CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

July 11, 2025

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Today's Agenda

CALIFORNIA Efficiency + Demand Management COUNCIL

- Legislation - Bill Support, Opposition, and Tracking - to date
- Resolution E-5351 on EE portfolio metrics
- 6/25 CEC Load Shift Goal workshop
- Recent Filings
- Quick hits

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Legislative Update

CALIFORNIA Efficiency + Demand Management COUNCIL

Governor Newsom yesterday finalized his budget that builds and delivers for Californians, signing into law groundbreaking and transformative housing reforms – including sweeping CEQA exemptions — to boost housing production and infrastructure statewide and improve affordability for all.

It includes AB 130 Housing Budget Trailer Bill - with the provisions from AB 306

This bill, from October 1, 2025, to June 1, 2031, inclusive, prohibits a city or county from making changes that are applicable to residential units to the above-described building standards unless a certain condition is met, including that the commission deems those changes or modifications necessary as emergency standards to protect health and safety.

.https://www.gov.ca.gov/2025/06/30/governor-newsom-signs-into-law-groundbreaking-reforms-to-build-more-housing-affordability/

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Legislation - Bill Support, Opposition, and Tracking

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Support **AB 44 (Schultz D) Energy: electrical demand forecasts.**

This bill would require the commission, on or before December 1, 2026, and in consultation with load-serving entities and resource aggregators, to define and publicize methodologies for load modification protocols by which a load-serving entity may reduce or modify its electrical demand forecast upon aggregated system operation, as specified.

7/15/2025 9 a.m. - 1021 O Street, Room 1200 SENATE ENERGY, UTILITIES AND COMMUNICATIONS, BECKER, JOSH, Chair

Support **AB 740 (Harabedian D) Virtual power plants: load shifting: integrated energy policy report.**

Summary: Would require the State Energy Resources Conservation and Development Commission, on or before November 1, 2026, to adopt a virtual power plant deployment plan. The bill would require the Energy Commission, in developing the plan, to take certain actions, and would require that the plan meet specified requirements. The bill would require the plan adopted pursuant to these provisions to be included in the above-described integrated energy policy report.

7/15/2025 9 a.m. - 1021 O Street, Room 1200 SENATE ENERGY, UTILITIES AND COMMUNICATIONS, BECKER, JOSH, Chair

Support **AB 1020 (Schiavo D) Public utilities: energy: taxpayer funding: reporting.**

Summary: This bill would require each utility, to report certain information for any taxpayer funding, as defined, greater than or equal to $1,000,000 that the utility has applied for or received, to require the utility to report all relevant taxpayer funding greater than or equal to $1,000,000 that the utility is pursuing or has secured. If not in compliance, would authorize the commission to impose a penalty against the utility. The bill would require the commission to require each utility to promptly deliver to ratepayers the financial benefits of taxpayer funding received.

7/15/2025 9 a.m. - 1021 O Street, Room 1200 SENATE ENERGY, UTILITIES AND COMMUNICATIONS, BECKER, JOSH, Chair

Legislation - Bill Support, Opposition, and Tracking

CALIFORNIA Efficiency + Demand Management COUNCIL

Support **SB 540** **(Becker D)** **Independent System Operator: independent regional organization.**

The Clean Energy and Pollution Reduction Act of 2015 provides for the transformation of the ISO into a regional organization, with the approval of the Legislature, pursuant to a specified process. The process will not become effective until the ISO, the Public Utilities Commission (PUC), the State Energy Resources Conservation and Development Commission (Energy Commission), the State Air Reso urces Board (state board), the Governor, and the Legislature take specified actions on or before January 1, 2019.

7/16/2025 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND ENERGY, PETRIE-NORRIS, COTTIE, Chair

Support **SB 541** **(Becker D)** **Electricity: load shifting: dynamic pricing.** Council Testified in Support.

