CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

EE + DR/DER Call

May 6, 2025

REC

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Today's Agenda

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- New EE OIR approved
- Draft 2025 EE Potential and Goals study
- CAISO DDEMI working group update
- CEC approves revised DSGS program guidelines
- Quick hits
- 2025 CA Demand Flexibility Summit
- EE Defense Coalition Membership and Action Summit

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New EE OIR approved

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On April 29, CPUC issued R.25-04-010 which is the new Order Instituting Rulemaking (OIR) for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation. There are two main categories in this proceeding: policy issues and implementation issues. Policy issues include:

- (1) natural gas measure policy and definition of viable electric alternatives (VEAs),
- (2) CCA oversight,
- (3) policy guidance for 2026 portfolio applications,
- (4) portfolio oversight and cost-effectiveness,
- (5) treatment of multifamily buildings and programs, and
- (6) other policy issues.

Implementation issues include:

- (1) Potentials and Goals,
- (2) Oversight of 2024-2027 portfolios, and
- (3) other implementation issues.

Opening Comments on the OIR are due on May 19 and Reply Comments are due on May 26

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2026 EE Potential and Goals Study and Beyond

- On 5/1, the CPUC has issued a Ruling inviting Comments on Draft Potential and Goals Study for 2026 and Beyond.
- Develops 10-year estimates of the energy/demand savings and fuel substitution (FS) potential in PG&E, SCE, SDG&E, and SoCalGas service territories
- Key highlights
  - Scenarios defined by cost-effectiveness threshold, FS adoption parameters, program engagement, and program incentive levels: 1) Reference, 2) High TRC (1.0 vs. 0.85), 3) Aggressive FS
  - Water heating, particularly in the commercial sector, drives the increase in FS TSB
  - Updates to gas and electric avoided cost inputs are also drivers of increased FS TSB
  - The application of a higher cost-effectiveness threshold in Scenario 2 results in a moderate decrease in achievable TSB of 6% versus Scenario 1
  - Achievable TSB resulting from EE has increased between 14% and 18% versus the prior study
  - Overall achievable gas savings for all program types relative to the 2023 Study are 7%-16% higher
  - Overall achievable GWh and MW electric savings for all program types shows a decrease versus the 2023 Study

Opening Comments are also due on May 19 and Reply Comments are due on May 26.

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Draft 2025 EE Potential and Goals Study (cont.)

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Table ES-3. 2026 Net TSB and First-Year Savings by Scenario (Statewide)

Savings Metric	Program Type	2023 Goals Scenario	1: Reference	2: High TRC	3: Aggressive FS
TSB ($ millions)	FS	$36	$183	$159	$195
	EE	$554	$657	$630	$656
	Total	**$590**	**$839**	**$789**	**$851**
Electric Energy (GWh/Year)	FS*	-24	-140	-105	-148
	EE	714	589	564	589
	Total	**690**	**449**	**459**	**441**
Converted Electric Energy (GWh/Year)**	FS	102	275	238	293
	EE	714	589	564	589
	Total	**816**	**864**	**802**	**883**
Electric Demand (MW)	FS***	0	0	0	0
	EE	148	123	119	123
	Total	**148**	**123**	**119**	**123**
Gas Energy (MMtherms/ year)	FS	4	14	12	15
	EE	43	39	39	39
	Total	**47**	**54**	**50**	**54**

- Next steps
  - A webinar will be held on 5/12, 10:00 a.m.-12:30 p.m.
    - Webex link: https://cpuc.webex.com/cpuc/j.php?MTID=ma18a6db296ae78aa0a798aee40c98686
    - Meeting No.: 2489 096 9149
    - Webinar password: PGS2025 (7472025 when dialing from a phone or video system)
  - The CPUC's web page for the 2025 EE Potential and Goals Study can be found here

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CAISO DDEMI working group update

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- On 4/7, the CAISO held its most recent Demand and Distributed Energy Market Integration (DDEMI) Working Group
- Working group summary
  - Discussed draft problem statements on Performance Evaluation Methodologies (PEM)
    - Are there too many PEMs?
    - Are existing PEMs well-suited to emerging DERs?
    - How to streamline customer registration in the Demand Response Registration System?
    - Can PEMs be addressed more in the DR Business Practice Manual rather than the tariff?
  - Council presented on device-level measurement and how that can address PEM problems
- Stakeholder comments on the draft problem statements submitted on 5/1 (Council comments)

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CEC approves revised DSGS program guidelines

