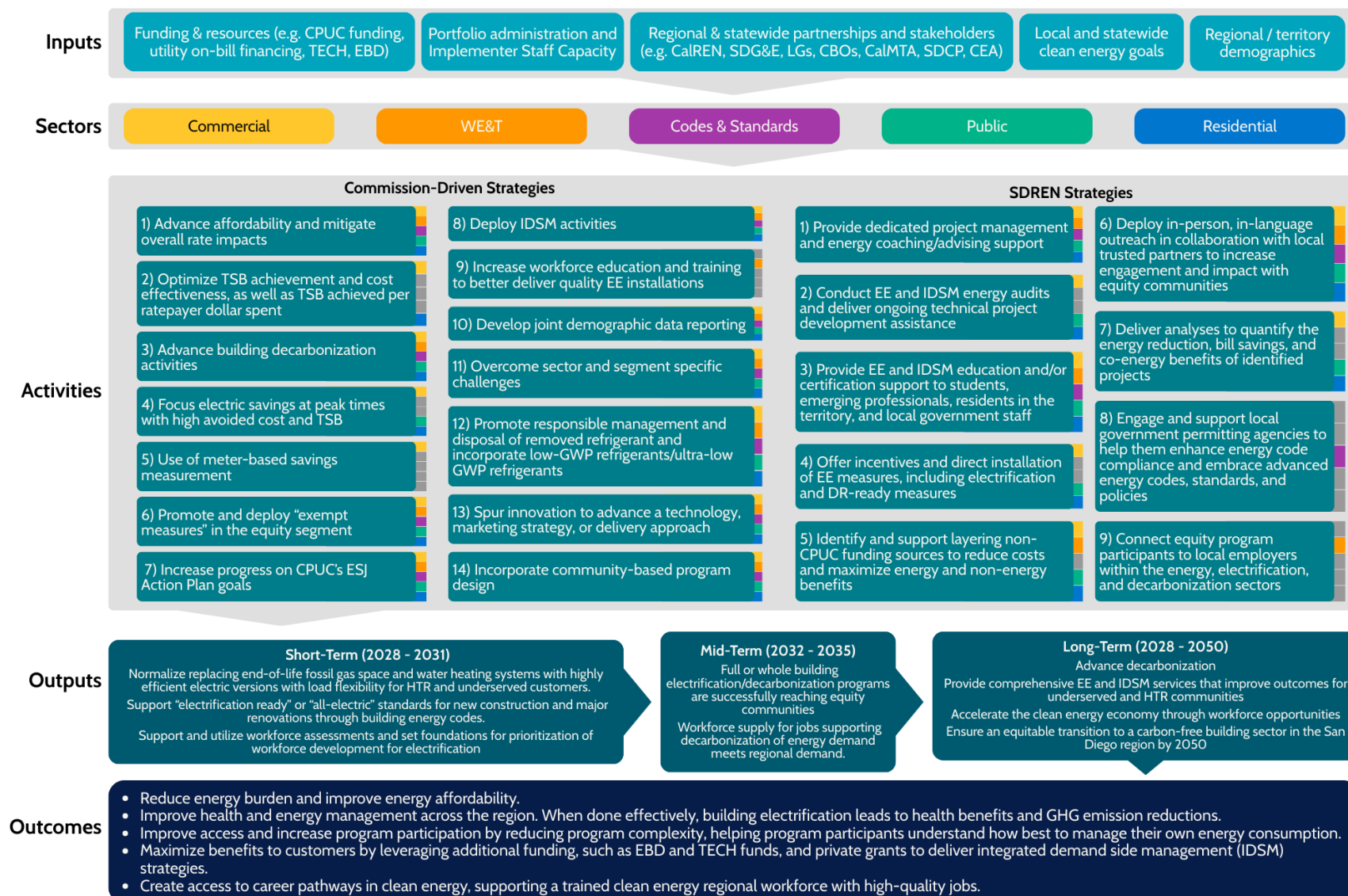
The short and mid-term goals will support progress in reaching the region’s long-term goal of full decarbonization, as follows:

- **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.

1 **Portfolio Level Logic Model**

2 The SDREN Portfolio Logic Model provides a visual roadmap connecting activities and outcomes
3 across the 4-year (2028-2031) and 8-year (2031-2035) horizons. It illustrates how SDREN's
4 inputs, including funding, staffing capacity, partnerships, and alignment with regional and
5 statewide goals, drive both CPUC-directed and SDREN-specific strategies. These strategies are
6 implemented across all sectors to produce measurable near-term and long-term outcomes. The
7 model illustrates how SDREN's activities contribute to key portfolio outcomes outlined in the
8 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 communities⁸⁵ 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:

- **Segments:** resource acquisition, market support, equity, and C&S.

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

- **Sectors:** Commercial, Cross-cutting (Workforce, Education, & Training and Codes & Standards⁸⁶), 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 provision of SDREN services.	SDREN tracks the number and percentage of participants referred out to non-SDREN programs. Target: 53% by 2035	Supports Portfolio Outcome 3: Improve access and increase program participation.

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.

- 1
- 2 SDREN's UVMs reflect SDREN's unique position as a trusted facilitator of regional energy
- 3 solutions that increase affordability, increase investments in underserved/HTR communities,
- 4 expand local clean energy workforce opportunities, and creatively layer programs and funding
- 5 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 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.

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 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.

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).
- **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.

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

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

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

18 **Prioritization of goals and metrics that are clearly understood:** SDREN recognizes that clarity is
19 paramount in their goal-setting and metric selection. Prioritizing goals and metrics that are
20 clearly understood by all stakeholders involved ensures that everyone is working toward a
21 common purpose. This clear understanding fosters alignment and shared commitment to
22 achieving the desired outcomes.

23 **Adaptability and adjustment to new metrics and goals:** SDREN’s portfolio approach remains
24 nimble, allowing them to adapt to any new metrics and goals as directed by the CPUC. SDREN
25 also adjusts targets in response to evolving market trends or the unique needs of local
26 communities. This adaptability ensures that their programs remain responsive to changing
27 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 Data 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.

- 1 • **Monitoring & Threat Detection:** Community Power employs continuous monitoring,
2 endpoint protection, email security controls, and automated threat-detection systems.
- 3 • **Employee Training:** All Community Power staff complete cybersecurity awareness
4 training at onboarding and annually, including training on phishing, social engineering,
5 and data handling requirements.
- 6 • **Incident Response:** Community Power maintains a formal Incident Response Plan with
7 clearly defined roles, communication procedures, escalation workflows, and compliance
8 with California breach-notification laws.
- 9 • **Vendor & Third-Party Security:** Vendors with access to customer or operational data
10 must comply with applicable regulations, including CCPA, PCI DSS, and industry-specific
11 requirements. Community Power conducts due diligence and reviews security controls
12 prior to engagement.
- 13 • **Data Governance:** Community Power's Data Governance Policy ensures proper
14 classification, stewardship, access management, and secure retention/destruction of
15 customer information.

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

19 **Relational Risks**

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

25 **Policy Risks**

26 SDREN consistently looks to leverage other programs, including their resources and tools, to
27 support portfolio goals. These external programs, while helpful, are at risk of being eliminated
28 or changed outside the control of SDREN. For example, several SDREN programs intended to

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

10 In addition to changes in external programs, SDREN must also be prepared to navigate shifts in
11 the regulatory landscape. California Assembly Bill 130 (AB 130) establishes a moratorium on
12 local amendments to residential building standards from October 1, 2025 through June 1, 2031,
13 restricting jurisdictions' ability to adopt reach codes or local amendments beyond statewide
14 Title 24. While this moratorium limits opportunities for jurisdictions to pursue residential reach
15 code development, it underscores the importance of strengthening compliance with existing
16 code requirements. SDREN will monitor AB 130's implications closely and evaluate how the
17 moratorium may affect planned residential decarbonization pathways, customer participation
18 and permitting workflows. If AB 130 constraints affect the viability of certain program
19 approaches, SDREN will adapt its portfolio strategy accordingly, re-targeting segments, refining
20 outreach, and prioritizing alternative offerings to ensure continued progress toward portfolio
21 goals. Importantly, the moratorium does not diminish the need for SDREN's C&S support. Most
22 jurisdictions already face capacity constraints, inconsistent enforcement practices, and complex
23 permitting workflows, and therefore require substantial assistance simply to meet existing Title
24 24 requirements. Helping permitting agencies understand, interpret and enforce the current
25 code remains a critical and high-value area of work throughout the moratorium period.

26 **Climate Change Risk**

27 As the threat of climate change looms, it is imperative for any program portfolio to have a risk
28 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.

1 All programs will be implemented by third party implementers, so when metrics are off track,
2 Community Power will work closely with the implementer to course correct and ensure that
3 goals are achieved. Corrective actions will be determined based on the nature of the
4 performance issue and the relative priority of the goal itself. These corrective actions will be
5 established at the program level and tailored to the specific delivery model and implementation
6 timeline of each program. In the event that SDREN's portfolio, segment, or programs are noted
7 to be off-target based on the regular assessments described in the section above, SDREN will
8 engage its implementer(s) to develop a corrective action plan. SDREN will embed guidance into
9 its contractual documents with each implementer that will specify and outline procedures for
10 the implementer to initiate the plans. Once reviewed and approved, the implementer will put
11 the plan into action and the issue will be monitored until it is resolved.

