CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

February 2, 2024

REC

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Today's Agenda

Council News

- 2024 Council Filings - January
- EM&V Forum
- What's Coming Up:
- Solicitations

Issues/Topics

- CEDMC comments on ALJ Ruling on Implementations Budget & Timing Issues
- Legislators fight proposed California utility fees (IGFC proposals)
- CEDMC response to CEC RFI on the Inflation Reduction Act Home Energy Rebates
- CEDMC comments on new Transportation Electrification & Infrastructure OIR
- CEERT/CEDMC Resource Adequacy proposal
- Quick hits

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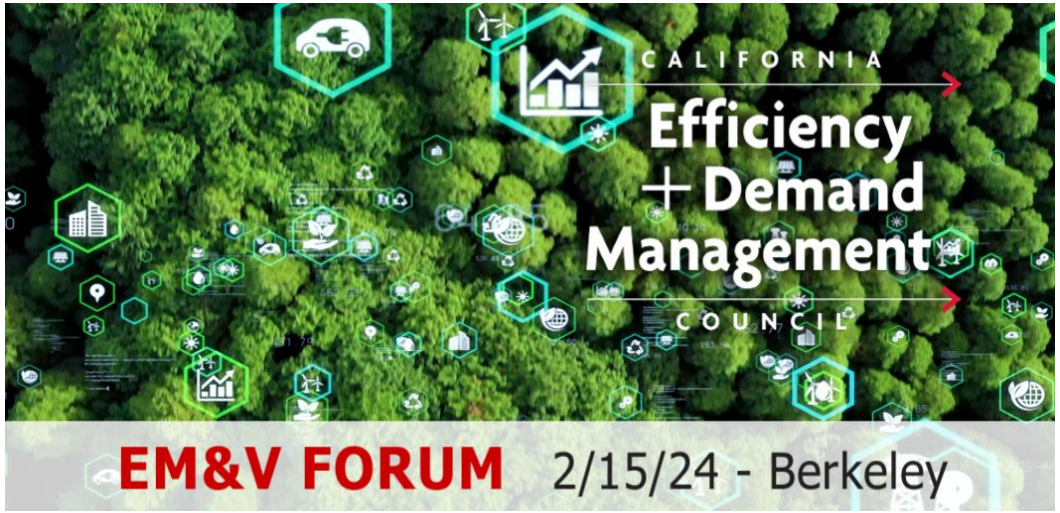
Evaluation, Measurement & Verification (EM&V) Forum

Agenda & Speakers Announced!

- February 15, 2024
- David Brower Center, Berkeley, CA
- In-Person only

Website & Registration:
https://cedmc.org/events/emv-forum/



"A paradigm is a framework containing the basic assumptions, ways of thinking, and methodology that are commonly accepted by members of a scientific community or discipline." (dictionary.com).

Join us on Thursday, February 15th at the David Brower Center in Berkeley for the Council's Annual EM&V Forum. This year's theme is ***Changing Paradigms to Achieve California's Clean Energy, Decarbonization, and Equity Goals.***

The EM&V Forum brings together EM&V, data science, and implementation professionals from across the energy efficiency, demand response, and DER communities to explore critical technical topics that are essential for addressing California's clean energy policies.

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EM&V Forum Agenda*

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Insights from the CPUC
Energy Division staff will present recent research results and preview priority studies for 2024.
- Jeorge Tagnipes, Program Manager (interim), Energy Efficiency Branch, CPUC

Tracking Equity Progress

- **Developments in Equity and Market Support Indicators:** Outcomes of PA and CAEECC collaboration to build out the what, why, and how of equity and market support indicators; Understanding and measuring impact and engagement in Hard-to-Reach, Disadvantaged, and Underserved Communities; Insights to support the long-term advancement of equity in the energy efficiency market.
- **Evaluating Community-Supported Energy Programs:** Learnings and insights from the San Joaquin Valley Electrification Pilot process evaluations, and considerations for a forthcoming impact evaluation.
- **Hot Off the Press: Distributional Equity Analysis (DEA) Guide** Lead by Berkeley Lab, and supported by E4TheFuture and Synapse, this DOE-funded project is a step-by-step reference document to conduct DEAs, including how to address equity impacts when conducting a Benefit-Cost Analysis