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- On 4/10, the CEC approved the Fourth Edition of its Demand Side Grid Support (DSGS) Program Guidelines
- Background
  - The CPUC submitted a letter to the CEC, asking for a delay on its 3/17 vote due to alleged overlap between the proposed DSGS Incentive Option 4 (Emergency Load Flexibility Power Plant Pilot) and PG&E's recently-approved Automated Response Technology (ART) program b/c it targets the same market segments and devices, and cites ART providers' capacity contracts
  - Several parties, including the Council, submitted comments opposing the CPUC's contentions, stating:
    - The last-minute nature of the CPUC's request was inappropriate, esp. b/c no evidence was provided
    - Applauded CEC openness to explore new DR/DER models but expressed concern about regulatory uncertainty caused by the CPUC's success in stopping Incentive Option 4
    - Recommended CPUC make available more opportunities that reflect the growing diversity of DR/DER participants and technologies, and provided examples
    - Highlighted that the DSGS Program is funded by taxpayers, not ratepayers, which supports rate affordability efforts
- CEC approved the Guidelines without Incentive Option 4 in PG&E's service area, pending an assessment of potential Incentive Option 4 overlap w/ the ART program
  - In comments from the dais, some Commissioners McAllister and Gunda expressed an interest in completing the assessment ASAP
  - PG&E stated that the CPUC's letter was not at their behest

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Quick hits

- **CPUC Data Access Working Group:** The next session will be held on May 28; details can be found here
- **PfM of D.19-05-019:** On 4/15, the Council submitted a Petition for Modification (PfM) of D.19-05-019 to replace the Total Resource Cost (TRC) test with the Program Administrator Cost (PAC) test in DER program budget allocation
- **Electric Power Investment Charge (EPIC) Program:** On 4/25, the CPUC issued a Ruling seeking comments on two appended reports:
  - *Second Independent Electric Program Investment Charge (EPIC) Evaluation*
  - *Energy Division Staff Report on IOU Administrator Progress in Implementing the Additional Requirements of D.21-11-028 for the Electric Program Investment Charge (EPIC) Program*
  - Next steps: Opening comments are due 5/9, and reply comments are due 5/19
- **Load Shift Goal Update:** On 4/23, the CEC issued a Memo to Open New Docket, entitled, "Load Shift Goal Update", under the 2025 Integrated Energy Policy Report docket; documents under this new docket (25-IEPR-05) can be found here

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2025 California Demand Flexibility Summit

The Summit will take place at the UC Davis Conference Center and offer the opportunity to discuss the progress and challenges in achieving California's load shift goal of 7,000 megawatts by 2030.

The Summit will bring together industry leaders, policymakers, researchers, and others to share insights, evaluate progress, and strategies needed to advance demand flexibility in California, and to:

- Discuss the progress, challenges and opportunities in developing demand flexibility.
- Showcase promising research and development advancements and explore solutions for seamless integration and deployment, such as interoperability standards, dynamic pricing, market integration, and advanced grid analytics.
- Collaborate to identify solutions and strategies to accelerate the deployment of demand flexibility technologies across the state.

May 22, 2025

Plenary 1: Updates and Lessons from Existing Programs and Incentives

Daniel Buch, CPUC

Joseph Desmond, CEDMC

David Jacot, LADWP

Beth Reid, Olivine

Chanel Parson, SCE

Speakers include:

- Josh Becker, California State Senator, District 13 (SB 541)
- Nick Chaset, Chief Executive Officer, Octopus Energy US
- Joe Desmond, Executive Director, CEDMC
- Seth Frader-Thompson, President, EnergyHub
- Keith Graeber, Director of Engineering, UC Davis CA Lighting Technology Center
- John Hernandez, Manager - Load Management Design, Strategy and Policy, PG&E
- Kelly Kissock, Faculty Director, UC Davis Energy and Efficiency Institute
- J. Andrew McAllister, Commissioner, California Energy Commission
- Trevor McManamon, Head of Market Development and Regulatory, Leap
- Chanel Parson, Director, Clean Energy & Demand Response SCE
- Alice Busching Reynolds, President, CPUC
- Mark Rothleder, Senior Vice President, California ISO
- Nancy Skinner, Commissioner, California Energy Commission
- Cliff Staton, VP of Government Affairs, Renew Home
- John Taggart, President & Founder, WeaveGrid
- Brian Turner, Director, Advanced Energy United
- Boaz Ur, Chief Business Development Officer, Nostromo Energy