This bill would require the PUC, to develop a strategy to leverage distributed resources and load shifting to increase the utilization of existing distribution and transmission infrastructure, increase the effective load-hosting capacity of existing distribution and transmission infrastructure, provide bridging solutions to enable faster energization of new loads, and reduce the total distribution infrastructure investment required to meet long-term electricity load growth. The bill would require the PUC to ensure that a large electrical corporation has made reasonable efforts to increase cost-effective load shifting or other types of peak demand reduction, as specified, before determining that an investment by the large electrical corporation to increase distribution system capacity is just and reasonable. The bill would require each large electrical corporation to provide relevant distribution planning data to the Energy Commission and to consult with the Energy Commission, as specified.

7/16/2025 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND ENERGY, PETRIE-NORRIS, COTTIE, Chair

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**

This bill would have the Energy Commission to create the Data Access Governance Committee, with specified membership, a to provide initial recommendations on prescribed topics to the Energy Commission and the PUC. The bill would create, and would require the PUC and the Energy Commission to administer and enforce, the Customer Energy Utility Data Bill of Rights, with specified protections and customer rights.

Legislation - Bill Support, Opposition, and Tracking

CALIFORNIA Efficiency + Demand Management COUNCIL

Support **AB 1117 (Schultz D) Electricity: rates: optional dynamic rate tariffs.**

This bill would require the commission, through a new or existing proceeding, to develop optional dynamic rate tariffs applicable to each large electrical corporation for the large electrical corporation's customers. The bill would require at least one optional dynamic rate tariff for each segment of medium and large commercial and industrial customers no later than July 1, 2028, and at least one optional dynamic rate tariff for each segment of residential and small commercial customers no later than July 1, 2030.

7/15/2025 9 a.m. - 1021 O Street, Room 1200 SENATE ENERGY, UTILITIES AND COMMUNICATIONS, BECKER, JOSH, Chair

Monitor closely **SB 330 (Padilla D)** 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.

7/16/2025 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND ENERGY, PETRIE-NORRIS, COTTIE, Chair

Monitor closely **SB 647** (**Hurtado D**) Low-income energy assistance programs: equitable building decarbonization program. 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.

7/14/2025 #7 ASSEMBLY SECOND READING FILE -- SENATE BILLS

Legislation - Bill Support, Opposition, and Tracking

Oppose Unless Amended: AB 825 Pertrie-Norris (includes Chapter 10.9, Statewide Demand Side Program Review

Dear Chair Becker,

On behalf of the California Efficiency and Demand Management Council (the Council), I am writing to express our position of Oppose Unless Amended on AB 825, as amended on June 2, 2025. We are concerned with the provisions of Sec. 4. that would establish a statewide task force to review all energy efficiency and demand response programs, with the goal of identifying opportunities for program consolidation, closure, or creation of new programs to meet state goals more cost-effectively.

The value of energy efficiency and demand flexibility has never been greater. Per the 2024 *SB 695 Report to the Governor and Legislature on Actions to Limit Utility Costs and Rate Increases Pursuant to Public Utilities Code Section 913.1*[i], rapidly increasing utility spending on transmission, distribution, and wildfire mitigation is driving up utility bills for customers in California. Per *Data*[ii] from the California Public Utilities Commission, the cost-effective portfolio of demand side programs in the state have delivered $5 billion in lowered bill savings for all electric and gas ratepayers in 2023 alone – a return of $8 in savings for every dollar invested. Any reduction in this spending would further increase utility bills for Californians.

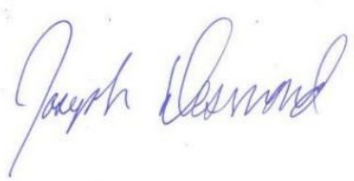
Energy efficiency (EE) and demand-side management (DSM) are proven, cost-effective tools that reduce emissions, lower bills, and strengthen grid reliability—yet they remain underutilized. EE/DSM programs have more oversight than any other part of the energy bill and are required to be cost effective as a whole at the portfolio level. Parts of the portfolio spending that are not cost-effective in the current year are typically required to ensure overall oversight and to make investments for future continuation of savings for Californians for the long term. The current regulatory framework is already overly complex and contradictory; it needs to be untangled and streamlined to deliver more of this valuable resource to Californians. Per the recent *California's Auditor Report*[iii], what is needed is more spending on these programs, cost-effectiveness measure reform, oversight process simplification, and accountability for CPUC regulators and Utility Administrators. Legislators have the authority and responsibility to prioritize these recommended solutions in state policy, funding, and oversight and we invite action in these areas.