- Tami Rasmussen, Evergreen Economics
- Nichole Hanus, LNBL
- **Moderator:** Michelle Vigen Ralston, Principal and Founder, Common Spark Consulting

MAP Revisited
It's been a year since the IOUs presented their respective plans for MAP. Panelists will discuss differences in program designs and implementation across the state and sectors, and share lessons learned.
- Alison Erlenbach, PG&E
- Jenn Kreutzer, MCE
- David Sagara, Mendota Group on SDG&E's Summer Reliability Market Access Program (SRMAP)
- **Moderator:** Stacia Dreyer, Opinion Dynamics Company

Program Innovations and Their EM&V
Programs have now expanded well beyond rebates for widgets. The session will present several new initiatives and how their effectiveness may be assessed.
- **CalMTA Year 1 Review: Program Update and EM&V Framework**
- Karen Horkitz, CalMTA Market Research and Evaluation Lead, Senior Market Transformation Advisor to the Cadmus Group
- Christie Torok, CPUC
- **Guidelines for Implementing & Evaluating SEM in non-Industrial Markets**
- Jay Luboff, Jay Luboff Consulting
- Kevin Ehsani, SoCal Gas
- **Electric Vehicles: EM&V metrics, methods, and challenges**

The Future of NMEC
A panel of program administrators, regulators, implementers, and developers share their perspectives on the role and application of NMEC going forward.
- Christie Torok, CPUC
- Alison Erlenbach, PG&E
- Jeff Guild, Enovity
- **Moderator:** Brian Maloney, ICF

**more speakers to be announced!*

Website & Registration:
https://cedmc.org/events/emv-forum/

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What's Coming Up:

2025 Energy Code Update: Draft Regulations

- The 2025 Energy Code will improve upon the 2022 Energy Code by updating energy efficiency standards for newly constructed buildings, additions, and alterations to existing buildings, consistent with state and federal law.
- CEC staff evaluated proposed revisions to the 2025 Energy Code and prepared draft regulations (known as Express Terms)
- During the rulemaking in 2024, the CEC will have 45-day and 15-day public comments periods.
- The final 2025 Energy Code language will be proposed for adoption after the public comment periods in 2024 for an anticipated publication in 2025, with an effective date of January 1, 2026.
- [Summary of Staff Proposed Changes]

Issue 144 | October - December 2023

BLUEPRINT

CALIFORNIA ENERGY COMMISSION

EFFICIENCY DIVISION

In This Issue

- 2025 Energy Code Update: Draft Regulations
- 2022 Energy Code: Daylighting with Linear Fixtures
- 2022 Compliance Software
- New Resources on the ORC
- Q&A
  - Single-Family Energy Storage System (ESS) Ready
  - Instantaneous Electric Point-of-Use Water Heaters
  - Multifamily Fenestration NA6 Calculations

For additional help with the Energy Code, see Energy Code Ace's **online offerings** of trainings, tools, and resources.

2025 Energy Code Update: Draft Regulations

The **2025 Energy Code** will improve upon the 2022 Energy Code by updating energy efficiency standards for newly constructed buildings, additions, and alterations to existing buildings, consistent with state and federal law. During pre-rulemaking California Energy Commission (CEC) staff evaluated proposed revisions to the 2025 Energy Code and prepared draft regulations (known as **Express Terms**). During the rulemaking in 2024, the CEC will have 45-day and 15-day public comments periods. The final 2025 Energy Code language will be proposed for adoption after the public comment periods in 2024 for an anticipated publication in 2025, with an effective date of January 1, 2026.

