CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

August 15, 2025

REC

This call is being recorded.

Confidential – for CEDMC members only. Do not distribute.

Today's Agenda

- Register Now - CEDMC's Industry Training on 9/16
- Recent filings
- EE rulemaking scoping memo
- PD adopting EE program goals
- Joint letter to CPUC Commissioners on DR rulemaking
- CEDMC comments on LSG workshop
- California Demand Flexibility Executive Roundtable @ UC Davis 8/8
- CEDMC Member Call: Shape CA's Cap & Trade Long-Term Funding
- PD on guidelines for IOU demand flexibility rate design proposals
- Quick hits

©2025 Proprietary and Confidential. All Rights Reserved.

Register Now - CEDMC's Industry Training Course

Energy Efficiency + Demand Management Policy + Practice in CA

Tuesday, September 16, 2025, 11:00 am – 3:00 pm Pacific.
Online via Zoom only
Learn more and register at
https://cedmc.org/events/trainings/

This half-day training from the Council is designed for California's clean energy professionals interested in learning more about the state's efficiency and demand management landscape. It will raise your policy IQ and deliver career-building insights to demystify California's policies related to EE, DR, DERs, and EM&V.

All who complete the course receive a comprehensive list of resources including handouts, presentations, and links you will refer back to over and over again – a great value in itself!

We encourage Council members and our industry partners to strongly consider sending staff who are newer to the energy efficiency and demand management space. It will be time well spent!

Instructors:

- Ann McCormick, EE Professional
- Joe Desmond, Executive Director, CEDMC
- Luke Tougas, Clean Energy Regulatory Research
- Annette Beitel, Future Energy Enterprises & Cal TF
- Carmen Best, Recurve
- Marc Costa, The Energy Coalition
- Michelle Vigen Ralston, Common Spark Consulting
- Megan Myers, Attorney at Law

Recent filings

2025 Council Filings

July 14 – Corrected CEDMC Comments on June 25 CEC LSG Workshop

July 15 – Opening Comments-from-CEDMC-and-Leap-Proceeding-R2005012

July 21 – Joint Letter to Commissioners Regarding Demand Response

July 25 – CEDMC Opening Brief on Statewide Energy Efficiency Market Transformation Initiatives

August 8 – CEDMC Reply Brief on Statewide Energy Efficiency Market Transformation Initiative

©2025 Proprietary and Confidential. All Rights Reserved.

EE rulemaking scoping memo

- On 7/23, the CPUC issued a scoping memo in the new EE rulemaking
- Two categories of issues:
  - Policy
    - Natural gas measure policy and definition of viable electric alternatives (VEAs)
      - Should EE funding be available for fuel switching and substitution (Staff proposal in 2025)
    - CCA oversight
      - EE budget formula
      - Revise portfolio and/or program admin. rules (Staff proposal in 2025)
    - Policy guidance for 2026 portfolio applications (for 2028+)
    - Portfolio oversight & cost-effectiveness (based on March CSA report)
    - Treatment of multifamily buildings & programs: Expect a 2025 workshop to solicit ideas
    - Other key policy issues
      - REN requirements & oversight
      - Potential expansion of “hard-to-reach” definition
      - Incorporate ESJ Action Plan goals into all EE programs
      - Reevaluation of budget caps
      - NMEC rulebook modifications

©2025 Proprietary and Confidential. All Rights Reserved.

EE rulemaking scoping memo (cont)

- Two categories of issues: (cont.)
  - Implementation
    - EE potential and goals
    - Oversight of 2024-2027 portfolios
    - IDSM program oversight
    - Potential renewal of the California Hub for Energy Efficiency Financing (CHEEF) Go-Green Financing program
    - Oversight of EE-related groups (e.g., CalTF, CAEECC, PRGs)
    - Other key implementation issues
      - Market transformation program rollout and oversight
      - Emerging technology program updates
      - Oversight and improvements to the DEER
- Next steps: Workshops to begin in Q3

©2025 Proprietary and Confidential. All Rights Reserved.

