CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

June 6, 2025

REC

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Today's Agenda

CALIFORNIA Efficiency + Demand Management COUNCIL

- **Issues/Topics**

  - Recap - Spring Symposium
  - Recap - Future of EE Summit / "Empower DSM" Summit May 15
  - EE Industry at Risk in California - CEDMC Funding Request - Update
  - Legislation - Bill Support, Opposition, and Tracking - to date
  - Recent filings
  - CEDMC opening comments on EE OIR 25-04-010

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Council's 2025 Spring Symposium

Empowering Local Solutions: California's Leadership in Clean Energy

Wednesday, May 14, 2025 in Costa Mesa, CA

Keynote Speaker: Arnab Pal, Founder, Deploy Action and Clean Infrastructure Advisors, Inc. opened the day with an uplifting message.

Session 1: Balancing Policy Priorities and Costs: Insights from Across the Country on the Energy Transition explored DSM trends and program innovations—what's working in other states, key challenges, and strategic takeaways for California—offering actionable insights to sustain progress in uncertain times.

Session 2: The Messy Middle: Navigating California's Energy Affordability Crisis with DSM Solutions discussed how California can rise to the challenge of getting through the "messy middle" of the clean energy transition without leaving households and communities behind. The session acknowledged the challenges on the path ahead for demand side resources while discussing a range of bold, yet viable, solutions for advancing California's clean energy ecosystem.

Council's 2025 Spring Symposium (Con't)

Empowering Local Solutions: California's Leadership in Clean Energy

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After lunch, **Session 3: Utilities' Vision: Ensuring an Affordable Clean Energy Future** had representatives from leading utilities will share their vision for a carbon free energy future. Through a Q&A, this panel explored approaches to balancing infrastructure and customer needs, while highlighting strategies like flexible load management and targeted Demand-Side Management (DSM) programs to reduce costs and support an affordable, sustainable energy future.

Session 4: The Role of Regional Government Coalitions: Collaborating for an Equitable Energy Transition featured models like the SoCal Equitable Building Decarbonization (EBD) Coalition's vision for Southern California, the innovative work of San Diego Regional Energy Network (SDREN), and the Clean Power Alliance (CPA) program vision as a Community Choice Aggregator (CCA). Through these examples, the session illustrated how regional collaborations are driving impactful progress toward transformative energy solutions.

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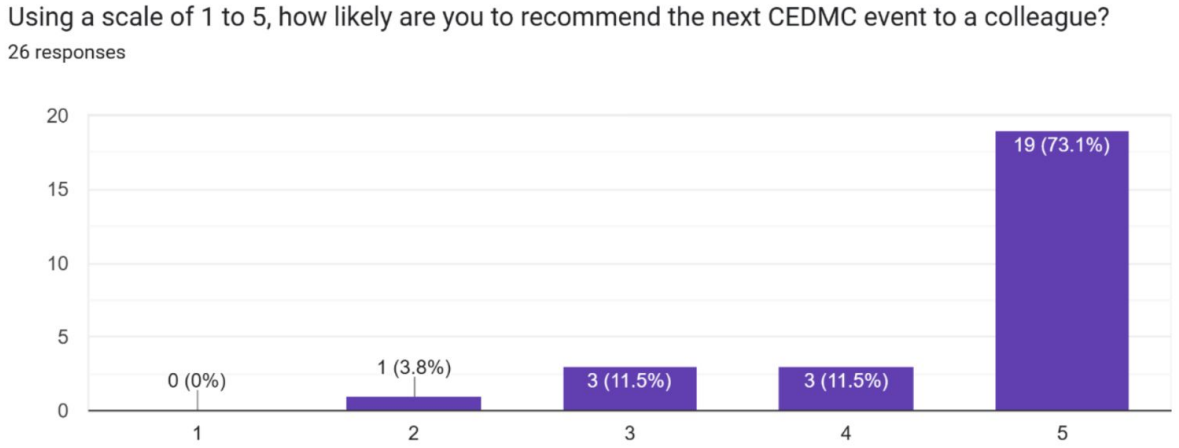
After a networking break, **Session 5: Prioritizing Local Needs: Ensuring Community-Centric Program Design** explored strategies for centering community voices in the design and delivery of energy and sustainability programs. Panelists will share approaches for building authentic partnerships, identifying community priorities, and translating local input into actionable program design.