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

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

24 **Third-Party Programs**

25 As the lead PA for the SDREN portfolio, Community Power will be responsible for soliciting and
26 managing contracts, tracking performance, and making decisions to deliver on goals. Neither
27 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 Policy⁸⁹ 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-

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>.

cycle, SDREN intends to also solicit implementers within six months of approval of said programs.

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.

1 Both SDREN and SDG&E implement complementary regional C&S programs. SDREN’s program
2 provides local agencies with policy and compliance support and enhances communication and
3 experience among permitting authorities and permit applicants.

4 SDG&E contributes SDG&E ratepayer dollars toward PG&E’s implementation of the statewide
5 C&S advocacy program, which primarily focuses on advocacy at the CEC and DOE related to
6 appliance and building standards. SDREN’s C&S program is vital to ensuring that compliance
7 with standards updated via the statewide advocacy programs actually materialize.

8 SDREN also holds monthly coordination calls with SDG&E to coordinate program services,
9 optimizing benefits to participants and the region. Programs designed for permitting agencies
10 and local governments focus on Title 24 compliance education and adopting Title 24 reach
11 codes.

12 The total eight-year budget for the Cross-Cutting C&S sector is \$19 million, representing 5% of
13 the SDREN portfolio.

1

Table 6.1 Budget Distribution by Sector

Budget Distribution by Sector (\$374,838,862)									
Budget	Sector								Total Budget
	Residential	Commercial	Industrial	Agricultural	Public	Cross-Cutting	EM&V	Portfolio Support	
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

2

3

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 volume of high-quality energy

⁹⁰ SDG&E ADVICE LETTER 4747-E/3469-G, 2024-2027 ENERGY EFFICIENCY PORTFOLIO MID-CYCLE TRUE UP (filed Nov. 4, 2025).

1 efficiency and decarbonization projects required to meet San Diego’s clean energy and climate
2 goals on schedule.

3 A centerpiece of SDREN’s market support strategy is to engage public sector agencies to adopt
4 decarbonization measures. SDREN supports over 100 public agencies across the County,
5 including cities, school districts, water agencies, and other special districts to implement energy
6 efficiency and decarbonization strategies, including agency-wide benchmarking and strategic
7 energy resilience planning. Customized, unbiased, hands-on expert guidance and support from
8 project start to finish will enable public agencies to accelerate the adoption of urgently-needed
9 clean energy actions.

10 Resource Acquisition

11 SDREN has allocated nearly 14% of its budget toward the resource acquisition segment. SDREN
12 recognizes that SDG&E already invests heavily in this segment and is projected to exceed TSB
13 goals.⁹¹ To complement and not duplicate those efforts, SDREN offers one program designed
14 specifically to reach **small and medium-sized commercial customers** that may otherwise be
15 underserved.

16 The Market Access Program provides performance-based incentives to aggregators who deliver
17 projects that reduce peak demand and achieve verifiable energy savings, contributing a
18 meaningful share of SDREN’s overall TSB while focusing on HTR and underserved businesses not
19 anticipated to be served by SDG&E programs. By reducing peak demand, the MAP also leads to
20 avoided costs of the transmission and distribution system and increased regional reliability.

21 By emphasizing performance-based outcomes, MAP supports SDREN’s broader objectives to
22 advance decarbonization, reduce energy burdens (thereby increasing affordability), and
23 increase participation in energy efficiency programs. This approach ensures that SDREN’s
24 resource acquisition activities remain complementary to IOU offerings while addressing market

⁹¹ *Id.*

gaps within the regional Commercial sector and reducing load on the system when it is needed most.

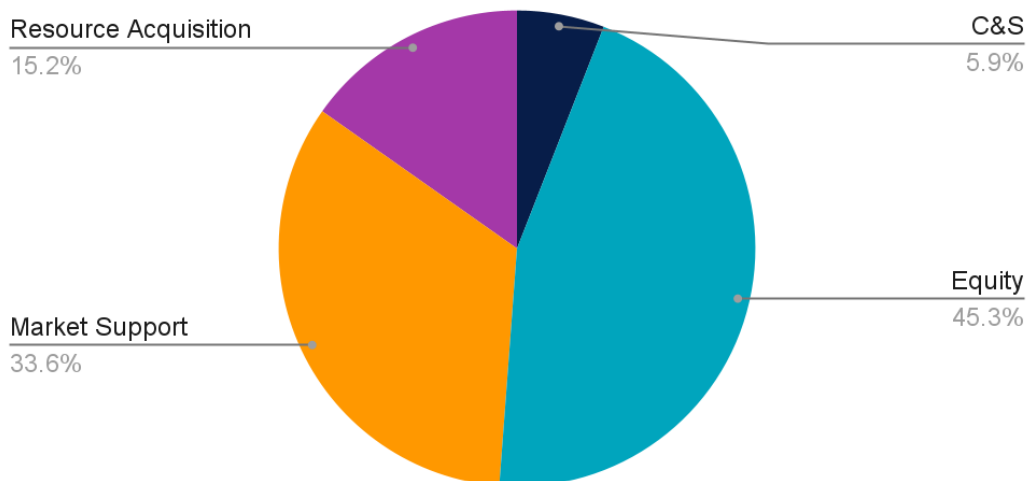
Codes & Standards

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

Resource Acquisition

Resource Acquisition programs have the primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity and natural gas systems. Short-term is defined as during the approved budget period for the portfolio. (This segment should make up the bulk of savings to achieve TSB goals).

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.
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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

Market Support

Market Support programs have a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.

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.

1 Market Support Goals, Strategies, and Outcomes

2 For the 2028-2031 portfolio period, SDREN will pursue the goals, strategies, and outcomes
3 listed in Table 6.4 below for the market support segment. The strategies related to public
4 agencies will support the state in meeting ESJAP goals 2 and 4 by increasing climate resiliency
5 and investment in clean energy resources to benefit ESJ communities. Strategies related to
6 workforce development will address the ESJAP goal 7 to promote high road career paths and
7 economic opportunity for residents of ESJ communities.

8 *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.

1

2 Market Support Sectors Served

3 SDREN's market support segment currently encompasses three programs: two in the WE&T
4 sector and one in the Public sector. Together, these programs build the regional capacity
5 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 communities⁹⁴ 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

Equity

The purpose of Equity segment programs is to provide energy efficiency to HTR or underserved customers and disadvantaged communities to advance the CPUC’s ESJ Action Plan.

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 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.

⁹⁹ *Decision 23-06-055*, at pp.13-14.

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 - Promote the adoption, implementation, and enforcement of advanced energy codes, standards, and policies that improve building energy	- Despite the AB 130 moratorium on new energy code, SDREN has identified a great need to continue supporting compliance with <i>existing</i> code through the following strategies: - Streamline permitting processes. - Develop compliance and enforcement strategies and effective tracking mechanisms. - Create a suite of tools, technical resources, and templates, including an Energy Code Coach. - Build participant staff capacity and their ability to use building stock, benchmarking, and C&S data.	- 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. - Reduced energy costs, improved indoor air quality, and enhanced building functionality. - State, federal, and local technical expertise and funds are leveraged to

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 residential building standards to reduce housing construction costs and provide stability for the industry. AB 130, 2025-2026 Leg., Reg. Sess. (Cal. 2025) (enacted).

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.	○ 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.	develop and deploy new policies. ● Local building performance standards and building benchmarking requirements that improve building efficiency, comfort, economics, and health become common practice.
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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.
- **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.

¹⁰¹ *Id.*

- 1 Through these sectoral efforts, SDREN's C&S program will improve consistency in code
- 2 enforcement, increase adoption of advanced standards, and strengthen the institutional
- 3 infrastructure needed to achieve California's long-term energy and climate goals.
- 4 SDREN does not intend to expand into new sectors or withdraw from existing ones within the
- 5 C&S segment during the 2028-2031 business plan cycle. Instead, this cycle will focus on
- 6 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.

Facilitation	• Additional topics (walk-in agenda topics) may be included. • 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.
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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, 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

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.

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.	

2

3 As listed during Meeting 3 in Table 7.2, overlapping issues will be resolved and future
4 coordination will be determined if necessary. Through this process, SDREN will identify
5 substantively similar or duplicative programs, as defined by the SoCalREN 20-E Advice Letter
6 (D.23-06-055, OP 32). This includes reviewing program designs through the following filters:

- 7 • A **“similar”** program is offered in the same sector, with the same delivery type and
8 program segment, and in the same IOU service territory.
- 9 • An **“overlapping”** program (“program overlap”) is the subset of “similar” programs with
10 the same target audience and same IOU service territory.
- 11 • A **“substantially similar”** program meets the definition of “program overlap” and has
12 the same of the following characteristics:
- 13 • Resource acquisition: end use and measure(s) are the same.
- 14 • Market Support: demand, supply, partnership, innovation and accessibility (sub-
15 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.

1 Coordination with CalMTA

2 SDREN's portfolio is designed to complement CalMTA's upstream market transformation work,
3 ensuring that regional, customer-facing interventions reinforce statewide market shifts.