California already has a mechanism for managing the energy efficiency and demand side management portfolio through the California Public Utilities Commission (CPUC). Absent a due process framework, the proposed Task Force risks adding another layer of bureaucracy to an already complex regulatory environment. Alternative oversight structures may offer other benefits.

For the above reasons, we respectfully urge you and Assemblymember Petrie-Norris to remove Section 4 related to the DSM task force to ensure that it does not inadvertently undermine California's short- and long-term affordability, reliability, and clean energy goals.

We appreciate your leadership and look forward to engaging in the issues highlighted in the future.

Sincerely,



Joseph Desmond, Executive Director
California Efficiency and Demand Management Council

Resolution E-5351 on EE portfolio metrics

- On 6/17, the CPUC issued Resolution E-5351 which approves, with modifications, joint SDG&E Advice Letter 4438-E/3299-G (w/ PG&E, SCE, SoCalGas, MCE, 3C-REN, BayREN, I-REN, SoCalREN) to:
- Background
  - D.23-06-055 adopted 13 Equity Indicators and 25 Market Support Indicators, many of which were recommended in the CAEECC's Equity Metrics WG (EMWG) and Market Support Metrics WG (MSMWG); the decision requested that CAEECC re-engage these WGs to develop recommendations to clarify the adopted indicators

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Resolution E-5351 on EE portfolio metrics (cont.)

- High-level details
  - Adopts modified purposes for all indicators and metrics in the EE portfolio:
    - Understanding the impact of energy efficiency programs by segment and sector across PAs
    - Ensuring accountability of dollars spent in Resource Acquisition, Equity, Market Support, and Codes & Standards segments
    - Enabling PAs to make adjustments to energy efficiency programs based on indicator and metric data
    - Development and execution of goals for Equity and Market Support segments; and
    - Enabling the Commission to provide clear data, dashboards, and other materials to decision-makers and stakeholders to support their understanding of energy efficiency performance
  - Removes or revise certain indicators and metrics
  - Converts several metrics into indicators
  - Provide guidance on new reporting requirements

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6/25 CEC Load Shift Goal workshop

- On 6/25, CEC held a workshop on the Load Shift Goal (LSG) to provide insights into load flexibility implementation
- SB 846 requires CEC to adopt a LSG and review it in each IEPR cycle; 7 GW was adopted in 2023, first report (issued in 2023) being updated under the 2025 IEPR
  - Report objectives are 1) report on progress on load flex in CA, and 2) stakeholder feedback on strategies
- Workshop attended by commissioners from the CEC, CPUC (Pres. Reynolds and Houck), CAISO (Anna McKenna), and the CARB (Rachel Gold); key opening comments included:
  - McAllister: Good opportunity to collaborate across agencies; encouraged by how the conversation is evolving and that agencies becoming more informed
  - Reynolds: Thinking about ways to reduce reliance on fossil generation at lowest cost; concerned about unpredictable and longer-term heat events
  - Houck: Need to match demand to generation; lots of progress being made in load flex proceeding, need to collaborate w/ other agencies and local governments
  - McKenna: CAISO spends lots of time thinking about load flex, looks forward to continuing discussions with focus on grid operations
  - Gold: CARB is less engaged in this work but it has potential to address local air quality issues; excited to see how CARB can integrate and support efforts to move load flex forward

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6/25 CEC Load Shift Goal workshop (cont.)