Summary of Staff Proposed Changes

- Introduces heat pump standards for existing single-family homes and for designated types of existing nonresidential buildings
- Updates heat pump standards for newly constructed single-family, multifamily, and designated types of nonresidential building
- Updates photovoltaic system standards for newly constructed buildings
- Updates energy storage standards for high-rise multifamily, nonresidential, and hotel and motel buildings
- Increases envelope efficiency standards
- Increases space conditioning system efficiency and control standards
- Improves indoor air quality requirements for multifamily buildings
- Improves efficiency standards for multifamily domestic water heating systems
- Establishes electric-ready requirements for multifamily domestic water heating systems
- Simplifies standards for multifamily buildings
- Increases efficiency requirements for pool and spa water heating systems

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Open Solicitations

IOU UPDATED SOLICITATIONS SCHEDULE EXCEL DOWNLOAD (current as of Jan. 1 2024)

1/04/23: CEC GFO-23-605 - Zero-Emission School Bus Charging and Fueling
1/12/24: SDGE RFA 204837 - Private Institutions and Healthcare
1/15/24: SDGE RFA 202497 - Lodging Hotels/Motels Program
1/19/24: CEC GFO-23-604 - Improvements in Maintenance Processes for Reliable Operations that are Verifiable and Effective for Hydrogen Refueling Stations (IMPROVE for H2)
1/19/23: CEC GFO-23-302 - Power Electronics for Zero-Emission Residential Resilience (PEZERR)
1/26/24: CEC GFO-23-601 - California's National Electric Vehicle Infrastructure Formula Program
1/31/24: CEC GFO-23-501 - Quantifying Exposures to Indoor Air Pollutants in Multifamily Homes that Cook with Gas or Alternatives
2/02/24: CEC GFO-23-301 - Energy Efficiency and Load Flexibility in Industrial and Commercial Cold Storage Facilities
2/13/24 CEC RFI - Commercial Food Service Equipment (i.e. Commercial Steam Cookers, Commercial Convection Ovens, Commercial Dishwashers, and Commercial Fryer)
2/24/24: SDCP RFO - Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff

New
SCE - ESA Single Family Core Program - Outreach and Marketing RFP Release; Bidders Conference; Proposals
- RFP Release: February 9, 2024
- Bidders' Conference: February 15, 2024
- Deadline for Bidders to Submit Proposals: March 5, 2024

PG&E Residential Electrification Single Point of Contact Program Solicitation, Friday, March 29, 2024 12:00 AM

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Open Solicitations (cont.)

Ongoing:

- EE program 3P solicitation information and links found on the CAEECC Website
- CEC: GFO-21-901 - Cost Share for Federal Clean Energy Funding Opportunities
- CEC: GFO-22-902 - Cost Share for Federal Funding Opportunities Industrial Decarbonization and Improvement of Grid Operations Program, Food Production Investment Program (released March 24)
- CEC: GFO-22-301 - Commercialization Industrial Decarbonization (2022 CID Program
- CARB: GFO - Clean Off-Road Equipment Voucher
- CARB: GFO - Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

DOE: Funding Opportunity Exchange

- DOE FOA IIJA FY24/25 Grid Resilience and Innovation Partnerships (GRIP) Program - Applications **Due 4/17/24 & 5/22/24**
- DOE Technical Assistance for the Adoption of Building Energy Codes - NOI Letters **Due 1/31/24**; Applications **Due 9/30/25**
- DOE FOA – Building Energy Efficiency Frontiers & Innovation Technologies (BENEFIT) 2024 Applications **Due 3/5/24**
- DOE FOA – IIJA Assisting Federal Facilities with Energy Conservation Technologies (AFFECT Grants) Phased Submission Deadlines for Federal Agencies – **Spring 2024 Due 4/19/24**

HUD Green and Resilient Retrofit Program (GRRP) ,

GRRP Elements **Due 3/28/24**, GRRP Leading Edge **Due 4/30/24**, and GRRP Comprehensive **Due 5/30/24**