Survey Responses

2025 CEDMC Spring Symposium



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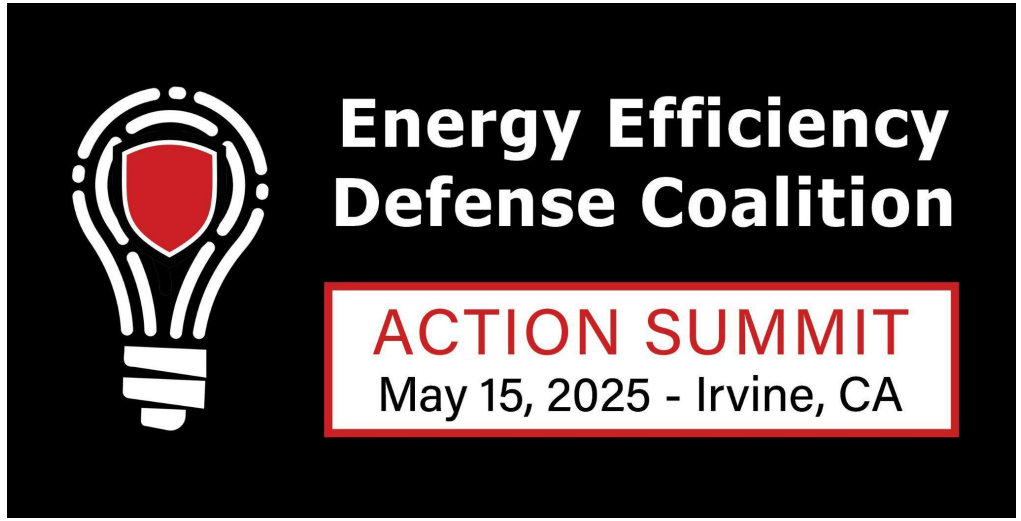
1. Great networking opportunity
2. Networking
3. Good networking and relevant topics
4. Love the event in Costa Mesa! I will come to any event in Costa Mesa. Also, these conferences are a valuable and unique congregation of stakeholders.
5. networking
6. relevant topics for CE energy industry
7. The agenda needs to be updated to take advantage of the many brains we have in the room, instead of
focusing on traditional presentations.
8. Organized, informative, interactive, fun, niche, great networking
9. Excellence in programming and good friends to be around
10. Networking time and topics on affordability.
11. Networking and community building
12. The quality of the panels and the networking
13. The topics discussed and the networking opportunities.
14. topics were current with today issues
15. The content and attendants
16. Interesting topics and discussions. Lots of time built into the agenda for networking.
17. I didn't give it a higher rating because I felt that it wasn't very inclusive to newer folks in the industry
18. interesting topics
19. Relevance to the Energy Efficiency Industry
20. great networking opportunities and thought provoking panels
21. Overall, very good content as well as networking opportunity. I gave a 4 rather than a 5 since I'm not
California centric.

EE Defense Coalition and Action Summit

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

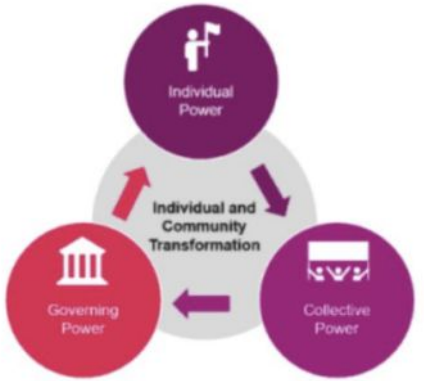
This is a full day, in-person working summit for the Energy Efficiency Defense Coalition, CEDMC members, CCAs, and RENs. During the Summit, we will work to flesh out our coordinated strategy and plan to defend EE funding in the state, educate policy makers on the benefits of preferred resources, consider 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

Breakout Session #1: Tackling the Challenges

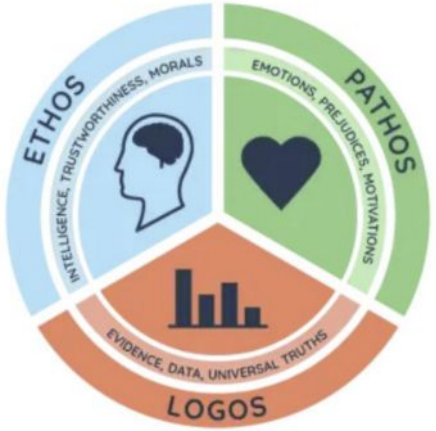
Prioritizing positions, narratives, and solutions.