4 Coordination emphasizes alignment of strategies, data, and investment to accelerate adoption
5 of emerging technologies and practices.

6 SDREN's coordination approach is designed to evolve alongside statewide market
7 transformation activities. As CalMTA and the CPUC identify new MTIs, SDREN's portfolio will
8 incorporate complementary downstream strategies that amplify investment impacts, reinforce
9 statewide objectives, and support equitable customer adoption.

10 Key areas of collaboration include:

- 11 • **Program alignment:** engaging with CalMTA to identify active and emerging MTIs
12 relevant to SDREN's programs and integrating those findings into portfolio planning and
13 program design.
- 14 • **Technology advancement:** incorporating non-cost-effective or early-market
15 technologies such as advanced HVAC systems, high-efficiency heat pumps, and low-
16 GWP refrigerants into SDREN's programs as they move toward cost-effectiveness and
17 broader adoption.
- 18 • **Workforce and training integration:** embedding CalMTA insights on emerging
19 technologies into SDREN's WE&T programs to ensure a skilled and prepared regional
20 workforce.
- 21 • **C&S collaboration:** coordinating with CalMTA on strategies that bridge market
22 transformation and C&S activities, accelerating adoption and codification of high-
23 efficiency technologies.

24 More specifically, on November 20, 2025, the CPUC adopted D. 25-11-023 that authorized two
25 Market Transformation Initiatives that CalMTA proposed in the Application of Pacific Gas and
26 Electric Company (PG&E; U39M) on Behalf of the California Market Transformation
27 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.

1 Room Heat Pump Coordination

- 2 • SDREN was identified as a downstream partner to support adoption through incentives
3 and program channels, where relevant, and, in turn, CalMTA as an upstream partner.

4 Utility & REN Engagement

- 5 • Joint coordination with SDG&E and other RENs to clarify roles, ensure complementary
6 offerings, and align messaging.

7 Workforce & Equity Alignment

- 8 • Opportunities to coordinate on contractor training and equity-focused gaps identified
9 through future coordination touch-points.

10 Formal Coordination Pathways

- 11 • Coordination protocols are under development; CalMTA to connect with CalREN to
12 foster cross-REN alignment.

13 **Coordination with TECH Clean California and Related** 14 **Initiatives**

15 While TECH Clean California is not a formal MTI under CalMTA, it serves as a market
16 transformation initiative in practice, advancing statewide electrification and heat pump
17 adoption through contractor training, incentive stacking, and coordinated data sharing.

18 SDREN's coordination with TECH Clean California focuses on complementary activities that
19 advance decarbonization and affordability across the residential and commercial markets.

20 Collaborative strategies include:

- 21 • Stacking incentives where applicable.
- 22 • Coordinating outreach strategies to reduce customer confusion and streamline
23 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 Report¹⁰⁵ 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.

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

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>.

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 ESA Pilot Plus and Pilot Deep Program (Pilot)	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). • 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.
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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.

3 Together, these coordination procedures establish a transparent and customer-centered
4 framework that ensures ESA income-qualified households as well as HTR and underserved
5 customers receive the most appropriate and comprehensive services available without
6 duplication or confusion. By integrating ESA alignment directly into its Energy Advisor model,
7 SDREN creates a **seamless customer pathway** from eligibility screening through deeper
8 decarbonization upgrades. This approach safeguards efficient use of ratepayer funds and
9 strengthens regional equity outcomes by expanding access, trust, and participation among
10 hard-to-reach and underserved residents.

11 By coordinating their programs, SDREN and SDG&E will make it easier for residents to access
12 services and ensure that energy savings reach those who need them most. This coordination
13 will:

- 14 • Prevent duplication of ratepayer-funded measures and ensure cost-effective delivery.
- 15 • Expand ESA reach and participation through SDREN's community-based outreach
16 networks.
- 17 • 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.

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



1 program and discuss any comparable offerings and initial coordination strategies. This
2 resulted in a work product that was reviewed with SDG&E during sector-specific
3 coordination meetings. These conversations, alongside research into SDG&E's portfolio,
4 informed the sector-specific coordination detailed within the Portfolio Plan. It also set a
5 strong foundation for continued collaboration moving forward that was documented in
6 the JCM. As part of this collaboration, SDREN consulted with SDG&E ahead of filing this
7 Business Plan.

- 8 • **All PAs:** All PAs, including SDREN and SDG&E, participated in the CAEECC Business Plan
9 Consult that occurred in December 2025 (described later in this section). As PAs were
10 still in the process of developing their applications at the time of the Consult; the
11 information provided was preliminary. In January 2026, SDREN and SDG&E met to share
12 updated details from their respective BPAs. This included updated budget numbers,
13 cost-effectiveness test forecasts, TSB forecasts, program strategies (e.g., IDSM), and
14 policy recommendations. The goal of this meeting was to facilitate transparency ahead
15 of filing, bolster alignment of BPA narratives where possible, field questions, determine
16 data and information exchanges needed for the completion of applications, and
17 promote general coordination.

- 18 • **San Diego Regional Climate Collaborative (SDRCC):** SDRCC
19 was formed in 2011 as a network for public agencies to
20 advance climate change solutions that mitigate GHG emissions and adapt to the effects
21 of climate change. Partnering with academia, non-profit organizations, businesses, and
22 community leaders, the Collaborative raises the profile of regional leadership, shares
23 expertise and leverages resources.¹⁰⁶ SDREN was presented to members on multiple
24 occasions through the Regional Energy Resilience Working Group, which was launched
25 in March 2023. Made up of approximately 30 members municipalities, educational
26 entities, SDG&E, environmental NGOs, and consultants, this group was prioritized for



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).

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.



Northern Rural
Energy Network



TRI-COUNTY
REGIONAL ENERGY
NETWORK



SoCalREN



- **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.*

- 1 • **SDREN Advisory Committee:** the inaugural Advisory Committee convened after the
2 filing of SDREN’s Motion for authorization. The Advisory Committee provided feedback
3 to Community Power and the County on the structure, functionality and operation of
4 the Advisory Committee and other input that culminated in the drafting of the Advisory
5 Committee charter. For additional details on the Advisory Committee, see Chapter 2.
- 6 • **Regional Stakeholders:** Community Power met with several regional stakeholders,
7 including CBOs, labor groups, and organizations that could support SDREN efforts.
8 During these discussions, Community Power presented formation concepts and draft
9 program ideas to the following organizations:
 - 10 ○ Art Produce, Asian Business Association of San Diego, Business Improvement
11 District (BID) Alliance, Center for Community Energy, Center for Sustainable
12 Energy, City Heights Community Development Corporation, Cleantech San Diego,
13 Climate Action Campaign, GRID Alternatives San Diego, International
14 Brotherhood of Electrical Workers (IBEW) 569, Local Government Sustainable
15 Energy Coalition, Metropolitan Area Advisory Committee on Anti-Poverty of San
16 Diego County, Inc., Palomar College, San Diego Area Chapter of International
17 Code Council, San Diego Building and Construction Trades Council, San Diego
18 Building Electrification Coalition, San Diego Community College District, San
19 Diego Foundation, San Diego Green Building Council, San Diego Green New Deal
20 Alliance, San Diego Regional Chamber of Commerce, San Diego Regional Climate
21 Collaborative, San Diego Regional Economic Development Corporation, San
22 Diego Urban Sustainability Coalition, San Diego Workforce Partnership, Small
23 Business Utility Advocates, Smart Grid Lab at San Diego State University, South
24 County Economic Development Council, Southwestern College, The Urban
25 Collaborative Project CDC.
- 26 • **California Energy Efficiency Coordinating Committee (CAEECC):** On December 9, 2025,
27 SDREN attended the regularly scheduled CAEECC meeting to present to CAEECC on its
28 Business Plan Application budget, benefits, and strategies. No questions or comments
29 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

1 Residential, Commercial, and Public programs to guide customers to the best-value program(s),
2 including SDG&E or statewide offerings when appropriate. Through trusted energy guides,
3 SDREN provides services that also help stack available services and offerings.

4 **4. Expanding and Deepening Community-Based Engagement**

5 CBOs and regional stakeholders emphasized culturally-appropriate engagement and locally-
6 responsive program design. SDREN incorporated this feedback by integrating trusted
7 community partners into outreach and education strategies across Equity programs. Residential
8 and commercial programs include in-language services and CBO-led outreach.

9 **5. Addressing Workforce Shortages and Training Needs**

10 Workforce development stakeholders highlighted shortages and training needs for
11 disadvantaged workers and clean energy trades. SDREN validated and reinforced the design of
12 its two WE&T programs, ensuring the provision of:

- 13 • No-cost training for disadvantaged workers.
- 14 • Employer partnerships.
- 15 • Credentialing support.
- 16 • Workforce curricula aligned with regional decarbonization needs.

17 **6. Avoiding Duplication and Aligning With Existing PA Activities**

18 SDG&E provided detailed feedback during multiple coordination meetings. SDREN refined
19 program scopes, clarified the populations served, and strengthened coordination plans
20 (outlined in the SDREN and SDG&E JCM) to ensure programs remain gap-filling and non-
21 duplicative, consistent with REN criteria.