DOE – IRA Home Energy Rebate Programs

DOE – Energy Efficiency and Conservation Block Grant (EECBG) Program

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Issues/Topics

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2024 Council Filings - January

January 31 – CEDMC Comments on January 17 Load Management Standards Workshop

January 26 – CEDMC Response to CEC RFI on the Inflation Reduction Act Home Energy Rebates

January 24 – R.22-07-005 (Demand Flexibility) Council Opening Comments on ALJ Ruling

January 19 – R.23-12-008 (TE) Joint Parties Opening Comments on OIR

January 19 – R.23-10-011 (RA) CEERT and Council Track 1 Proposal

January 16 – A.23-01-004 (SoCalGas Gas DR) Council Reply Comments on PD

January 10 – A.23-01-004 (SoCalGas Gas DR) Council Opening Comments on PD

January 5 – R.22-07-005 (Demand Flexibility) Joint Parties Opening Comments on PD

January 5 – CEDMC Comments on Day-Ahead Sufficiency Issue Paper

CEDMC Comments on ALJ Ruling on Implementations Budget & Timing Issues

Question 4b asked "[w]hat are the potential impacts on achieving state electrification goals if the Commission delays the implementation of the first income-graduated fixed charges for [Pacific Gas and Electric Company ("PG&E")] or all investor-owned utilities beyond year-end 2025?"

CEDMC Answer: Impacts of Delaying Implementation of First Income-Graduated Fixed Charges (IGCFs) beyond year-end 2025 are Negligible

Recent CPUC-authorized studies are beginning to yield meaningful insights into how residential customers will evaluate electrification opportunities.

New research has identified important barriers and recommendations to address the challenges in current and future electrification pilot programs, **which will take time**.

In the interim, California will continue to advance programs that support the state's electrification goals, such as the CEC's Equitable Building Decarbonization Direct Install Program, TECH Clean California support for the 6 million heat pumps installed by 2030 goal, and transportation electrification initiatives.

November 9, 2023, IOUs held an Income-qualified and Clean Energy Programs Workshop to connect, collaborate, and improve program coordination for the benefit of households and communities the programs are serving. The Workshop included providing program administrators with information on initiatives and programs, approaches for customer engagement and participation, and program collaboration; discussing barriers, lessons learned, and shared successes to building program partnerships and customer involvement; and highlighting examples of successful program coordination that could be modeled and expanded.

CEDMC Comments on ALJ Ruling on Implementations Budget & Timing Issues (Cont.)

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The research contradicts claims that increasing fixed charges while lowering volumetric rates will result in greater adoption of electrification measures.

Results from the Pulse Check survey indicated that **"contrary to what PAs and implementers mentioned during their interviews, most customers do track their households' energy usage (95%) primarily by reviewing their monthly energy bill** and make changes as a direct response to tracking their homes' energy usage (79%); approximately 21% of respondents reported they did not make any changes as a direct response to tracking their home's energy usage. Results were similar across utility, housing type, income, and IOU-sponsored program participation subsegments."

Table 29 Ways Respondents Monitor Their Home Energy Usage

	Overall	Utility			Housing Type		Income Status		Program Participation	
		SDG&E (a)	PG&E (b)	SCE (c)	Single family (d)	Mobile home (e)	Moderate Income (h)	Market Rate (i)	Participant (p)	Non-participant (q)
n	924	315	309	300	833	91	316	429	238	686
Monthly energy bills	86%	83%	84%	89%[a b]	86%	86%	87%	86%	84%	87%
Online real time utility accounts	18%	27%[b c]	19%	15%	19%	13%	16%	21%[h]	28%[q]	15%
Other web-based tools provided by utility	14%	19%[c]	14%	13%	14%	15%	14%	16%	21%[q]	12%
Other management or monitoring systems	15%	19%[c]	17%[c]	9%	15%[E]	8%	11%	18%[H]	24%[q]	11%
Other	3%	3%	4%	4%	3%	7%	4%	3%	4%	3%
Don't know	<1%	<1%	<1%	2%[a b]	<1%	2%	<1%	<1%	<1%	1%