1. Coalition Elevator Pitch
2. Perceived value of EE/DSM
3. Immediate Advocacy
4. Long-Term Vision



Take 45-minutes and consider from

- Spheres of Influence
- Rhetoric Tools



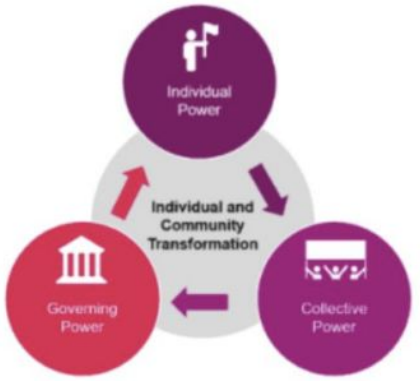
EE Opportunities + Solutions

- Assessing our "toolkit" for action
- What are the levers for influence/change?
- Where do solutions need to show up?
- Which solutions do we prioritize?

GROUP DISCUSSION: EXPLORING THE PATH AHEAD

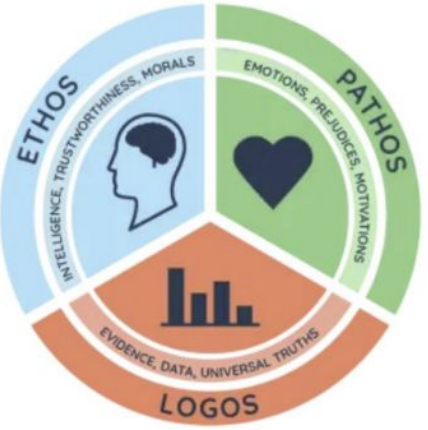
Breakout Session #2: Bringing Solutions to Life

1. Coalition Elevator Pitch – Refinement
2. Combatting False Narratives
3. Legislative Actions + Priorities
4. Regulatory Actions + Priorities



Take 1 hour and consider outcomes with these lenses

- Spheres of Influence
- Rhetoric Tools



Breakout #2: What did we learn? (continued)

2. Combating False Narratives

False Narrative/Claim	Response
Need more oversight @CPUC	EE/DSM programs have more oversight than any other part of the energy bill and are required to be cost effective as a whole. EE/DSM is overregulated and these regulation are strangling the ability of this valuable resource to deliver more for Californians.
Only participants benefit	EE is lowest cost of energy (cite ACEEE levelized 2018 cost study). Therefore, all ratepayers benefit by buying lowest cost energy.
243 or 65% of programs are not cost effective, e.g. most EE programs are not cost effective	This claim is false. EE programs consistently deliver $8 or more of benefit to ratepayers for every $1 of spending. False claim analysis includes cost not paid for by ratepayers and exclude bill savings benefits realized by ratepayers.
Spending should not be in rates if it is not necessary to deliver energy – "social programs" should be moved to other funding sources	These programs are necessary to provide energy supply to all customers via EE/DSM programs – the lowest cost of energy. Utilities must provide pipes and wires and service to all customers, without considering which are more or less costly. Some customers are most costly than others to serve. Therefore, programs that support more costly customers also belong in the bill. Otherwise, we put at risk service to these customers. EE programs have both short-term and long-term investments that realize energy resource now and in the future. Taken together, the portfolio of programs is the lowest cost approach to serve all customers. Serving all customers also provides more resiliency to the grid.

Breakout #2: What did we learn? (continued)

2. Combating False Narratives (continued)

False Narrative/Claim	Response
EE spending is driving bill increases because it keeps growing.	This is a false claim. See chart below that EE spending has been decreasing steadily since 2015 while in the same time period rates have increased.
40 years of PPP spending has resulted in high energy costs in California.	The opposite is true. 40 years of PPP investments in EE/DSM have kept per capita energy use flat while rest of US states have grown. Recent increase in rates is 100% driven by increases in wildfire and distribution and transmission spending by utilities. See chart below.
As a result of Building Codes, there is a decrease of opportunity and effectiveness of EE programs, but budgets are not decreasing.	Vast opportunities remain in existing building stock for EE/DSM. Below codes savings exists through early retirement which are not currently allowed by rules.
EE programs overlap or duplicate (e.g. equity/ESA).	Does not add cost, just more benefits and choice for customers.
RENs are not focused on state goals and are not effective.	(RENs are working on this and have talking points)

Breakout #2: What did we learn?