22 All stakeholder feedback collected during the development of SDREN's initial Business Plan
23 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 Regional Climate Collaborative member	Commercial programs could benefit from working with Carlsbad Green Business Program and San Diego Green Business Network.	SDREN can explore coordination with these programs and integrate strategies for its commercial program targeting small/medium businesses.

Stakeholder	Question/Feedback	Response/Considerations
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 Power Community Advisory Committee	Could SDREN support moderate-to-low-income families who want to switch from gas to electric?	Yes. SDREN can support electrification (fuel switching). SDREN programs will aim to offer customized support to residential customers to help them access and complete energy efficiency projects.

Stakeholder	Question/Feedback	Response/Considerations
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.
Community Power Community Advisory Committee	Has Clean Energy Alliance been engaged?	Yes.

Stakeholder	Question/Feedback	Response/Considerations
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 existing initiatives?	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 of creating programs and the Community Power Community Power Plan found that many people are unaware of existing programs.

Stakeholder	Question/Feedback	Response/Considerations
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.

1 As detailed in Chapter 3, SDREN's programs will be supported by ongoing engagement
2 mechanisms including partnerships with community-based organizations, Tribal governments,
3 local governments, and regional stakeholders that ensure programs remain responsive to
4 community needs throughout implementation. Chapter 2 outlines the governance structures,
5 including the SDREN Advisory Committee, that provide continued opportunities for stakeholder
6 input, equity-centered decision making, and program refinement. Together, these structures
7 ensure that the feedback received during Business Plan development serves as the foundation
8 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 to

- 1 Decision 16-08-019, the total EM&V budget split between SDREN as the PA is at 27.5% and
- 2 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.

1 Chapter 10

2

3 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.

1 These methodological constraints limit the reliability of the resulting estimates and introduce a
2 meaningful risk that observed differences reflect sampling error rather than true market
3 effects. NTGR determines how much credit a program receives for its savings; if set too low
4 based on uncertain data, otherwise effective programs can appear less valuable or fail cost-
5 effectiveness screens.

6 At least two parties raised these statistical and methodological concerns in comments on Draft
7 Resolution E-5350. Those comments are included in Attachment D of this BPA for reference and
8 documentation of the record.

9 **Recommended Commission Actions**

10 To align NTGR treatment with both equity policy and sound statistical practice, SDREN
11 recommends that the Commission:

12 **1. Adopt Differentiated NTGR Treatment for Equity Participants**

- 13 • Establish equity-specific NTGR values for HTR, DAC, and underserved customers.
- 14 • Apply an NTGR floor for income-qualified participants or recognize materially lower
15 free-ridership assumptions for equity segment programs.

16 Because NTGR is intended to measure incremental program attribution, it should reflect the
17 structural participation barriers inherent in the equity segment.

18 **2. Address Commercial HTR Direct Install NTGR Uncertainty**

- 19 • Consider commercial direct install HTR NTGR results from the recent HTR NTGR study
20 statistically inconclusive.
- 21 • Until a new study can be commissioned, adopt the evaluated NTGR values presented in
22 the Third-Party Commercial Programs Impact Evaluation, Program Year 2022 Report (for
23 which results are statistically conclusive).
- 24 • 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 Report¹¹³ recommendation #11,¹¹⁴ the Commission indicated it would address energy efficiency cost-effectiveness matters in Rulemaking 25-04-

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 Ratepayers*, 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.”

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.
- 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.

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/>.

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

Statewide Energy Efficiency Program Assessment Criteria

D.23-06-055 OP2 Statewide Assessment Framework

February 12, 2026

Overview Of PA Coordination Through a Working Group Process

PG&E led a working group of participating PAs to refine an IOU developed proposal for evaluating EE programs pursuant to OP 2 of D.23-06-055.¹ The original draft of the IOU proposal began development in the summer of 2025 by a small IOU only working group (WG). The IOU WG's goal was to prepare a guiding framework for further development by the broader PA group (RENs, IOUs and CCA). This effort resulted in a draft proposal that was circulated with all PAs for the October 16, 2025 monthly all-PA call. Subsequently, on November 5, 2025, there was a kick-off meeting to jump start an all PA WG to refine the proposal.² Non-IOU PAs were not included prior to November and were given a draft proposal developed by the IOU PAs.³ The WG's goal was to further refine the IOU developed proposal and to identify issues that the Commission would potentially need to address as part of this process. PAs were given the opportunity to provide feedback during the meetings and in redline/comment form on the draft proposal.⁴ While there were a number of useful edits and questions raised in the document not all PAs agreed to the

¹ The portfolio administrators (PAs) must coordinate among themselves and propose a statewide program portfolio assessment process to review and recommend changes to the portfolio of statewide programs. This proposed assessment process shall be included in the PAs' portfolio applications to be filed in 2026 or may be filed as a motion in Rulemaking 13-11-005 or its successor, if the proposal is ready before the next portfolio application filing.

² The WG met from November 2025 through January 2026 on a close-to-weekly basis. However, certain PAs could not participate at this frequency due to workload and bandwidth of staff.

³ The intent by the IOUs was to develop a starting point framework from which all PAs could use in order to address this complicated topic. The IOU developed straw proposal was intended to reduce the amount of time that it would take to develop a full proposal from scratch amongst the 12 PAs. Although, individual PAs were not precluded from developing their own proposal for submission as part of their Business Plan Application.

⁴ The original 10/15/2025 draft proposal received edits and comments, which were consolidated into a 12/31/2025 draft for further consideration. Not all PAs agreed to sign on to the developed draft with most providing a qualified support as reflected in the survey results (See Appendix B). An updated version of the document was released on 1/16/2026 for review and a survey for completion by PAs. Subsequently, another draft was released on 1/27/2026 before it was finalized by the end of January 2026.

proposed first draft; however, the WG discussions that ensued were useful in identifying areas needing additional development and/or formal Commission input.⁵

Supporting Information

In order to help stakeholders advance the OP 2 effort beyond this framework, the proposal includes supporting information in Appendices A and B. Specifically, Appendix A identifies issues that merit additional development and/or warrant formal input by the Commission; Appendix B includes results of a survey gauging general sentiment about the proposal along with PA specific feedback.

GUIDING PRINCIPLES - The following Guiding Principles represent the shared commitments of PAs in the delivery of statewide-administered energy efficiency programs.

1. Support the State’s energy efficiency policy goals. Orient portfolio design around State and Regulatory objectives and act in the best interests of all customers.
2. Do no harm. Make decisions that preserve our collective ability to meet energy savings goals, achieve TSB goals, achieve cost-effectiveness for the resource acquisition segment [IOUs only], and minimize impacts to existing local and downstream programs.
3. Advocate for all PAs. Recognize that the whole is greater than the sum of its parts. Be willing to collaborate with other PAs in planning and decision-making efforts.
4. Assume best intentions. In an environment of shared goals and shared directives, be humble in the approach and ambitious for the broader group’s success.
5. Be good listeners. Take responsibility for the environment by which decisions are made such that all participants have the opportunity to participate.
6. Take a stand for customers. Take into consideration the customer experience and strive for simplicity, clarity, and ease.
7. Wisely pursue change. Demonstrate open-mindedness to changes in design, delivery and administration

Programs should support customer fuel diversity,⁶ affordability and strategic decarbonization in a way that reflects the diversity of California’s energy landscape. To support customer demand, statewide program pathways should be diverse with multiple paths considered or incentivized.

⁵ Commission staff joined the December 22, 2025 WG meeting, which provided an opportunity for ED staff to hear about PA concerns. ED’s participation was intended to be informal with no expectation of official Commission guidance.

⁶ There is a diversity of perspectives on whether the offering of dual fuel programs should be discretionary or required.

STATEWIDE EE PROGRAM ADMINISTRATOR RESPONSIBILITIES – The following responsibilities are directed by D.18-05-041, and are the responsibility of any PA leading a SW program.

- Program vision development, design/delivery, and intervention strategies⁷)
- Procurement, contract administration, and co-funding management from partner PAs.
- Implementer oversight:
 - The lead PA would have sole responsibility for implementer management, rewards, and any necessary corrective action
 - Lead PA would review implementer performance and program performance on a quarterly basis
- Meeting savings goals and customer satisfaction levels
- Metrics development
- Reporting
- Fiscal oversight

OBJECTIVE

To provide a comprehensive, structured, and transparent framework for assessing Statewide energy efficiency programs across all portfolio administrators. This framework ensures that each program is evaluated for statewide suitability, delivery efficiency, strategic alignment, equity, and market impact. The assessment process supports informed decisions on whether programs should be maintained, redesigned, localized, sunset, transferred, or integrated, and guides the selection of lead administrators, all in alignment with California’s energy policy goals and stakeholder interests.

Program outcomes of the framework include:

- Continue as-is
- Redesign or expand
- Localize
- Sunset⁸

⁷ SW program leads may coordinate with other PAs to address matters that may not be resolved through ongoing SW coordination efforts under the “SWEET” (Statewide Energy Efficiency Team) process. The SWEET, represented by SW PA leads, meets bi-weekly to address ongoing matters associated with SW program administration.