EE Defense Coalition and Action Summit

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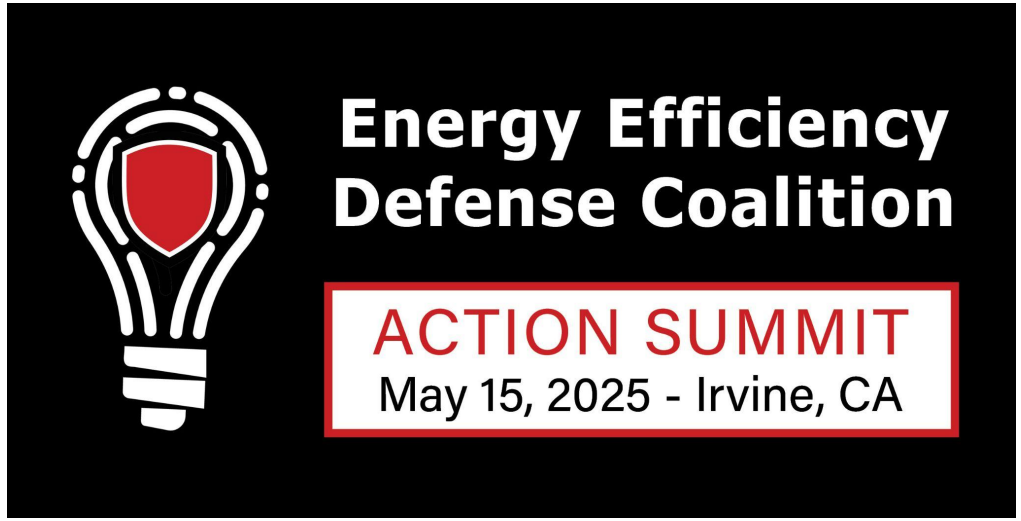
All CEDMC Members are welcome to join the EE Defense Coalition. This group is made up of CEDMC members, CCAs, and RENs to collaborate in the defense of our industry funding in California through proactive policy solutions, education, advocacy, etc. The goal is to collaborate broadly with aligned stakeholders in the state to promote the preferred resources of Energy Efficiency and Demand Response in California. **Email Kira at kkimick@cedmc.org to join.**



Energy Efficiency Defense Coalition ACTION SUMMIT

- Thursday, May 15, 2025, from 9:00 am – 5:00 pm in Irvine, CA
- In-person. Open to Council members, CCA's, RENs and others by invitation
- $175 Registration fee covers food, beverage, and meeting facilitator

This is a full day, in-person working summit for the Energy Efficiency Defense Coalition, CEDMC members, CCAs, and RENs. During the Summit, we will work to flesh out our coordinated strategy and plan to defend EE funding in the state, educate policy makers on the benefits of preferred resources, consider improvements to the administration framework, and map out how EE/DSM solutions are central to achieving California's climate and energy affordability goals. **Space is limited to 50, so reserve your spot today!**

Click here to Register for the EE Defense Action Summit

The Council's 2025 Spring Symposium

Empowering Local Solutions: California's Leadership in Clean Energy

Wednesday, May 14, 2025 in Costa Mesa, CA

AGENDA:

Keynote Speaker: Arnab Pal, Founder, Deploy Action

Session 1: Balancing Policy Priorities and Costs: Insights from Across the Country on the Energy Transition

- Richard Hart, ACEEE
- Rodney Sobin, National Association of State Energy Officials (NASEO)
- Karen Zelmar, Former Program Manager for Home Energy Rebate Programs, DOE
- *Moderator:* LeAndra Archuleta, Energy Solutions

Session 2: Rate Affordability and Energy Decarbonization: California's Priorities and Concerns

- *Moderator:* Cici Vu, Director, Energy & Climate Equity, DNV

Session 3: Utilities' Vision: Ensuring an Affordable Clean Energy Future

- Yuri Freedman, Southern California Gas Company
- David Jacot, Los Angeles Dept of Water & Power (LADWP)
- Erica Keating,Southern California Edison (SCE)
- *Moderator:* Cody Coeckelenbergh, ICF

Session 4: The Role of Regional Government Coalitions: Collaborating for an Equitable Energy Transition

- Sona Coffee, Clean Power Alliance
- Lujuana Medina, County of Los Angeles - ISD Environmental Initiatives Division
- Amy Whitehouse, San Diego Community Power
- *Moderator:* Kodie Baig, ICF

Session 5: Prioritizing Local Needs: Ensuring Community-Centric Program Design

- Emilie Bolduc, Edo
- Mauricio Blanco, Maroma Energy Services
- *Moderator:* Andrea Marr, Cadmus

More details & register at: https://cedmc.org/events/spring-symposium/

Discussion and Questions

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Thank You!

Please contact us if you have any questions.

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