4. Regulatory Actions + Priorities

- Several immediate opportunities to engage and cross-support Coalition's messaging. Discussion emphasized the immediate priority for ***Coalition member organizations to amplify key EE messaging points in reply comments*** in the following forums:
  - CPUC R.25-04.010: EE Proceeding
    - Comments due 5/19
    - Reply comments due 5/29
  - SDG&E Application to Revise 2024-2031 EE Business Plan (Referencing March Auditor's Report Findings)
    - Comments due 5/26 (approximate dates – per 4/25 filing)
    - Reply comments due 6/5 (approximate dates – per 4/25 filing)
  - Draft 2025 Potential + Goals Study
    - Comments due 5/23
    - Reply comments due 5/30
  - 2025 Avoided Cost Calculator - Comments
  - CalMTA – Comments

CEDMC All Member Call - Energy Efficiency Industry at Risk in California

CALIFORNIA Efficiency + Demand Management COUNCIL

The Energy Efficiency industry is facing unprecedented challenges and CEDMC must take critical actions this year to protect our Members' interests while defending the industry. Resources are required to win campaigns, and we must raise sufficient funding to successfully engage in the legislative process until the end of the session on September 12.

We are halfway to achieving our $150,000 goal. The budget we have set is based on meeting our goals.

Category	Request
201+ Employees	$6,000
101-200 Employees	$5,000
31-100 Employees	$2,500
1-30 Employees	$1,500

Contributions can be accepted via credit card through Square: Click Here to Contribute! If you would rather be invoiced, please reply to this message or email admin@cedmc.org with the amount. Please know the Council truly appreciates your continuing commitment to our organization.

Thank You to Those Who Contributed!

CALIFORNIA Efficiency + Demand Management COUNCIL

2050 PARTNERS
DECARBONIZATION EXPERTS

Ice Energy

Synergy COMPANIES

LINCUS INCORPORATED

BLUE FRONTIER

ICF

Energy Solutions

Opinion Dynamics

CascadeEnergy

JAY LUBOFF CONSULTING LLC

EVERGREEN ECONOMICS

Renew Home

CLEAResult

kW ENGINEERING

FRANKLIN ENERGY

resource innovations

Ecology Action | Community Climate Solutions

FRONTIER energy

Sealed

the Energy Coalition

Legislation - Bill Support, Opposition, and Tracking

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OAU **AB 306 (Schultz D) Building regulations: state building standards.**
CEDMC joined the opposition unless amended (OUA) coalition led by NRDC; Passed Assembly; Now in Senate

Support **AB 44 (Schultz D) Energy: electrical demand forecasts.** Passed Assembly; Now in Senate

Support **AB 740 (Harabedian D) Virtual power plants: load shifting: integrated energy policy report.** Passed Assembly; Now in Senate

Support **AB 1020 (Schiavo D) Public utilities: energy: taxpayer funding: reporting.** Passed Assembly; Now in Senate

Under Consideration **AB 1117 (Schultz D) Electricity: rates: optional dynamic rate tariffs.** Passed Assembly; Now in Senate

AB 825 Pertrie-Norris (includes Chapter 10.9, Statewide Demand Side Program Review - Moved to Senmate

Legislation - Bill Support, Opposition, and Tracking

CALIFORNIA Efficiency + Demand Management

Support **SB 540 (Becker D) Independent System Operator: independent regional organization.** Bill moved out of Committee on 4/21.2025 Passed Senate, Now in Assembly

Support **SB 541 (Becker D) Electricity: load shifting: dynamic pricing.** Council Testified in Support. With amendments, Bill moved out of Committee 14 - 6 Passed Senate, Now in Assembly

Support **SB 620 (Stern D) Energy utility data** April 29 set for first hearing, canceled at the request of author. Issues need more work; **this is now a 2-year bill**

Monitor closely **SB 330 Electrical transmission infrastructure: financing.** Turn Sponsored

> Would authorize the Governor to establish one or more pilot projects to develop, finance, or operate electrical transmission infrastructure that meet the specified criteria, including, among other things, that the transmission line is identified by the Independent System Operator in its transmission planning process as a project subject to competitive bidding and necessary to support clean energy generation to meet the state's clean energy goals. Passed Senate, Now in Assembly

Monitor closely **SB 647** (**Hurtado** D) Low-income energy assistance programs: equitable building decarbonization program. Passed Senate, Now in Assembly

The bill aims to expand eligibility and access to energy efficiency and weatherization programs to help more low- and moderate-income families, not just those in deep poverty, afford to cool their homes and reduce their energy burden.

Recent filings

2025 Council Filings

May 29 – CEDMC Reply Comments on EE OIR 25-04-010

May 28 – CEDMC-Leap Comments on May 13 2025 DDEMI WG

May 19 – CEDMC Opening Comments on EE OIR 25-04-010

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CEDMC Opening Comments on EE OIR 25-04-010

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1. Cost-Effectiveness Test Revision: Reviewing and Adjusting the Current Total Resource Cost ("TRC") Test Approach to Valuing Energy Efficiency is a Critical Issues Needing to be Addressed in the Proceeding to Facilitate the State's Meeting of its Senate Bill 350 and Other Clean Energy And Environmental Goals.