⁸ Consistent with D. 21-05-031, OP 12, an assigned lead PA for a Statewide program can sunset a SW Program by means of a Tier 2 Advice Letter. Likewise, “a Tier 2 advice letter is also required when an existing program is being elevated from a local or regional program to a proposed statewide program or when the lead administrator for a statewide program is proposed to change.” Furthermore, D.23-06-055, dicta at p. 10 states: “Meanwhile, during 2024-2027, the composition of the statewide portfolio need not remain static.

- Reassign to another PA (IOUs, RENS, and CCAs)
 - Selection of Lead PA
- Elevate to Statewide
 - Selection of Lead PA (IOUs, RENS, and CCAs)

GUIDELINES FOR ASSESSMENT

- **Customer Affordability:** Identify EE programs that help customers achieve measurable energy and demand reductions that translate into lower utility bills.
- **Ratepayer Affordability⁹:** Identify EE programs that deliver measurable value to ratepayers, with a focus on maximizing energy savings, benefits per dollar spent, and bill relief.
- **Efficient Program Delivery:** Focus on optimizing resource acquisition and/or customer benefits as appropriate based on program segmentation, and minimizing *redundant*¹⁰ programs.
- **Equity:** Design programs to deliver to disadvantaged, underserved, and hard-to-reach communities (collectively referred to in this document as “equity criteria”).¹¹
- **Transparency:** Use standardized, data-driven methodologies across all PAs, including customer data sharing to support claimable EE results.
- **Timing:** Assessment should be completed in time for results to be incorporated into Application, TUAL, or MCAL cycles.¹²

PAs may request program closure or downsizing where a statewide resource acquisition program has declining prospects through the filing of a Tier 2 advice letter. In addition, existing programs may also be modified by updating an implementation plan.”

⁹ The initial draft proposal advanced “Affordability” as an over-arching assessment factor. However, at the tail end of the WG effort, one PA distinguished affordability between *customer* and *ratepayer*. While this distinction was not fully vetted by the WG, a PA did express concern about using “ratepayer affordability” due to the complexities involved. On the other hand, this same PA indicated that “customer affordability” is more easily determined as it can be isolated/attributed to a single program. This issue warrants further examination.

¹⁰ The Working Group discussion revealed certain PAs had concerns about “relitigating” aspects of OP 32 from D.23-06-055, which commissioned a study “to provide information on substantively similar programs, and steps they have taken and will take to mitigate or minimize ratepayer risk of program overlap and duplication.” There is currently the Joint Coordination Memo (JCM) process that is intended to look at the overlap/duplication issue. However, it’s recognized there may be some level of strategic overlap that is acceptable based on a program’s profile.

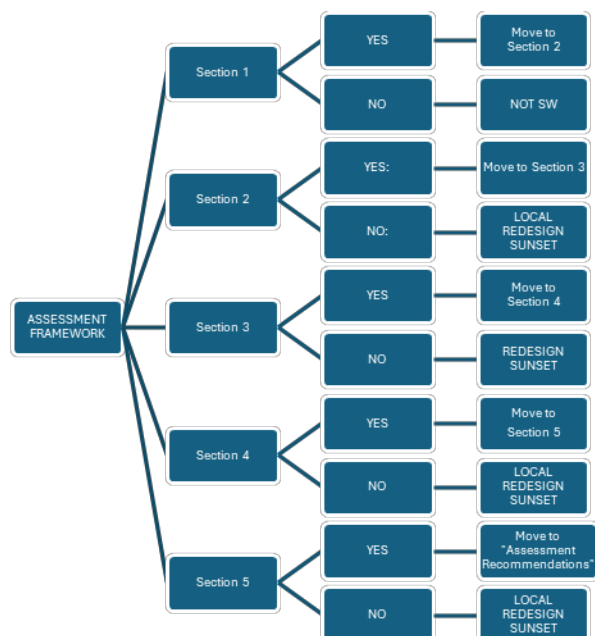
¹¹ *Equity Criteria:* The use of the term disadvantaged is in the context of Disadvantaged Communities (or DACs) as identified by the California Environmental Protection Agency pursuant to Health and Safety Code Section 39711. With respect to the use of the terms underserved and hard-to-reach, these are defined by CPUC Decision 23-06-055, COL 31, for underserved; and COL 33 for hard-to-reach. It should be noted that COL 32 provides flexibility to include additional groups within the underserved population based on the mechanism set forth by COL 32.

¹² There is lack of consensus as to the appropriate forum and timing of these assessments. While the ability to undertake more frequently is preferable, the potential need for incremental funding and full regulatory vetting would generally point to the Application funding cycle as the best pathway. However, PAs appear to

STATEWIDE ASSESSMENT FRAMEWORK

This framework supports a right-sized, effectively delivered, and efficiently administered statewide EE portfolio that aligns with today’s EE policy direction, market dynamics, and EE strategic priorities such as customer energy savings, cost-effectiveness, decarbonization, equity, and flexible delivery. It’s built on a series of gatekeeping questions split into sections (i.e., Sections 1-5) that aids the reviewer¹³ in undertaking the assessment of the program in question. These questions are intended to be guides rather than absolute requirements in supporting the assessment process.

Figure 1. Overall Decision-Making Framework



support the ability to undertaking assessments more frequently, potentially as part of the TUAL and MCAL or as part of a separate dedicated filing process (e.g., a Tier 3 submission).

¹³ Informally, the Energy Division clarified that the undertaking of assessments would generally be PA driven and should be fair, unbiased, and consensus-driven.

Section 1. Statewide Program Gatekeeping Questions (New and Existing Programs)

The assessment of statewide or regional programs will begin with the following baseline questions based on its segmentation:¹⁴

Criteria	Yes/No
For Resource Acquisition Programs	
Does the program ensure inclusion of all critical resources (gas and electric) necessary to maintain reliability, affordability, and customer choice during the transition? [See FN 6]	
Is the program truly mass-market ¹⁵ and uniform for both gas and electric across territories (e.g., smart thermostats)? [See FN 6]	
Does it use a non-site-specific delivery model including both fuels (e.g., original definition of midstream)? [See FN 6]	
Is the PA delivering program able to reasonably manage cross-utility risk without territorial control or data sharing challenges and barriers?	
Does the program solve an identified, statewide problem that cannot be effectively addressed by local or regional means?	
Does implementing statewide delivery significantly improve cost-effectiveness or enhance customer access compared to a local or regional delivery model?	
For Market Support¹⁶ Programs	
Is the program's primary objective to support the statewide market rather than deliver immediate resource savings?	
Does the program target a statewide market failure or gap that cannot be addressed effectively by resource acquisition programs? (e.g., lack of supply chain readiness, emerging tech adoption, training/workforce?)	
Are there measurable market transformation indicators (market share, cost declines, codes/standards advancement) that can be tracked and are consistent throughout the state?	
Is there detailed evidence that statewide delivery would accelerate or amplify measurable market effects compared to local delivery?	

¹⁴ While Section 1 is limited to the Resource Acquisition, Market Support and Equity segments, this framework can be applied to Codes and Standards (C&S) along with Workforce, Education and Training (WE&T). Since future refinements to this framework are anticipated these additional segments could be developed at that time.

¹⁵ Mass Market refers to broad market segments, like residential homes and small businesses, which share similar purchasing patterns and are targeted for energy-saving programs through accessible measures like rebates, simple installation processes, and standardized information.

¹⁶ Decision 21-05-031 at p.14 defines Market Support as "Programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness."

For Equity¹⁷ Programs	
Is the program's primary objective to improve access, affordability, or resilience for meeting the needs of equity criteria populations (DAC, Hard-to-Reach, Underserved) statewide, rather than delivering energy savings or cost-effective benefits?	
Is the program reaching the intended equity criteria target populations?	
Are incentives and program processes aligned with accessibility and ease of participation for equity criteria target participants?	
Does the program address statewide barriers (financial or geographic) that limit participation by equity criteria communities?	
Is there a clear plan to engage trusted messengers (e.g., CBOs, tribal organizations, local governments) across the entire state?	
Is there detailed evidence that statewide delivery can create measurable improvements in equity criteria outcomes for the specific program, when compared to local-only delivery?	

If less than a majority¹⁸ of answers are “No,” the program should not be statewide.

IF more than a majority of questions were answered as YES, continue on to Section 2.

For NEW and EXISTING PROGRAMS which pass Section 1, CONTINUE

Section 2. Delivery Model and Risk Evaluation

Question	Consideration	Yes/No
Does the program use a midstream delivery model?	<i>Sales-only (midstream/upstream) vs. install-based (downstream/direct install)</i> Midstream= Yes Downstream= No Upstream= Yes	
Is the model still aligned with CPUC policy?	<i>E.g., does it still meet the intent of midstream?</i>	

¹⁷ Decision 21-05-031 at p.14-15 defines Equity as “Programs with a primary purpose of providing energy efficiency to hard-to-reach or underserved customers and disadvantaged communities in advancement of the Commission’s Environmental and Social Justice (ESJ) Action Plan; Improving access to energy efficiency for ESJ communities, as defined in the ESJ Action Plan, may provide corollary benefits such as increased comfort and safety, improved indoor air quality, and more affordable utility bills, consistent with Goals 1, 2, and 5 in the ESJ Action Plan.