PD adopting EE program goals

CALIFORNIA Efficiency + Demand Management COUNCIL

- On 7/25, the CPUC released a proposed decision (PD) adopting 2026-2037 EE goals
- Background
  - CPUC is required to perform an EE potential study to inform IOU EE goals
  - The EE goals inform activities of the EE portfolio administrators, integrated energy resource planning, and other state agency planning processes
  - Last EE goals were adopted in 2023
- Highlights
  - 3 scenarios
    - Scenario 1 (Reference): TRC cutoff of 0.85
    - Scenario 2 (High TRC): TRC cutoff of 1.0
    - Scenario 3 (Aggressive Fuel Substitution): Builds on Scenario 1 and models the impact on achievable FS potential of higher program budgets and greater influence of FS programs on adoption
  - Adopts goal floors (rather than ceilings) based on Scenario 2 to reflect general uncertainty and expedited expiration of IRA tax credits
  - Assumes 2030 Zero Emissions Appliance Standards implementation
  - Delegates determination of how IRA tax credits should be represented in CEDARS to Energy Division staff
- Next steps: Opening comments due on 8/14, replies on 8/19

©2025 Proprietary and Confidential. All Rights Reserved.

PD adopting EE program goals (cont.)

CALIFORNIA Efficiency + Demand Management COUNCIL

Key goals & targets

Pacific Gas and Electric Company				
Period	Incentive Programs	Codes and Standards		
	TSB	GWh	MW	MMTherms
2026-2029	$948,658,142	2,723.9	510.1	32.8
2030-2033	$1,052,703,131	1,601.0	353.3	28.8
2034-2037	$1,635,840,353	1,055.6	268.0	26.2

Southern California Edison Company				
Period	Incentive Programs	Codes and Standards		
	TSB	GWh	MW	MMTherms
2026-2029	$703,574,488	2,723.9	470.4	N/A
2030-2033	$600,894,170	1,601.0	317.9	N/A
2034-2037	$774,132,727	1,055.6	237.2	N/A

©2025 Proprietary and Confidential. All Rights Reserved.

PD adopting EE program goals (cont.)

CALIFORNIA Efficiency + Demand Management COUNCIL

Key goals & targets (cont.)

San Diego Gas & Electric Company				
Period	Incentive Programs	Codes and Standards		
	TSB	GWh	MW	MMTherms
2026-2029	$300,868,733	557.8	93.6	3.3
2030-2033	$303,266,883	327.9	62.2	2.9
2034-2037	$430,063,547	216.2	45.7	2.6

Southern California Gas Company				
Period	Incentive Programs	Codes and Standards		
	TSB	GWh	MW	MMTherms
2026-2029	$762,062,081	N/A	N/A	36.5
2030-2033	$566,892,214	N/A	N/A	32.1
2034-2037	$715,200,886	N/A	N/A	29.2

©2025 Proprietary and Confidential. All Rights Reserved.

Joint letter to CPUC Commissioners on DR rulemaking

- On 7/21, the Council submitted a joint letter to the CPUC Commissioners requesting a DR rulemaking; the letter was also signed by CESA, VGIC, Leapfrog Power, Renew Home, CPower, Sunrun, Voltus, and Nostromo
- Key points
  - There has been no DR rulemaking since 2018 when R.13-09-011 was closed
  - Many changes and new factors have come to light since then, esp. since CPUC ruled on the IOUs' 2024-2027 DR applications
  - CA should exert its leadership by evaluating and developing effective models for DR that can be adopted nationwide
  - This need is esp. urgent in light of the CAISO's DDEMI initiative to ensure a coordinated, coherent regulatory environment
  - Recommended 14 different issues to address in the rulemaking

©2025 Proprietary and Confidential. All Rights Reserved.

CEDMC comments on LSG workshop

- On 7/14, the Council submitted comments on the CEC's 6/25 Load Shift Goal workshop in the LSG docket of the 2025 IEPR proceeding
- Background: The IEPR load forecast is a key resource & transmission planning tool used by CPUC & CAISO
- Key points
  - Demand flexibility should be reliable and predictable while recognizing the variable nature of load
  - Coordination across agencies should be formal and transparent
  - Central data repository should be updated more frequently to be used for DR baselines and avoid IOUs' Electric Rule 24/32 customer authorization process
  - Load factor would be a useful metric for measuring load shift progress

©2025 Proprietary and Confidential. All Rights Reserved.