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CA's Demand Flex Resource Stack and SB 846 2030 Goal

Category	Intervention	Demand Flex Form	Dispatch	2030 Goal	Tools
Load Modifying	• TOU Rates • Dynamic Pricing • LM Programs	Shape	Out-of-market	3,000 MW	• Load Management Standards; • Rates (TOU and CalFUSE); • Infrastructure (MIDAS, AMI, and Data Access Platform); • Codes and Standards (FDAS, Interoperability, and Cybersecurity); • Programs (PDR, RDRR, ELRP, DSGS, and DEBA) • Technologies (VGI, VPP, Energy Storage, Smart Appliances, Smart Panels, and EMS)
Resource Planning and Procurement	• Economic Supply-side DR • Reliability Supply-Side DR • POU DR Programs (Non-ISO)	Shift/Shed	Market Integrated	4,000 MW	
Incremental and Emergency (I&E)	• I&E Programs • Emergency Back-Up Generators*	Shift/Shed	Out-of-market		

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6/25 CEC Load Shift Goal workshop (cont.)

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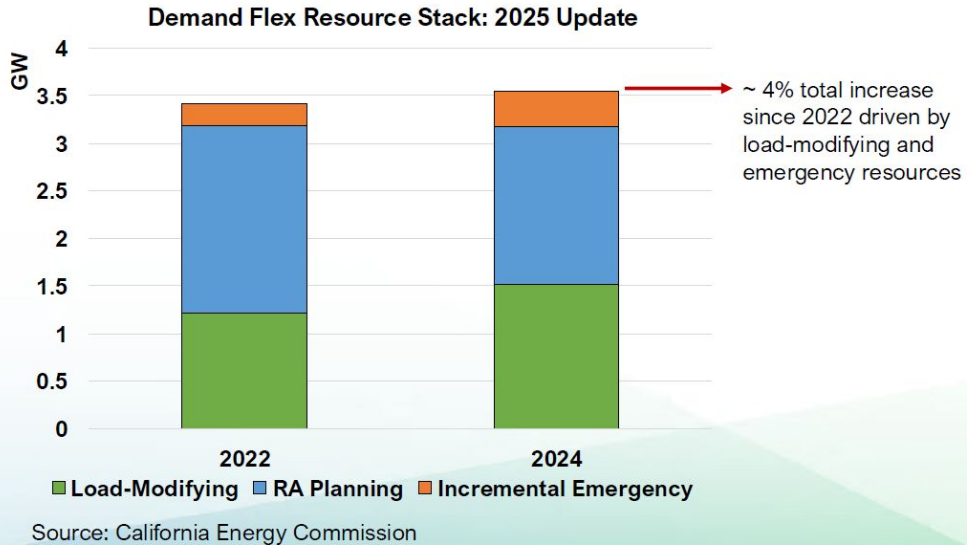
Staff Presentation on Progress Toward 7 GW LSG Goal

2024 Resource Estimate is ~ 3.5 GW



Source: California Energy Commission

2022-2024 Estimates (Breakdown)

Load-Modifying	2022	2023	2024
Time of use (TOU) & EV-TOU rate impacts	1000	1078	1122
Customer storage (non-event based)	173	266	358
IOU Critical Peak Pricing (CPP) impacts	30	21	31
CCA customer programs	7	3	3
RA Planning			
Emergency DR (IOUs)	740	750	800
Economic DR (IOUs & CCA)	1014	906	558
POU DR Programs	210	233	304
Incremental Emergency			
ELRP	190	190	209
DSGS*	46	46	161
GRAND TOTAL	**3410**	**3493**	**3546**

**The DSGS estimates are based on a preliminary CEC staff analysis and are subject to change.*

Source: California Energy Commission

- Non-RA DR has increased by 32% (438 MW), largely driven by EVs, batteries, and DSGS
- Supply Side DR portfolio decreased by 23% (302 MW), partially due to DRAM sunset
- May not reach 7 GW target under Business-As-Usual conditions; need additional near-term strategies

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6/25 CEC Load Shift Goal workshop (cont.)

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CA Demand Flex Summit and Stakeholder Outreach Results

- CEC sent a survey to 39 stakeholders across all categories for not-for-attribution feedback; received 27 responses
  - Survey topics included:
    - Policy barriers impacting the full utilization of load flexibility
    - Alternative market or regulatory models and approaches
    - Emerging trends in the California market
    - Other conceptual ideas to scale load flexibility
- CA Demand Flex Summit
  - Purpose: Discuss progress & challenges to achieving the 7 GW LSG by 2030
  - Topics included: 1) unlocking CA's demand flex potential, 2) existing programs & incentives, 3) demand-side load flexibility, 4) scaling demand flex, and 5) adopting demand flex innovations

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6/25 CEC Load Shift Goal workshop (cont.)