The Council has long advocated that the Commission address cost-effectiveness issues and reform as it pertains to energy efficiency. These comments have been made through multiple proceedings, including, but not limited to R.13-11-005 (EE), R.14-10-003 (Integrated Distributed Energy Resource ("IDER")), and A.22-02-005, et al. (EE Applications). However, the Commission has yet to adequately address or implement cost-effectiveness reforms. Given the previous delays in addressing cost-effectiveness, **this issue should be a top priority in this proceeding.**

The **TRC test is not an accurate representation of the costs vs. benefits of the energy efficiency resource for ratepayers**, nor does it reflect the efficacy of the EE resource in addressing energy affordability. in 2021, the Council recommended the Commission immediately evolve its EE cost-effectiveness testing method to the Program Administrator Cost (**"PAC") test…because it "accurately addresses the resource needs given the grid and climate conditions we are facing today"** and also places EE on par with other behind-the-meter DER, as well as supply-side resources.

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CEDMC Opening Comments on EE OIR 25-04-010

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2. IDSM Barriers and Assessment Action Plan: IDSM resources hold a major key to unlocking significant unlocked market potential that would be released with successful integration of energy efficiency, key flexible demand approaches, and related DER behind-the-meter resource development efforts in California.

As the state moves forward with plans to garner up to 7000 MW of flexible demand resources by 2030 to meet its proposed Load-Shift goal - 3000 MW of which are targeted directly at Load Modifying ("LM") programs such as Time-of-Use ("TOU") rates, dynamic pricing, and Load Management programs – it becomes clear that the only market support structure that can effectively deliver such goals is one that includes a significant degree of market coordination, policy, and regulatory alignment between California's historically proven-effective EE market infrastructure and nascent flex demand L programs infrastructure delivery mechanism being developed.

As the state increasingly focuses on managing risks associated with California's renewable resources related to, among other things…, the integration of EE with its sister DER resources as foreseen in the California LongTerm Strategic Energy Efficiency Plan , provides one of the only market mechanisms available (i.e., lowering of infrastructure use-demand PRIOR to "potential overbuilding" of…implementation of much the needed broadscale DER resources statewide), which can serve our state needs for meeting future demand with both efficient and clean resources.

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CEDMC Opening Comments on EE OIR 25-04-010

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2. IDSM Barriers and Assessment Action Plan - The Council provides the following recommendations:

1. Installation of EE measurements represents an opportunity for load flex enablement.

2. A mechanism should be established to define standard load flex audit or a load flex quantification should be performed or available for all deemed and custom EE measures.

3. All EE measures should be required to review load flexibility potential and, to the degree there is potential – enabled such that the potential can be harnessed now or in the future.

4. A set of requirements for load-flex enablement should be created for EE measures and all such measures with potential should be provided with incentives to include load-flex enablement. EE measures should not be penalized for load flex enablement in their cost-effectiveness

5. The EE cost-effectiveness test should either allow the inclusion of both benefits and costs of load flex enablement or a different source of funding should be allocated to pay for load flex enablement.

6. EE programs should be allowed to claim load flex enablement/DER benefits in TSB and cost-effectiveness test.

7. EE policy should require assessment of load flex benefits and allow the inclusion of benefits for demand management, load shift, load flex, and other time and locational benefits of demand side management.

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3. The Integration of Non-Energy Benefits into Resource Acquisition Program Portfolio Cost-Effectiveness Analysis Should be a Major Topic of Focus of the Proceeding.

Non-Energy Benefits ("NEBs") have been a topic of focus for the California energy community since the initial creation of the California Standard Practice Manual ("CPSM") in the late 1990's. A key method for measuring the value of EE introduced then was the Societal Cost Test ("SCT")... a mechanism for taking into account on the benefit side ALL potential benefits of energy efficiency, including what have been termed non-energy-benefits related to system resiliency, reliability, consumer health and safety, and related NEB issues.

Currently, California's EE resource portfolio, based on the outdated TRC assessment (which does include environmental benefits), does not include NEBs as a component in the valuation EE assessment. It has long been an issue related to the TRC that it is seemingly "imbalanced" in that it takes only the energy savings (and some environmental adder value components) into account while ignoring other NEBs inclusion in test analysis.

The Council highly recommends that NEBs be included as a topic of discussion in this proceeding in that the best data available on NEBs benefit values relating to non-ESA efforts will be available over the course of these proceeding deliberations.

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Discussion and Questions

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Thank You!

Please contact us if you have any questions.

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