California Demand Flexibility Executive Roundtable @ UC Davis 8/8

- On August 8, CEDMC participated in an Executive Round Table on Demand Flexibility at UC Davis. The meeting was a follow-up to the 2025 California Demand Flex Summit held on May 22nd, 2025. Both public and private utilities, state energy agencies, and UC Davis staff were represented.
- To foster open and honest dialogue by ensuring that participants can speak freely without fear of their comments being attributed to them personally, the meeting was conducted under the Chatham House Rule.
- The 4-hour meeting provided an opportunity for an executive-level, candid discussion to advance load flexibility in California. The conversations touched on key takeaways from the May Summit, considerations of barriers, promising technology, and policy solutions. CEDMC's comments were drawn from our July 14 Corrected CEDMC Comments on June 25 CEC LSG Workshop. There was strong consensus across the room for the value presented by Demand Flexibility. The Round Table wrapped up by identifying potential next steps.

©2025 Proprietary and Confidential. All Rights Reserved.

Assessing VPP Performance: Impacts of a Test Event in California - Brattle

CALIFORNIA Efficiency + Demand Management COUNCIL

The VPP test event

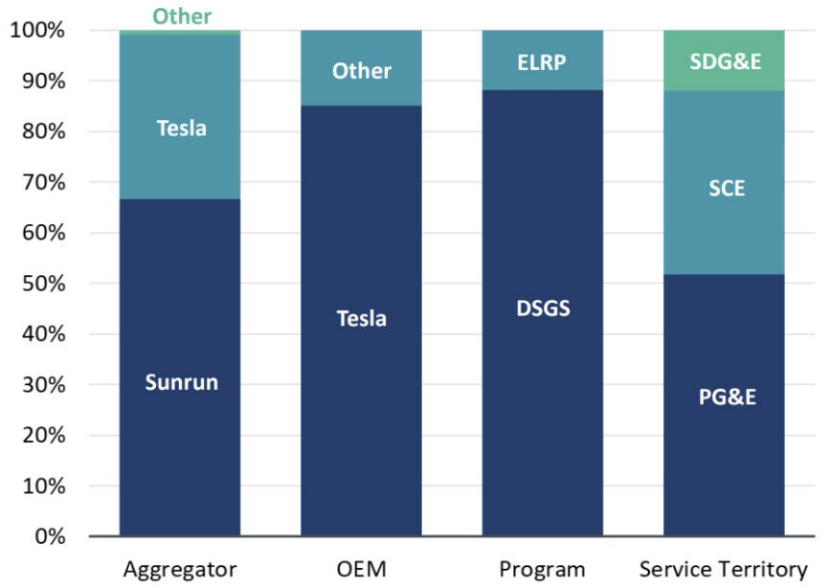
On July 29, 2025, several virtual power plant (VPP) aggregators in California discharged their portfolio of batteries between 7 and 9 pm, producing 535 MW of average output.

The aggregators conducted the event to assess the performance capability of their battery fleet heading into California's summer peak season, when the VPP's grid services will be needed most.

The participants accounted for a diverse mix of battery manufacturers, aggregators, VPP programs, and geographic locations. In general, Sunrun was the largest aggregator, Tesla was the largest OEM, and most of the batteries were enrolled in California's Demand-Side Grid Support (DSGS) program.

The aggregators provided Brattle with data to analyze the impact of the event. This presentation summarizes our initial findings. Further detail will be provided in a forthcoming report by Brattle for Sunrun and Tesla.

Composition of VPP Event Participants



Notes: Based on Brattle analysis of 5-minute telemetry data provided by Sunrun and Tesla. Percentages indicate share of 535 MW impact. DSGS = Demand Side Grid Support, ELRP = Emergency Load Reduction Program.

©2025 Proprietary and Confidential. All Rights Reserved.

Assessing VPP Performance: Impacts of a Test Event in California - Brattle (Cont.)