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CA Demand Flex Summit and Stakeholder Outreach Results (cont.)

- Stakeholder insights – market barriers
  - Frequent program changes result in market uncertainty
  - Program requirements can limit flex (e.g., dispatch duration, baselines, dual participation, DER exports, telemetry)
  - Lack of standards (e.g., communications, interoperability issues)
  - Data access
  - Costly interconnection process for V2X
  - Ensuring affordability, equity, and seamless customer engagement
- Stakeholder insights – solutions & strategies
  - Streamlined and modernized wholesale market process, incl. 3P DR
  - CA LSG roadmap
  - Centralized data repository
  - Unified and simplified utility programs
  - Promote distribution-optimized load flexibility
  - Simplify and incentivize V2X interconnection

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6/25 CEC Load Shift Goal workshop (cont.)

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CA Demand Flex Summit and Stakeholder Outreach Results (cont.)

- Models outside California
  - NYPSC “Value Stack” framework for compensating DERs
  - “Smart Meter Texas” framework for an independent statewide customer data access platform
  - Massachusetts’ ConnectedSolutions provides a single umbrella brand across DER classes w/ end-to-end marketing from the IOU down to the DER provider
- Summary observation: Demand flex must be reliable, predictable, and integrated into the core of our energy planning and observations

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6/25 CEC Load Shift Goal workshop (cont.)

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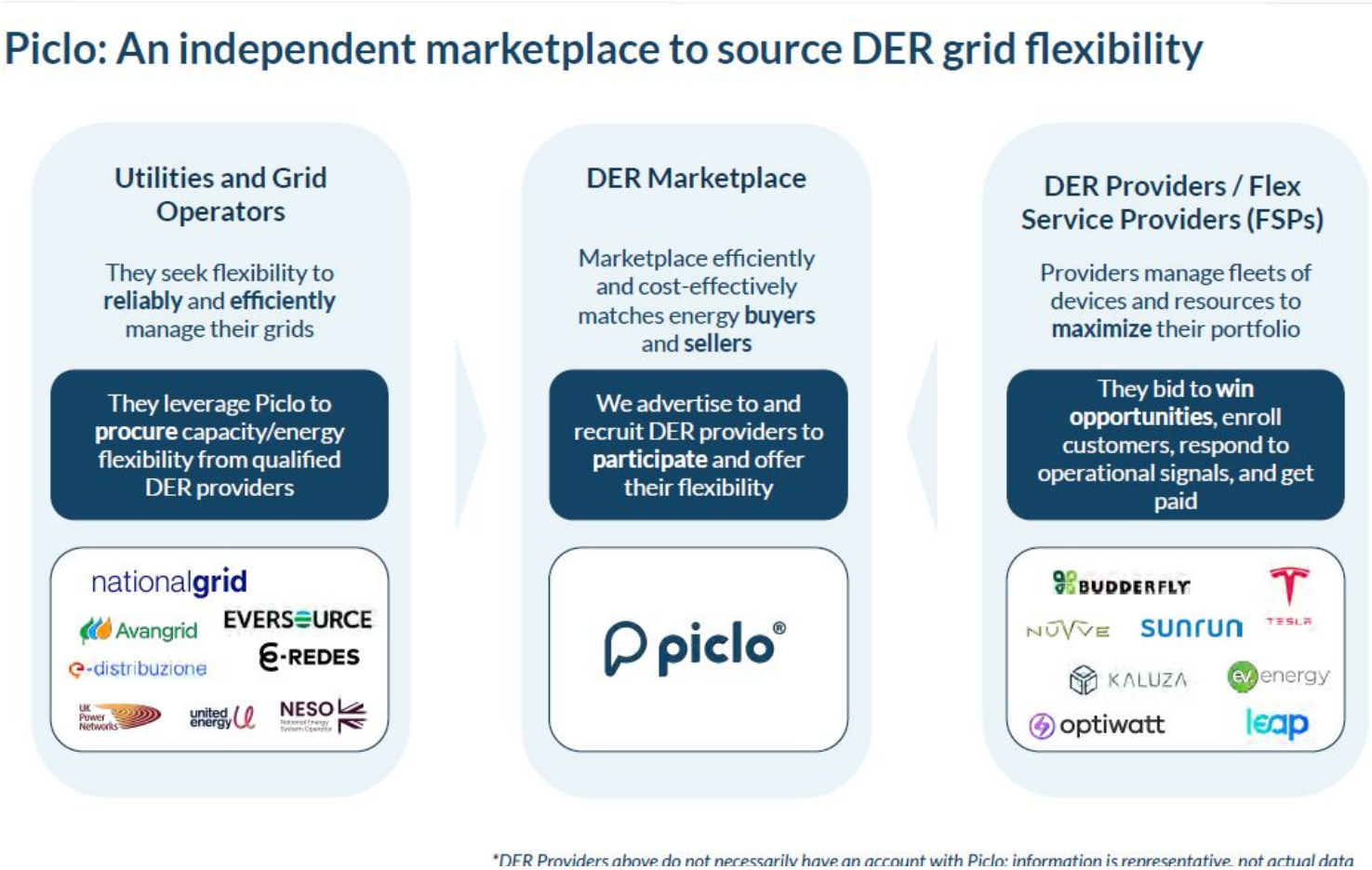
Panel on Alternative Load Flexibility Implementations - Piclo