¹⁸ The threshold for “majority” should be established by the PAs and/or set by the Commission. In some cases a simple majority (i.e., greater than 50%) is sufficient and in other cases a “super-majority” might be appropriate (i.e., greater than 66.6%).

Is downstream data collection or quality verification unnecessary for this program?	<i>If yes, it may be feasible for statewide. Although, gathering downstream data for all participants is complex and burdensome in SW offerings.</i>	
Is the administrative burden on the lead PA proportionate to the value delivered?	<i>Legal, regulatory, QA/QC, EM&V risk, data sharing, etc.</i>	

If at least three (majority) of the answers are YES, continue onto Section 3.

If more than one of the answers are NO, consider LOCALIZATION, REDESIGN, or SUNSET program.

Section 3. Strategic Fit

Question	Yes/No
Does the program align with the (or latest) Business Plan (e.g., decarbonization, equity, electrification)?	
Does the program align with the CPUC's policy objectives as stated in decision language or Public Utilities Code statute?	
Does the program avoid overlapping with or negatively impacting existing local delivery options?	

If at least two (majority) of the answers are YES, continue to Recommendations.

If more than one of the answers are NO, consider LOCALIZATION, REDESIGN or SUNSET program.

Section 4. Performance and Accountability Assessment (EXISTING)

Metric	Assessment Notes	Yes/No/NA
Is the program achieving program goals and metrics? (TSB, GWh, MW)	Is it performing as expected?	
Is the program contributing to portfolio goals?	Is it advancing decarbonization, fuel substitution, etc.?	
Is the program cost-effective (applies only to RA)?	Is it successfully delivering cost effective savings, or failing the TRC tests?	
Is the program forecasting accurately?	Is the program accurately forecasting TSB, GWh, MW and budget?	
Is the program demonstrating clear signs of growth and scalability?	Is it scaling or stalling?	

Are there minimal barriers to participation or savings realization?	Market, tech, permitting, site-specific issues?	
Have past corrective actions, if any, been successful in correcting program performance?	Have the actions been successful in correcting program performance?	

If majority of the answers are YES, continue onto Section 4.

If majority of the answers are NO, consider REDESIGN, LOCALIZE, or SUNSET program.

Section 5. Market Support & Equity Assessment

Question	Yes/No
Market Support – Focus on supporting long-term success of the market, enabling market viability and innovation	
Does statewide administration reduce market confusion and create consistent signals to manufacturers, distributors and contractors?	
Are the risks of statewide delivery (e.g., uneven market maturity, inconsistent supply chains) outweighed by benefits of a statewide approach?	
Are there clear measurable indicators of long-term success of the energy efficiency market that can be tracked at a statewide level?	
Would statewide delivery meaningfully accelerate innovation or technology adoption compared to local implementation?	
Equity – Focuses on equity criteria population	
Would statewide delivery ensure consistent access and reduce inequities across service territories?	
Can program risks (such as differing local needs or reliance on CBOs) be managed affordably and effectively at a statewide scale?	
Are there equity specific outcomes that can be measured and reported consistently statewide?	
Has or will the program demonstrate the ability to overcome participation barriers at scale?	
Would statewide delivery expand reach and scale and benefits in a way local delivery could not?	

If majority of the answers are YES, continue onto Assessment Recommendations.

If majority of the answers are NO, consider REDESIGN, LOCALIZE, or SUNSET program

ASSESSMENT RECOMMENDATIONS

Summary of the above scoring system, and assessment recommendation.

Suggested Program Reclassification Options

Recommendation	Description
If Section 1-5 result in YES	
Maintain or Launch Statewide	Only if program meets all core criteria and delivers value
If Section 1-5 results in NO Options below	
Redesign or Maintain as a local program	If program needs local tailoring, complexity makes it better as a local or regional offer
Sunset Program	If program is obsolete, low-performing, or creates administrative risk
Transfer to non-IOU PA or State Agency	Consider having non-IOU PAs (e.g., RENs, CCAs) or state agencies (e.g., CEC) run the program; IOU acts as fiscal agent only
Integrate into existing local programs	Fold into existing contracts/programs to improve customer experience and delivery efficiency

Compliance Check Before Final Recommendation	Yes/No
Will recommendations cause any IOU to fall below the 20% statewide funding requirement, exceed the 30% MS+E cap, jeopardize meeting the TSB goal or affect any other compliance requirement?	
If a CCA program is converted to SW, will CCA still maintain cost-effective portfolio requirement?	
CONSENSUS CHECK BEFORE SUBMITTING PROPOSAL	Yes/No
Was consensus reached among all PAs regarding the assessment results and proposed outcomes?	

Before proposing the assessment outcomes in the appropriate filing mechanism, the party conducting the assessment may conduct regional focus groups to gather community input across the state. These focus groups should include specific questions that guide feedback and inform the proposing PA if the SW proposal is still appropriate as designed, or redesign, localize or sunset. The results of this effort shall be reported when the party proposes the assessment outcomes in the filing process.

SELECTION/TRANSITION OF LEAD PA

Stakeholder Involvement

- Ensure a transparent and inclusive selection process by actively engaging stakeholders such as other IOUs, RENs, and CCAs.
- Solicit stakeholder feedback through options such as, but not limited to, public workshops, comment periods, or advisory panels.

Qualification Criteria:

Define clear, objective criteria for selecting the lead PA, including but not limited to:

- **Relevant Experience and Track Record:** Demonstrated history of successfully administering similar programs, including past performance metrics and lessons learned.
- **Market Expertise:** Understanding of the target market, including customer segments, supply chain dynamics, and regulatory requirements.
- **Training Infrastructure and Workforce Support:** Ability to provide training, technical assistance, and workforce development to support program delivery at scale, if needed.
- **Data Management and Reporting Capabilities:** Robust systems for data collection, analysis, and reporting, ensuring compliance with CPUC requirements and enabling transparent program evaluation and data sharing capabilities with other non-lead PAs.
- **Contract and Solicitation Resources:** Capacity to manage competitive solicitations, vendor contracts, and procurement processes efficiently and fairly.
- **Past Performance:** Evidence of meeting or exceeding program goals, maintaining compliance, and effectively managing budgets and timelines.
- **Interest and Commitment:** Clear expression of willingness and capacity to lead the statewide program, including resource allocation and organizational support.

NEW PROGRAM PA SELECTION PROCESS :

- Interested Lead PA successfully completes the assessment
- Interested Lead PA presents assessment results and proposed outcomes to all PAs¹⁹ (*Engage in good faith effort to reach consensus among PAs*)
- Interested Lead PA proposes SW Program concept in an appropriate filing mechanism as determined by CPUC input.
- The CPUC approves or denies SW Program.

TRANSITIONING PROGRAMS PROCESS (transitioning programs):

- Current Lead PA coordinates with PAs to inform PAs of proposed transition
- Current Lead PA receives input and response to proposed transition
- Allow all PAs to submit proposals or statements of interest
- Current Lead PA engages in good faith effort to reach consensus among PAs
- Current Lead PA makes a recommendation via Tier 2 AL per D.21-06-055
- Current Lead PA announces the newly selected lead PA

¹⁹ D.18-05-041 at pp. 80-81 provides guidance on lead PA coordination.

Appendix A

Issues Needing Further Development and/or Clarification by the Commission

1. Scope of OP 2: The full scope of OP 2 was unclear to all PAs. Specifically, whether the assessment was intended to include both upleveling (local/regional to statewide) and down-leveling (SW to local/regional) of programs. While the language of OP 2 addresses the evaluation of SW programs and the related dicta²⁰ is suggestive of upleveling, there is no language indicative of down-leveling. The bullet points below summarize the three discrete possibilities.

- SW only [language of OP 2]
- Local/regional to SW (uplevel) [language of dicta]
- SW to local/regional (down-level)

Action Item: Formal Commission input warranted.

2. Regulatory Process for Proposing a SW Program: While PAs seek maximum flexibility in undertaking the OP 2 assessment, there is lack of clarity about the appropriate venues for doing so. While there is general consensus that the Application cycle is an appropriate venue, some PAs believe the TUAL and the MCAL could also be vehicles for advancing OP 2. Moreover, there is consideration as to whether a separate dedicated process, such as a unique Tier 3 filing, could also be a viable mechanism. The one potential impediment is that in certain cases incremental funding might be necessary, which is generally requested and approved as part of the periodic EE Application. In the case of a regional or local program being converted to SW, PAs would need the appropriate venue to rebalance their remaining portfolio and address any implementation issues (see #4 below).

Action Item: Formal Commission input warranted.

3. Applicability of dual fuel or single fuel: There is a diversity of perspectives on whether the offering of dual fuel programs should be *discretionary* or *required*.

Action Item: Formal Commission input warranted.

²⁰ *In comments on the proposed decision, numerous parties, including Oracle as one of the implementers, opposed the conversion of these two programs to statewide administration, arguing that they have unique characteristics at the individual IOU level and are not appropriate for statewide implementation. In light of these comments, we will defer on converting these programs to statewide at this time. Once a statewide assessment process has been proposed and approved, then we will use the process to evaluate whether these programs should be converted to statewide during the next portfolio application cycle.*

4. Attribution: It is understood that moving a local/regional program to a SW program would preclude program benefit attribution for non-IOU PAs, which presents a challenge for maintaining a cost-effective portfolio and performance at a PA level. Several solutions are available to the Commission including, but not necessarily limited to the following:

- Equal attribution of Statewide Program TSB benefits and costs to all PAs.
- Cost-effectiveness/performance adjustment or relief to impacted non-IOU PA(s).