CALIFORNIA Efficiency + Demand Management COUNCIL

VPP operational profile

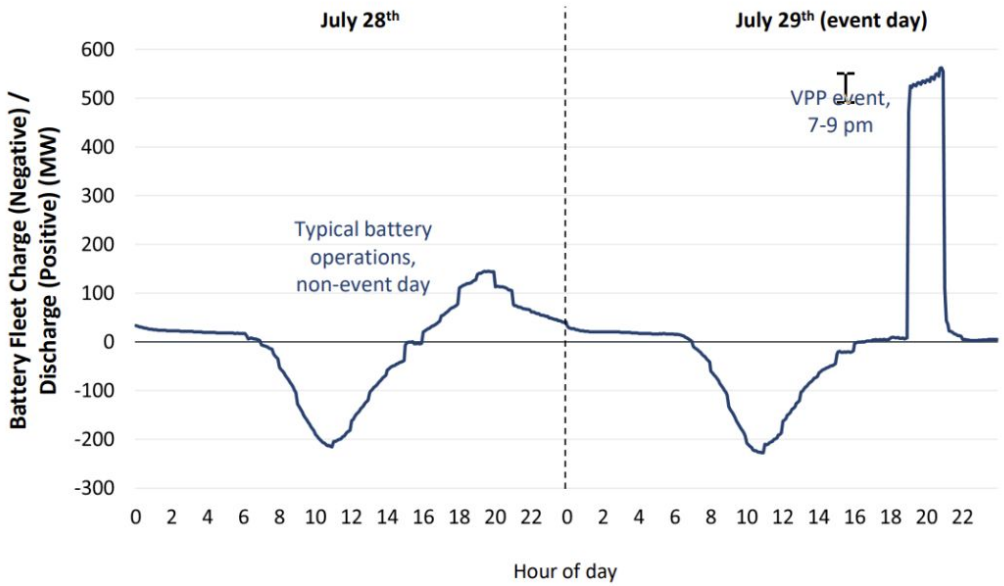
Aggregate VPP performance during the event was consistent and mostly additive to status quo operations.

The figure at right compares the operation of the batteries on the day before the event to their operation on the day of the event.

Battery performance during the event demonstrates a significant departure from status quo operations. In other words, most of the 535 MW of battery output was additive; it would not have occurred in the absence of calling an event.

Additionally, the figure illustrates relatively consistent output from the batteries for the duration of the event, without significant fluctuations or any performance attrition.

Battery Operations Before and During the Event



Notes: Based on Brattle analysis of 5-minute telemetry data provided by Sunrun and Tesla. Battery dispatch is raw power output, without any baseline adjustments.

©2025 Proprietary and Confidential. All Rights Reserved.

Assessing VPP Performance: Impacts of a Test Event in California - Brattle (Cont.)

CALIFORNIA Efficiency + Demand Management COUNCIL

CAISO system impact

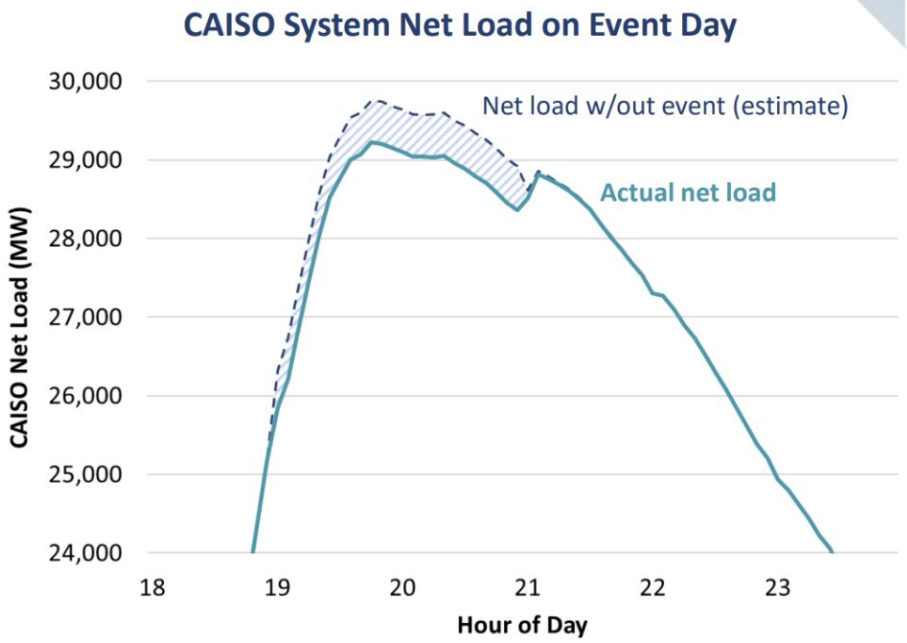
The VPP operated during CAISO's net system peak, the time when output typically is most valuable to the system.

The timing of the event coincided with CAISO's net peak demand on the event day (i.e., load minus wind and solar generation). There was a visible reduction in net load.

On peak days, using VPPs to serve CAISO's net peak could reduce the need to invest in new generation capacity and/or relieve strain on the system associated with the evening load ramp.