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6/25 CEC Load Shift Goal workshop (cont.)

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Panel on Alternative Load Flexibility Implementations - NYSERDA

Elements of Value Stack

The "Value Stack" provides time- and location-specific compensation, based on

- **Energy:** The zonal day-ahead hourly NYISO auction price per MWh
- **Capacity**, as set by NYISO regional auction price. Represents a project's success in reducing annual statewide peak energy demand
- **Demand Reduction Value (DRV):** Deferred cost of distribution grid upgrades. Based on utility-specific Marginal Cost of Service Studies. Paid passed on a project's performance during a pre-set peaking window (~300 hours of summer evenings)
- **Location-Specific Relief Value (LSRV):** Locational adder on utility-selected congested substations. Projects paid for performance during call events
- **Environmental value:** Administratively-set price for the project's green attributes (REC). Calculated by NY Department of Public Service using a Social Cost of Carbon calculation. ~$31/MWh regardless of time of generation

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6/25 CEC Load Shift Goal workshop (cont.)

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Panel on Alternative Load Flexibility Implementations - Elevate

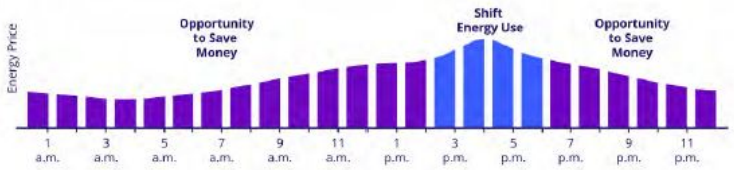
ComEd's Hourly Pricing Program: Overview

OVERVIEW

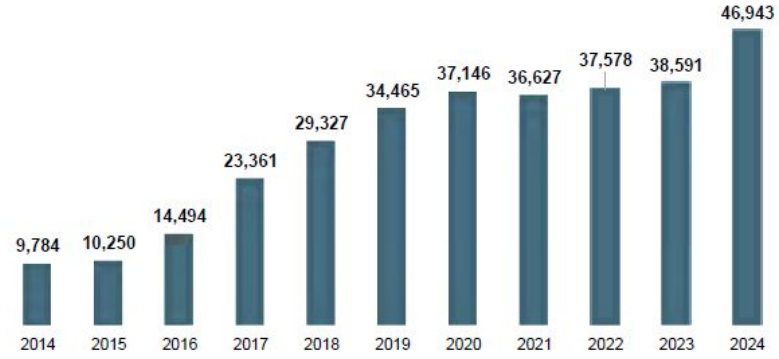
Residential customers can opt-in to Hourly Pricing. Rate BESH (*Basic Electric Service Hourly Pricing*) charges them the real-time hourly market prices for their usage. Rider RRTP (*Residential Real Time Pricing Program*) accounts for the supplementary tools, resources, ongoing education, and support to help customers paying real-time market prices on Rate BESH manage their energy use.