Note: a/b/c/d/e/h/i/p/q indicates significant differences at a 90% confidence level and 0.10 alpha between the following tests: abc, de, hi, pq; A/B/C/D/E/H/I/P/Q indicates significant differences at a 90% confidence level and 0.01 alpha between the following tests: ABC, DE, HI, PQ

Note: Chi-squared tests revealed a significant relationship between this question and the listed subsegments; however, measures of effect size were not calculated

Pulse Check Survey Question: How are you tracking your home's energy usage? (Multiple responses permitted)

CEDMC Comments on ALJ Ruling on Implementations Budget & Timing Issues (Cont.)

CALIFORNIA Efficiency + Demand Management COUNCIL

The research contradicts claims that increasing fixed charges while lowering volumetric rates will result in greater adoption of electrification measures.

The Pulse Check survey explored barriers that prevent customers from pursuing two specific types of equipment: air-source heat pumps and HPWHs. According to the Pulse Check survey, only 12% of customers have a heat pump for space heating/cooling, and less than one percent have a heat pump water heater. The barriers to adopting air-source heat pumps and HPWHs are listed in the table.

- Link to download: January 24, 2024 R.22-07-005 (Demand Flexibility) Council Opening Comments on ALJ Ruling
- Link to download: Income-Qualified and Clean Energy Programs Workshop: November 9, 2023
- Link to download: The Energy Efficiency Residential Pulse Check Final Report November 1, 2023

Barriers	Air Source Heat Pump	Heat Pump Water Heater
Lack of Awareness	60% of customers "never heard of" air source heat pumps before or "only knew the name"; renters and those who have not recently participated in an IOU-sponsored program were less familiar with the technology than owners and recent program participants (69% and 65% vs. 59% and 43%, respectively).	Half of customers "never heard of" HPWHs and an additional 25% were only "somewhat familiar." Market rate and recent IOU-sponsored program participants were more familiar with HPWHs than moderate-income participants and non-participants (29% and 37% vs. 21% and 21%, respectively).
Lack of Interest	Over half (55%) of customers were "slightly interested" or "not interested." Customers residing in mobile homes were less interested than those in single-family residences (69% vs. 53%).	Over half (51%) of customers were "slightly interested" or "not interested." Customers residing in mobile homes were less interested than those in single-family residences (58% vs. 50%).
No Need for Accelerated Replacement	Of those who were not interested in an air source heat pump, nearly half (49%) indicated it was because they simply were not in the market for a new system.	Of those who were not interested in an HPWH, 28% indicated it was because they simply were not in the market for a new system.
Cost	78% of customers cited cost as something that would keep them from considering energy-efficient HVAC in the future; moderate-income customers were more likely to cite this as a barrier than market rate customers (84% vs. 76%).	73% of customers cited cost as something that would keep them from considering an energy-efficient water heater in the future.
Need for Additional Construction	44% of customers cited the need for additional construction to install the unit as a barrier to them considering energy-efficient HVAC in the future.	38% of customers cited the need for additional construction to install the unit as a barrier to them considering an energy-efficient water heater in the future. Customers residing in a single-family residence were more likely to indicate this as a barrier than those residing in mobile/manufactured homes (74% vs. 67%).
Performance Information	One-fourth of customers felt that there was limited information on the performance of energy-efficient HVAC.	One-fourth of customers identified the capacity of HPWHs as a barrier.

Legislators fight proposed California utility fees (IGFC Proposals)

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On Tuesday, Jan. 30th, Assemblymember Jacqui Irwin of Thousand Oaks, joined by a lawmakers, including Sen. Scott Wiener of San Francisco, held a press conference announcing plans to introduce legislation to roll back the fixed charge mandate calling it “impractical”

Irwin: “Electricity rates have skyrocketed throughout the state…. Our constituents have had enough and so have we. It’s time to put some reasoning back into how we charge for electricity in California.”