Action Item: As many EE policies are impacted by potential changes in attribution, cost-effectiveness or program delivery model, the Commission should scope further discussion in R.25-04-010 (EE proceeding) – or the upcoming consolidated Business Plan Application proceeding - to ensure that any solutions are holistic and informed by the public record.

5. Responsibility for Undertaking the Assessment: The PAs generally agree that the assessment process is PA led, which is consistent with the informal perspective shared by Energy Division during the December 22, 2025 working group call. There were no objections to the idea that a PA could engage a third-party entity to facilitate or even to undertake such an assessment.

Action Item: Request Commission to affirm the assumption that the assessment process is PA driven rather than by the CPUC.

Appendix B
PA Survey
Updated 2/12/2026

Each PAs was asked to complete a survey with the four questions shown below. Based on the results, all of the respondents selected a “Qualified Support” for the proposal. Certain PAs also provided responses to questions three and/or four. Each PA’s survey response is included in this Appendix B.

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

2. Do you support the statewide assessment proposal for evaluating programs?

*Select one option that best represents your position (please **bold** and underline your selection).*

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

NREN

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

Northern Rural Regional Energy Network (NREN)

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

NREN appreciates the time and effort from the PAs during this process to create a statewide portfolio assessment process. At this time, NREN would like additional clarity of certain assessment questions, and would like to review the new clean version closely.

Overall, NREN understands the assessment process and agrees with the guiding principles, but would like to reiterate the gap-filling purposes of RENS that should be kept in mind when an assessment of a regional or local program is taking place.

Additionally, NREN would like to note that not all PAs were represented throughout the entire process of developing this proposal, which may indicate unequitable representation of PAs.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

It is noteworthy that Joint Cooperation Memos (JCMs) already exist to limit program overlap and ensure PA coordination, and that regional programs all differ from each other as they are unique to each region. These JCMs and other means of coordination should be taken into account when conducting an assessment.

BayREN

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

BayREN

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

Qualified Support

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

BayREN appreciates the participation of the PAs and the collaborative effort to produce a statewide portfolio assessment proposal. BayREN offers qualified support for the proposal and will provide more reasoning for our qualified support in our business plan application. BayREN would like more time to evaluate the proposal to determine if it agrees with what has been drafted.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

3C-REN

1. Which Program Administrator (PA) do you represent?

Tri-County Regional Energy Network (3C-REN)

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

3C-REN offers qualified support for the statewide assessment proposal and will provide more reasoning for our qualified support in our business plan application after having more time to review a clean copy. Some items we will use the additional time to review include:

- Proposed Scope (Upleveling v. Down-leveling)
 - 3C-REN leans toward relying on the explicit decision language, which focuses on the evaluation of existing statewide programs. If the Commission ultimately relies on the dicta to support upleveling, it is important that this approach be balanced with a fair and equal pathway for down-leveling where appropriate.
- REN programs operating in tandem with statewide programs
 - 3C-REN wants to ensure that even if a statewide program passes the assessment matrix and does not require localization, this should not preclude the continued delivery of localized programs where they improve equitable access.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

SoCalREN

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

Southern California Regional Energy Network (SoCalREN)

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

The SoCalREN believes there should be an assessment regarding the efficacy of the current statewide programs. It would benefit the state to understand are statewide program performing proportionally across the state or are their communities or pockets of regions not being reached. Are rate payer dollars being effectively utilized for mid-stream and up-stream models or is there too little oversight to understand where SW ratepayer dollars are actually being realized into impact. These are just a few questions and much more could be identified.

The SoCalREN does support some portions of the proposal for instance the gate assessment process for considering a PA's proposal for a program to be delivered statewide. However, their lacks certain nuances that must be considered. For instance in the assessment for considering a program be delivered SW there should exist a requirement that the PA engage communities in some form across the state to acquire input. Many communities are often disenfranchised by statewide programs due their standardization. In addition, SW proposals should only be considered in Applications which require Commission approval.

SoCalREN intends to file an alternate proposal that captures some of the Joint PAs work and builds off of it.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

None at this time.

MCE

1. Which Program Administrator (PA) do you represent?

MCE

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

MCE does not agree with the threshold criteria for each set of scoring questions and notes that there are logical errors in the proposed thresholds. For some sets of criteria a “majority” may not be sufficient, and a program should pass all screening criteria to be considered for statewide implementation. There should be further discussion to refine the threshold criteria for each section.

Other comments will be provided in MCE’s testimony.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

SDREN

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

San Diego Regional Energy Network

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

- SDREN supports the proposal if it is not used to relitigate currently authorized programs.
- SDREN supports the proposal if it is conducted by an independent third party.
- SDREN supports the proposal if the “ratepayer affordability” language under “Guidelines for Assessment” is removed. There are many bill components that impact ratepayer affordability (e.g., generation, transmission, and distribution) so assessing singular programs using this as a guideline is infeasible. The “customer affordability” language under the “Guidelines for Assessment” section is more easily determined and can be isolated/attributed to single programs. Therefore, SDREN supports the “customer affordability” language and recommends “ratepayer affordability” be removed. Additionally, this language was added last-minute and was not discussed with the full PA group prior to including.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

I-REN

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

Inland Regional Energy Network (I-REN)

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please bold and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

At the time of this survey I-REN offers “qualified support” rather than full support or non-support of the proposal and will provide additional detail in our forthcoming business plan application. I-REN appreciates the framework’s reiteration of the guiding principles of good-faith PA consensus and coordination. While this point is identified in the overview, it is worth highlighting in these comments that the development of this proposal only included REN and CCA PAs a few months after IOUs initiated the effort exclusively. Nevertheless, I-REN participated in this effort in good faith and will continue to identify refinements to the framework to promote equity among PAs between now and the business plan application submittal.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

I-REN would like to thank all PAs involved in this effort for their contributions, and restate the importance of local and regional efforts led by RENs to provide equity communities with critical support and market access.

CCR REN

1. Which Program Administrator (PA) do you represent?

Central California Rural Regional Energy Network (CCR REN)

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

We have some small comments in the draft we would like to be considered.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

Not at this time.

SDG&E

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

SDG&E

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

The requirement that PAs conduct regional focus groups to gather community input, as proposed by SCR, should be optional rather than mandatory, as regional focus groups may not be practical on a statewide basis.

The proposed transition of a statewide lead PA is also allowed to be requested within the Business Plan Applications per the Energy Division template, not only Tier 2 Advice Letter.

Already resolved in the draft: SDG&E supports majority versus 80% supermajority within the gating questions.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

SCE

1. Which Program Administrator (PA) do you represent?

Southern California Edison

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

SCE is generally supportive of the Statewide Assessment proposal; however, SCE emphasizes that this assessment should include regional programs and notes that the assessment should not be used as a basis for program closures, as an established process and procedure for closing programs already exists.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

SoCalGas

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

SoCalGas

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please **bold** and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

The proposal should heavily weigh the customer’s best interest and provide the structure to allow utilities to adapt program designs for customer benefit.

PG&E

1. Which Program Administrator (PA) do you represent?

Enter the full name of your PA (please provide one survey response per PA).

PG&E

2. Do you support the statewide assessment proposal for evaluating programs?

Select one option that best represents your position (please bold and underline your selection).

- Yes
- **Qualified Support**
- No

3. If you selected “Qualified Support” or “No,” briefly explain your reasoning.

Your explanation will help stakeholders understand your perspective.

There are unresolved issues that merit further development and/or formal CPUC input. These are noted in the body of the proposal (primarily as footnotes) and/or summarized in Appendix A.

PG&E’s perspective continues to be that the lead-PA of any SW program should have the ability to make program specific decisions, specifically allowing the lead-PA to determine whether a SW program is single or dual fuel. PG&E provides additional context in its testimony.

PG&E requests stakeholders consider this perspective when reviewing the proposal.

4. Do you have any additional comments or suggestions regarding the proposal?

Optional: Share any other thoughts or recommendations.

PG&E volunteered to facilitate this all-PA process as it wasn’t obvious if any other PA had interest in doing so. It is understood that efforts of this nature, which involve a dozen PAs is both challenging and time consuming. In hindsight this process would have been better suited to a professionally facilitated working group, which could have included formal workshops with Energy Division staff participation. Even so, PG&E appreciates ED staff joining one of our weekly meetings on December 22, 2025, in order to entertain PA questions and to share *unofficial* thoughts on OP 2. Also, PG&E appreciates the collaborative engagement by the PAs.

PG&E believes this proposal is a reasonable starting point for further development by the Commission and interested stakeholders. Further discussion and context on the unresolved items is located in PG&E’s testimony.

Attachment D

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The following pages contain Attachment D

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Draft Resolution E-5350
DEER2026 Update Draft.