In other words, the batteries could help to mitigate some of the challenges associated with California's "duck curve".

Optimized VPP program design and coordination with the system operator could further maximize the value of the battery output to the system.



Notes: Net load sourced from CAISO and reflects actual demand less solar and wind output. Baseline net load in the absence of the event was constructed using 5-minute telemetry data provided by Sunrun and Tesla. All battery output is shown as a reduction in net load.

©2025 Proprietary and Confidential. All Rights Reserved.

CEDMC Member Call: Shape CA's Cap & Trade Long-Term Funding

CALIFORNIA Efficiency + Demand Management

- The California legislature and the Governor are aligned on reauthorizing the Cap & Trade mechanism and reappropriating funds, with a potential bill to be introduced upon return from recess and passed before session ends in September.
- CEDMC participated in a Lobby Day a few weeks ago led by Building Decarbonization Coalition and signed onto this letter to support a proposal of $1 Billion of annual appropriations for building decarbonization. The response from legislative staff was very positive, particularly around how targeted building decarbonization can address extreme heat and energy affordability. There was a clear thirst for information about why the legislature should fund building decarbonization among all the options. CEDMC is working to provide some follow up resources. But broader support from CEDMC members and others is needed.
- We discuss edmember's willingness to reach out to key legislators, for in-person meetings, phone calls and other engagement. As well as other organizations that could be enlisted to support as well. BDC has been coordinating some efforts to-date and we will share those on the call.

©2025 Proprietary and Confidential. All Rights Reserved.

CEDMC Member Call: Shape CA's Cap & Trade Long-Term Funding (Cont.)

CALIFORNIA Efficiency + Demand Management

Talking Points for Legislative Outreach: We respectfully urge you to prioritize an annual allocation of $1 billion in GGRF funds for building decarbonization, through:

Annual appropriation for the Equitable Building Decarbonization (EBD) program, which supports low-income households with whole home electrification and weatherization upgrades, ensuring that the most vulnerable households are able to access health and affordability benefits of heat pumps.

- **Annual appropriation for single measure and emergency replacement incentives** through programs like TECH Clean California that will reduce the upfront cost of purchasing a heat pump, making it more affordable for all Californians to access the benefits of air conditioning and home electrification, while scaling the heat pump market to achieve cost parity between gas and electric appliances.
- **Annual appropriation for neighborhood scale decarbonization projects** that use skilled and trained labor to electrify entire communities while lowering infrastructure costs for ratepayers, including **a carveout for joint labor management training** needed to support building electrification at scale.
- **One-time allocation of $110M in FY 2025-26 for incentives to rebuild all-electric for wildfire-impacted communities in Los Angeles.** Funding would go through the existing RISE Homes program, designed for supporting homeowners in rebuilding after wildfires in IOU jurisdictions, and to the incentive program LADWP is ramping up designed to mirror the RISE program.

© [redacted] Proprietary and Confidential. All Rights Reserved.

CEDMC Member Call: Shape CA's Cap & Trade Long-Term Funding (Cont.)

CALIFORNIA Efficiency + Demand Management COUNCIL

Talking Points for Legislative Outreach: (Cont.)

- Funding for building decarbonization will:
  - Improve climate resilience for Californians in the face of extreme heat, via more efficient cooling and in many cases additional cooling otherwise absent.
  - Lower utility bills for participating ratepayers, while reducing long-term grid infrastructure costs and stabilizing rising utility bills for everyone.
  - Deliver reliable and persistent emissions reduction.
  - Create jobs. There are 302,716* energy efficiency jobs in the state. And this level of funding will build on this growth. (*download supporting document here)

©2025 Proprietary and Confidential. All Rights Reserved.

CEDMC Member Call: Shape CA's Cap & Trade Long-Term Funding

- The California legislature and the Governor are aligned on reauthorizing the Cap & Trade mechanism and reappropriating funds, with a potential bill to be introduced upon return from recess and passed before session ends in September.
- CEDMC participated in a Lobby Day a few weeks ago led by Building Decarbonization Coalition and signed onto this letter to support a proposal of $1 Billion of annual appropriations for building decarbonization. The response from legislative staff was very positive, particularly around how targeted building decarbonization can address extreme heat and energy affordability. There was a clear thirst for information about why the legislature should fund building decarbonization among all the options. CEDMC is working to provide some follow up resources. But broader support from CEDMC members and others is needed.
- With the legislature on recess until August 18th, we are in a key window for further outreach directly to the legislature, while they are in their districts, with a focus on those in the Cap & Trade Working Group.