Because “it is essential to lower our rates in order to meet our climate goals,” Irwin’s measure would also allow the commission to explore other options to pay for fixed costs and lower electricity rates.

Wiener said the proposed charges were “outrageous” and “offensive,” potentially adding as much as $830 a year for millions of middle-class people.

Link to Assembly and Senate letters to the CPUC Regarding IGFC Concerns:

- October 27, 2023 – Assembly Letter to CPUC President Reynolds – IGFC Concerns
- January 30, 2024 – Senate Letter to CPUC President Reynolds – IGFC Concerns

Legislators fight proposed California utility fees (IGFC Proposals) (Cont;

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Also on the 30th, 10 Senators sent a scathing letter to CPUC President Reynolds

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0115

California Legislature

January 30, 2024

Alice Busching Reynolds, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco CA 94012

Re: Income Graduated Fixed Charge Proceeding

Dear President Reynolds,

We write to you to express our deep concerns regarding the California Public Utilities Commission's (CPUC) income graduated fixed charge regulatory proceeding (R.) 22-07-005, as directed by Assembly Bill 205 (Budget, Chapter 61, Statutes of 2022) which requires investor-owned utilities to implement fixed charges on customer's utility bills based on income.

We urge your Commission to adopt a fixed charge that does not drastically impact customers, including those who are already struggling to pay for their rising electricity bills. The fixed charges proposed by the utilities – currently ranging between $51 and $73 for non- CARE and FERA customers, depending on the IOU – would be the highest in the nation and would create an unacceptable burden for our constituents. Californians already pay some of the highest electricity bills in the country. We have numerous concerns with the utilities' proposals, including their negative impact to low- and moderate-income ratepayers, as well as California's conservation, electrification and clean energy goals.

First, we are concerned about the impact on low to moderate income ratepayers and working families who do not qualify for either the CARE or FERA programs – particularly the millions of Californians who live in apartments, condominiums and small homes that consume less energy but will see their bills **increase**.

Second, these fixed charges will unwind decades of California leadership in energy conservation. Under the fixed charge scheme, consuming more electricity becomes less expensive. A fixed charge that cannot be avoided reduces the price signal to customers to conserve and fails to communicate how ratepayers' behavior could benefit their pocketbook and the environment through bill savings or the adoption of new energy technologies. While we know a transition to electrification will result in more electricity use, we shouldn't undermine the value of conserving energy in the process, especially during period of peak demand. A high fixed charge will discourage conservation, penalize efficiency and frugality, and reward inefficiency and waste.

These concerns are supported by leading rate design expert and economists' troubling analysis regarding the impacts of a fixed fee in the range of $30 (significantly less than that proposed by the investor-owned utilities).[1] Data shows that families in smaller homes with low energy usage, who make as little as $40k a year, will see their **bills increase annually by as much as $360**. These extra costs will come with no discernable benefits, and ratepayers will have no options to lower their bill through conservation. Conversely, large homes with high energy usage (for example in PG&E territory) will see their **bills decrease by as much as $824 dollars a year**.[2]

Third, it is not clear that a fixed charge will enable higher rates of electrification. No other state has implemented this rate design scheme and **there is no empirical evidence or proof that it will increase customer investment in electrification measures**. The hypothesis, that lowering volumetric charges by raising fixed charges will promote electrification, is unproven. In fact, it is well known that customers respond to the total bill.[3] For those customers who do see a bill reduction as a result of the implementation of a fixed charge, the money saved will not be sufficient to pay for the cost of replacing gas fired furnaces, water heaters, induction stoves or purchasing an electric vehicle. For renters, whose landlords are often the one making decisions on electrification upgrades, a fixed charge will do nothing to increase adoption of these technologies.

The Legislature directed the CPUC in AB 205 to ensure that any fixed charges "not unreasonably impair incentives for conservation, energy efficiency, and beneficial electrification and greenhouse gas emission reductions." The current trajectory of the proceeding does not meet this statutory directive and puts at risk the progress we have made collectively as a state.