Rulemaking 13-11-005
Resolution E-5350

**COMMENTS FROM LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION
(LGSEC) ON RESOLUTION E-5350 DEER2026 UPDATE DRAFT**

Steven Moss
Regulatory Consultant
Local Government Sustainable Energy Coalition
296 Liberty Street
San Francisco, CA 94114
Telephone: (415) 643.9578
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December 4, 2024

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Draft Resolution E-5350
DEER2026 Update Draft.

Rulemaking 13-11-005
Resolution E-5350

**COMMENTS FROM LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION
(LGSEC) TO RESOLUTION E-5350 DEER2026 UPDATE DRAFT**

The Local Government Sustainable Energy Coalition (LGSEC) thanks the CPUC for the opportunity to comment on draft Resolution E-5350.

Finding orders 2, 3 and 4 refer to the LGSEC as part of the list of Portfolio Administrators mandated to comply with the resolution. LGSEC is a statewide membership network representing local government interests related to clean energy and climate resilience to state regulatory agencies. LGSEC requests the Commission update Resolution Orders 2, 3, and 4 to remove reference to LGSEC, as it is not a portfolio administrator and has no responsibility for implementation and reporting activities of ratepayer funded energy efficiency programs.

LGSEC also reiterates the concerns raised in our August 15th comments regarding hard-to-reach (HTR) net-to-gross (NTG) ratios for direct installation activities. In those comments, the LGSEC stated, "proposed modifications to HTR Net to Gross (NTG) incentives are based on a less than robust, non-representative study, which does not provide an adequate analytical basis to support the identified changes. The resulting alterations to the HTR NTG ratios could deliver outcomes that are contrary to the Environmental and Social Justice Action Plan."

We appreciate the attention that the Commission has given to HTR customers, and that DNV has provided research to inform us about this matter. The draft Resolution referenced DNV study (GROUP A, Forward Looking Research: Cross-Program Net-to-Gross Ratios for Hard-to-Reach Customers of Downstream Programs, CPUC CALMAC ID: CPU0379.01, August 23, 2024) is not persuasive. We continue to express concern that a statistical analysis on a sample of only 10 HTR commercial customers, partly collected during the COVID 19 pandemic, is not an appropriate basis for making a data-informed policy decision. Therefore, the LGSEC continues to be concerned about the draft Resolution proposal to modify HTR NTG ratios, and reiterates our recommendation from our August 15 comments that,

“the CPUC delay altering the HTR NTG ratio until a statistically valid and reliable study can be conducted and potential equity impacts from possible modifications are adequately understood. This should include analyses of HTR customer participation rates and savings levels and an assessment of the implications that a HTR NTG ratio alteration would have on HTR customer engagement in direct install programs.”

Dated: December 4, 2024

Respectfully Submitted,

By: /s/ Steven Moss

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Regulatory Consultant

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December 4, 2024

Energy Division
Attention: Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: Comments of Willdan on Draft Resolution E-5350

Dear Energy Division Tariff Unit:

Pursuant to Rule 14.5 of the California Public Utilities Commission Rules of Practice and Procedure, Willdan hereby submits the following comments on Draft Resolution E-5350 approving the Database for Energy-Efficient Resources Updates for Program Year 2026-2027 and revised version for Program Years 2025 and 2024.

Accelerated Commercial Measure Useful Life Improvements

Willdan appreciates the CPUC accelerating effective useful life (EUL) improvements. Updates to EULs will support increased cost-effectiveness and the market's ability to serve ratepayers.

Hard-to-Reach (HTR) Commercial Net-To-Gross Ratios (NTGR)

The Commercial Direct Install (CDI)¹ results for the Group A Forward Looking Research: Cross-Program Net-to-Gross Ratios for Hard-to-Reach Customers of Downstream Programs (HTR NTGR Study), should be considered statistically inconclusive.

We provide the following for your consideration.

1. *Relative precision is outside of the targeted +10%*

¹ https://pda.energydataweb.com/api/view/4023/GroupA-FLR_NTGR-for-HTR-Customers-Downstream-Final_2024-08-23.pdf

The DEER2026 Scoping Document notes that, “For commercial participants, the results were less conclusive and had relative precision results that were outside of the targeted $\pm 10\%$ threshold.”²

The Table 1-1 sub note on page 2 of the HTR NTGR Study states that the commercial NTGR relative precision exceeds the 10% target due to the small sample size. Furthermore, on page 15, the authors note that relative precision for each NTGR estimate is a critical step “...as it ensures the reliability and accuracy of our NTGR calculations, providing a robust foundation for subsequent analysis and decision-making.”

2. Sampling errors cannot be ruled out

The HTR NTGR Study authors note on page 15 that sampling was done without regard to HTR status and that led to no control over precision values.

The adjusted HTR sample size of 12 participants along with the sampling methodology introduces a reasonable possibility that sampling error, or errors arising when a survey sample does not accurately represent the population groups being researched, are biasing the results.

3. The HTR NTGR Study NTGR findings are inconsistent with recent research

The Third-Party Commercial Programs Impact Evaluation, Program Year 2022 Report notes³ in Table 4-6 that the *overall* evaluated NTGR for:

- Electric Energy measures are 97%,
- Electric Demand measures are 96%, and
- Gas Energy measures are 98%.

Furthermore, Table 4-6 presents *overall* relative precision rates less than $\pm 10\%$ with a 90% confidence interval:

- Electric Energy measures are $\pm 4.0\%$,
- Electric Demand measures are $\pm 5.5\%$, and
- Gas Energy measures are $\pm 0.6\%$.

The 2022 third-party commercial program’s evaluated NTGRs are significantly different, and fall outside of the error bars presented, as compared to the Group A Forward Looking

² <https://pda.energydataweb.com/api/view/4015/DEER2026%20Scoping%20Document%20-%202024-08-01.pdf>

³ <https://pda.energydataweb.com/#!/documents/3992/view>

Research: Cross-Program Net-to-Gross Ratios for Hard-to-Reach Customers study Figure 1-1.

4. *The HTR NTGR Study's CDI statistical tests cannot be considered valid and reliable*

The relative precision, the inability to rule out sampling error, and incongruent findings as compared to the Third-Party Commercial Programs Impact Evaluation, Program Year 2022 Report support the conclusion that the CDI findings are statistically unreliable.

Any statistically significant inference from the existing data, albeit possible, should not be seen as valid and reliable in representing the population of HTR CDI participants therefore the results must be considered inconclusive.

Recommendations

Willdan recommends Draft Resolution E-5350 incorporate one of the two recommendations noted below to address HTR CDI NTGRs.

1. Adopt an evaluated NTGR presented in the Third-Party Commercial Programs Impact Evaluation, Program Year 2022 Report and alter section 3.3.1 (L.1) in the Draft Resolution Attachment A; update language in the Draft Resolution to be consistent.

Effective Program Year: 2026. Resolution E-5221 required research to determine whether there was evidence for having different default net-to-gross ratios (NTGRs) for HTR and non-HTR customers participating in direct install and downstream programs. The results of the study found insufficient evidence to support having different NTGRs for participants in ~~either residential or commercial~~ direct install programs. For residential participants—both HTR and non-HTR—the NTGR was 0.89 and 0.87, respectively; ~~for commercial participants, these were 0.65 and 0.71, respectively.~~ No statistically significant difference was found between these ~~pairs of~~ results. For commercial participants, the results were less conclusive and had relative precision results that were outside the targeted $\pm 10\%$. *Findings for CDI programs were statistically inconclusive. Moreover, we find that the Third-Party Commercial Programs Impact Evaluation, Program Year 2022 Report are conclusive.*

We recommend updating all commercial NTGRs in Table A-3-4 in Attachment A to 0.97 based on the results of the Third-Party Commercial Programs Impact Evaluation, Program Year 2022 Report. NTGRs can then be evaluated in the ex-post process.

2. Determine the CDI NTGR results inconclusive and make the following alterations to E-5350 in section 3.3.1 (L.1) in the Draft Resolution Attachment A; update language in the Draft Resolution to be consistent.

Effective Program Year: 2026. Resolution E-5221 required research to determine whether there was evidence for having different default net-to-gross ratios (NTGRs) for HTR and non-HTR customers participating in direct install and downstream programs. The results of the study found insufficient evidence to support having different NTGRs for participants in either residential or commercial direct install programs. For residential participants—both HTR and non-HTR—the NTGR was 0.89 and 0.87, respectively; ~~for commercial participants, these were 0.65 and 0.71, respectively.~~ No statistically significant difference was found between these pairs of results. For commercial participants, the results were less conclusive and had relative precision results that were outside the targeted $\pm 10\%$. *Findings for commercial direct install programs were statistically inconclusive and will not be altered until conclusive data can be reviewed.*

We recommend removing commercial NTGR alterations from Table A-3-4.

We further recommend that research is commissioned to study commercial HTR direct install NTGRs to ensure that:

- Relative precision and confidence intervals are met to ensure that there is a robust foundation for subsequent statistical tests, inferences, and policy recommendations.
- The study assesses whether HTR customers have equitable access to energy efficiency programs prior to the removal of key regulatory interventions.
- NTG values reflect the current third-party designed and implemented market and that differences in NTGR values between studies are reconciled.

Willdan appreciates the Energy Division's consideration of our comments.

Respectfully submitted,

/s/ Lou Jacobson

Lou Jacobson | Director
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