Requested Action:

- We will discuss more on the call, but in the meantime please consider your willingness to reach out to key legislators, for in-person meetings, phone calls and other engagement. As well as other organizations that could be enlisted to support as well. BDC has been coordinating some efforts to-date and we will share those on the call.

- If you are ready to take action before meeting, here are the key talking points (more found in the BDC letter) and the legislator contact information below. Let us know if you take any action so we can stay coordinated.

  Talking Points for Legislative Outreach

  - We respectfully urge you to prioritize an annual allocation of $1 billion in GGRF funds for building decarbonization, through:

Annual appropriation for the Equitable Building Decarbonization (EBD) program, which supports low-income households with whole home electrification and weatherization upgrades, ensuring that the most vulnerable households are able to access health and affordability benefits of heat pumps.

- **Annual appropriation for single measure and emergency replacement incentives** through programs like TECH Clean California that will reduce the upfront cost of purchasing a heat pump, making it more affordable for all Californians to access the benefits of air conditioning and home electrification, while scaling the heat pump market to achieve cost parity between gas and electric appliances.
- **Annual appropriation for neighborhood scale decarbonization projects** that use skilled and trained labor to electrify entire communities while lowering infrastructure costs for ratepayers, including **a carveout for joint labor management training** needed to support building electrification at scale.
- **One-time allocation of $110M in FY 2025-26 for incentives to rebuild all-electric for wildfire-impacted communities in Los Angeles.** Funding would go through the existing RISE Homes program, designed for supporting homeowners in rebuilding after wildfires in IOU jurisdictions, and to the incentive program LADWP is ramping up designed to mirror the RISE program.
- Funding for building decarbonization will:
  - Improve climate resilience for Californians in the face of extreme heat, via more efficient cooling and in many cases additional cooling otherwise absent.
  - Lower utility bills for participating ratepayers, while reducing long-term grid infrastructure costs and stabilizing rising utility bills for everyone.
  - Deliver reliable and persistent emissions reduction.
  - Create jobs. There are 302,716* energy efficiency jobs in the state. And this level of funding will build on this growth. (*download supporting document here)
-

©2025 Proprietary and Confidential. All Rights Reserved.

PD on guidelines for IOU demand flexibility rate design proposals

- On 7/25, the CPUC issued a proposed decision (PD) adopting guidelines for IOU demand flexibility rate design proposals to comply with the CEC Load Management Standards (LMS)
  - Guidelines focus on how various cost components should be incorporated into demand flexibility rate proposals, including load shifting
- Background
  - The LMS were designed to incentivize load shifting through rates that reflect actual grid conditions and based on marginal costs for the generation and delivery of electricity
- Highlights
  - Closes the proceeding (R.22-07-005) and leaves unresolved several scoping issues to be addressed in future proceedings
  - CPUC will host a 2025 workshop on how large commercial hydrogen generation and industrial heat process producers can utilize and potentially benefit from dynamic rates
  - Directs SDG&E to submit dynamic rate application for all customer classes within 90 days
  - Directs SCE to submit supplemental testimony in A.24-12-008 within 45 days
  - Direct PG&E to submit supplemental testimony in A.24-09-14 within 45 days
  - Requires PG&E, SCE, and SDG&E to submit a joint Tier 2 advice letter with updated marginal generation capacity costs by 3/31 every year beginning in 2026

©2025 Proprietary and Confidential. All Rights Reserved.

Quick hits

- **CEC workshop on 2024 Demand Side Grid Support (DSGS) report:** CEC was going to hold an 8/14 workshop to share its Staff analysis of the DSGS program in 2024 but postponed it at the last minute
- **Low Income program applications:** PG&E, SCE, SDG&E, and SoCalGas filed their ESA program and CARE/FERA program applications on 6/30; the proceedings have been consolidated
- **CEDMC/Leap comments on SGIP DR participation requirement:** On 7/15, CEDMC & Leap submitted joint comments on a 7/7 ruling on whether the CPUC should remove the DR requirement for all residential low-income customers applying to the Residential Solar and Storage Equity budget

©2025 Proprietary and Confidential. All Rights Reserved.

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

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

©2025 Proprietary and Confidential. All Rights Reserved.