KEY FACTS & STATS

- 53,625 active participants
- 15,940 EV owners (30%)
- 2,338 Low-income customers (4%)
- 4,981 Solar Net Metering customers (9%)
- Cumulative supply savings since 2007: $50,929,852
- Avg. annual participants savings since 2007: $144 (19%)



PROGRAM PARTICIPANTS



2024 Monthly Average Supply Savings

5

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6/25 CEC Load Shift Goal workshop (cont.)

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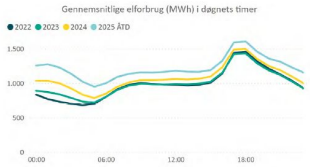
Panel on Alternative Load Flexibility Implementations – Energinet (Denmark)

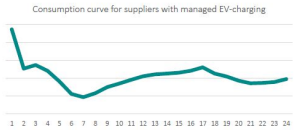
ENERGINET

PRICE SIGNALS TO PROMOTE FLEXIBILITY



Tarifs must be cost reflective
- Polluter pays principle

Encourage maximum use of the grid without further grid investments
- Move the grid load to low load hours
- Base load as today but flexible load during low load hours
- Energinet will charge DSOs



Less volume -> more capacity

Future increase in energy consumption should cost as little as possible as long as it is placed right during the day.

ENERGINET

MIN STRØM (MY POWER) – APP

Free app for consumers

Free service for end user to
- Show prices
- Show consumption
- Plan usage for appliances

The revenue comes from ads in the app or purchase of an ad free app.

Providing plenty of implicit demand response

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6/25 CEC Load Shift Goal workshop (cont.)

- Council and other stakeholders provided oral comments; Council expressed appreciation of the supportive statements by the different agencies for collaboration; need to put this into action. Without CPUC adoption of the LSG, it will not be achieved
- Key takeaways & indicative questions
  - McAllister:
    - Batteries and EVs are a core for LM but they can also help on the supply side; are there any data sources that can be used to count the capacity of these resources?
    - Load factor has relevance b/c it is a quantifiable metric of the optimization of the use of the grid (echoed by Gunda)
    - CEC currently receiving customer meter data from IOUs on quarterly basis; agrees with stakeholders who recommend a more frequent refresh
  - McKenna: Have you thought about whether shorter or longer-duration programs have the greatest load impact?
- Workshop presentations and the recording can be found here
- Next steps: Written comments due on 7/9

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Recent filings

2025 Council Filings

July 9 – Council Comments on June 25 CEC LSG Workshop

June 16 – R.23-10-011 Council and CPower Reply Comments on Proposed Decision

June 11 – R.23-10-011 Council and CPower Opening Comments on Proposed Decision

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Quick hits

- CPUC issued a final decision on 6/27 in the Resource Adequacy (RA) proceeding
  - Made no changes to the PD in declining to adopt the Leapfrog Power/OhmConnect proposal to allow DR to provide RA outside of the AAH
  - Clarifies that the DR questions may be addressed in the successor RA proceeding or a new DR rulemaking
- CAISO Demand & Distributed Energy Market Integration
  - Working group met on 6/17 where the focus shifted to “enhancing demand flexibility options”
  - Proposals presented by NCPA, CDWR, and Portland General Electric
    - NCPA: Allow hydrogen electrolyzer to operate as Participating Load
    - CDWR: Allow Participating Load to participate in real-time market
    - PGE: New DR participation model in WEIM
  - Comments due on 7/11

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

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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!

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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

Discussion and Questions

CALIFORNIA Efficiency + Demand Management COUNCIL

Thank You!

Please contact us if you have any questions.

Joe Desmond – jdesmond@cedmc.org
Luke Tougas – l.tougas@cleanenergyregresearch.com
Kira Kimick – kkimick@cedmc.org

www.cedmc.org

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