The CPUC's refusal to conduct public participation hearings is deeply troubling and we call for greater transparency throughout this proceeding. More public process is both reasonable and necessary given the implications of this proceeding. Our constituents have grave concerns and reservations about the affordability of the high fixed charge proposals. We know that stakeholder testimony submitted as part of this proceeding is extensive and includes a broad scope of parties representing ratepayers, economists, and environmental interests. Clearly customers should be advised of, and have the opportunity, to respond to these prospective changes. **We ask the Commission to order and hold public participation hearings in each IOU's service territories as well as Northern and Southern California locations.**

In summary, we view the proposals as unreasonable and excessive. The fixed charges proposed by the investor-owned utilities are four to six times the national median of $12 adopted by 173 investor-owned utilities. We urge the Commission to implement a reasonable fixed charge that does not harm our constituents and work to find real solutions to address our affordability crisis and electrification needs in a way that does not undo decades of energy conservation work in California.

[1] Exparte communication Rulemaking 22-07-005, 05/30/23, signed by 15 highly experienced energy experts, submitted by Ahmad Faruqui, Ph.D.
[2] Assessment of Fixed Charge Proposal, Flagstaff research, JR Plaisted.
[3] Kocharo Ito, "Do Consumers Respond to Marginal or Average Price? Evidence from Nonlinear Electricity Pricing," *American Economic Review*, 104:2, February 2014, pp 537-563.

Thank you for your time and consideration.

Scott Wiener
Senator, 11th District

Catherine Blakespear
Senator, 38th District

Bill Dodd
Senator, 3rd District

Richard Roth
Senator, 31st District

Ben Allen
Senator, 24th District

Anna M. Caballero
Senator, 14th District

Monique Limón
Senator, 19th District

Marie Alvarado-Gil
Senator, 4th District

Aisha Wahab
Senator, 10th District

Dave Cortese
Senator, 15th District

CEDMC Response to CEC RFI on the Inflation Reduction Act Home Energy Rebates

Federal drafting error risks unintentional consequences that would increase project expenses; Council Recommends modification to maintain energy saving program as envisioned by Congress while maintaining the goal of covering 100% of project costs for low-income households

1. **HOMES Rebates Can Expand Rebates to Communities Not Served by EBD:** The EBD program will require program administrators to identify initial community focus areas for EBD direct installations, leaving many other low-income communities unserved by the program. The HOMES rebates provide an opportunity to deploy energy efficiency measures in more low-income communities across the state, ensuring the broadest possible eligibility and participation.
2. **Additional HOMES Rebate Program Requirements Would Delay EBD Implementation:** U.S. Department of Energy guidance for the HOMES program establishes numerous data and process requirements for all projects; integrating HOMES into EBD would add significant administrative burdens to EBD implementation. In particular, the HOMES program requires an energy audit consistent with BPI-1100/1200 standards, which could add hundreds of dollars in additional costs to each project and significantly limit the pool of contractors willing to participate in the EBD program.
3. **Relying on a Drafting Error Creates Regulatory and Legal Risk:** The HOMES Measured approach in the IRA includes a well-known drafting error that could vastly increase customer incentives in ways not anticipated by Congress.
    a. In the HOMES language, the words “the lesser of” were unintentionally left out of the measured path, though they were included in the modeled path, accidentally removing the cap from the measured rebate. These approaches have always been proposed by Congress as equivalent pathways with the same caps.
    b. Using this error to provide rebates as a percentage of cost – not energy savings – is contrary to the intent of Congress and could cause legal and regulatory delays, and/or require dramatic programmatic changes if the drafting error is fixed in subsequent legislation. This could impact the speed at which Californians receive IRA HOMES funding and slow progress on achieving the state’s rightfully ambitious climate goals.

The Council’s filing is available for download here.

CEDMC Response to CEC RFI on the IRA Inflation Reduction Act Home Energy Rebates (cont.)

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4. Pay-For-Performance Approach Achieves the Same Goals as EBD: A performance-based approach to the HOMES program would accomplish many of the same objectives as the EBD program – targeting households and communities with the greatest savings potential, driving down project costs, and providing a whole-home approach to decarbonization. Rather than relying on program implementers to manage and trade-off all of these factors, the performance-based approach allows contractors and aggregators to handle these functions, driven by market incentives to achieve the highest energy savings at the lowest cost.

- The CEC could still require similar packages of measures for HOMES projects as the EBD program, with full electrification encouraged by program rules.
- To avoid additional administrative costs, the CEC can utilize the same implementer for the HOMES and EBD Programs; however, the HOMES Program will need to be separate from the EBD to ensure that it is a measured savings program.

5. Performance-Based HOMES Programs Can Cover 100% of Project Costs: The HOMES measured savings programs should still strive to cover 100% of project costs for low-income households by setting appropriate incentive rates, including bonus incentives under the *time, location, and greenhouse gas incentive* provisions of the HOMES program. The CEC should leverage the HOMES program, in coordination with community-based organizations, contractors, and aggregators, to gather data on average project costs and energy savings for low-income households. Using this data, the CEC can set incentive rates to ensure that the rebates are sufficient to cover 100% of project costs for the vast majority of low-income households; this data will also be valuable to support the EBD program administrators in implementing mechanisms to control costs, such as cost analysis, competitive bidding, and standard pricing for eligible measures.

Council Comments on New Transportation Electrification & Infrastructure OIR

- On 1/19, the Council submitted joint opening comments with EnergyHub, Enersponse, Leapfrog Power, and OhmConnect on the preliminary scope of the new Transportation Electrification OIR
- Highlights include
  - Stressed the need for multiple participation pathways for EVs to serve many use cases (e.g., managed charging, vehicle-to-grid exports)
  - Should develop parameters for a supply-side capacity-based exporting EV program using telematics with a capacity-counting mechanism
  - Should "refresh" some elements of the Transportation Electrification Framework (TEF), e.g., 2027 mid-cycle assessment, amount and allocation of Technical Assistance funding
- Next steps: Pre-hearing conference

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CEERT/CEDMC Resource Adequacy Proposal

- On 1/19, the Center for Energy Efficiency & Renewable Technologies (CEERT) and the Council submitted a joint proposal in the Resource Adequacy (RA) proceeding
- Background
  - The last RA decision (D.23-06-029) adopted several changes that will/have negatively impacted DR, esp. third-party DR
  - Council, several members, and CEERT filed an Application for Rehearing which was rejected by the CPUC in December, largely for a lack of evidence
- CEERT/Council proposal
  - Generate a evidentiary record on the impact of these recent changes by directing a full evaluation of current RA DR rules, including any changes on customer participation and retention in Supply-Side DR programs that have taken place since the issuance of D.23-06-029
- Next steps: Workshop on 2/14 for parties to present their proposals

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Quick Hits

- On 1/25, the CPUC issued a decision rejecting four SoCalGas gas DR pilots on the basis that SoCalGas had failed to comply with prior CPUC directions when it rejected an earlier SoCalGas pilot application
  - The Council had submitted opening comments and reply comments on the proposed decision in support of these pilots
- On 1/31, the Council submitted comments to the CEC in response to its January 17 Load Management Standards Implementation workshop
  - The Council's comments highlighted the barriers caused by the disfunction of the IOUs' respective processes for customers to authorize sharing of their meter data and DR enrollment status with third parties; we stressed that if these issues are not fixed, it will jeopardize the success of the LMS goals, including broad-based dynamic rate programs and the CEC's Load Shift Goal
- On 1/23, the California Energy Commission (CEC) held a workshop to present its proposed modifications to the Demand-Side Grid Support program; comments are due on 2/5

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Discussion & Q&A

Thank You!

Please contact us if you have any questions.

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