CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

EE + DR/DER Call

September 2, 2025

REC

This call is being recorded.
Confidential – for CEDMC members only. Do not distribute.

Today's Agenda

- Register Your New Staff for CEDMC's Industry Training!
- Legislative update
- EE PAs' reply to PAO protest of PG&E AL 5095-G/7664-E et al
- SGIP proposed decision re: DR participation requirement
- SCE proposed modifications to Smart Energy Program
- 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 M. Myers, Attorney at Law

CEDMC Appropriations Outcomes

The Assembly Appropriations Committee and the Senate Appropriations Committee met today to dispense with bills on the "suspense file". Both committees appear to have passed 73% of bills on the agenda while holding 27%; of those bills held, some were designated "2-year bills" allowing them to proceed through the legislative process next year. The other bills that stalled today will have to be reintroduced or amended into other vehicles in order to move forward.

The next two weeks will primarily be "floor sessions" where the Assembly and Senate will meet to cast final votes on bills before sending them to the Governor's desk by September 12th.

Governor Newsom then has until October 12th to sign or veto bills.

We will be looking out for inclinations for calls for special sessions to deal with updated tax receipts and updated state budget figures. We otherwise expect the Legislature to recess in 2 weeks and return in January.

Additionally, while the Legislature is on recess, we expect the Prop 50 efforts on redistricting to consume much of the work by members of the Dem party.

SB 500 (Stern D) Energy: usage data.

Summary: Current law requires each utility, on and after January 1, 2017, to, upon the request and authorization of the owner, owner's agent, or operator of a covered building, as defined, deliver or otherwise provide aggregated energy usage data for a covered building to the owner, owner's agent, or building operator, or to the owner's account in the ENERGY STAR Portfolio Manager, as specified. This bill would authorize a utility to satisfy that requirement by delivering or otherwise providing aggregated energy usage data to the owner's account in any alternative system or tool approved by the State Energy Resources Conservation and Development Commission.

Do pass

SB 541 (Becker D) Electricity: load shifting: distributed resources.

CALIFORNIA Efficiency + Demand Management COUNCIL

Summary: Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), in consultation with the specified entities, to adopt a biennial integrated energy policy report containing certain information in a specified format. Existing law requires the Energy Commission, in consultation with the Public Utilities Commission (PUC) and the Independent System Operator, to adopt a goal for load shifting to reduce net peak electrical demand and adjust this target in each biennial integrated energy policy report thereafter.

This bill would require the Energy Commission, in consultation with specified entities, to analyze the cost-effectiveness of specific load flexibility resources and programs and identify both the approximate value and the cost-effectiveness of each load-shifting intervention in the next update to the biennial integrated energy policy report after January 1, 2027, as provided.

The bill would require the Energy Commission, as part of each integrated energy policy report, to estimate each retail supplier's load-shifting potential, including consideration of certain factors, as specified. The bill would require the Energy Commission, on or before July 1, 2028, and biennially thereafter, to analyze and publish the amount of load shifting that each retail supplier achieved in the prior calendar year, and the amount of load shifting that each retail supplier is aiming to achieve in future years, in comparison to the load-shifting potential estimated for each retail supplier, as specified.

Do pass as amended to remove requirement the Energy Commission develop a strategy.

SB 647 (Hurtado D) Energy: Equitable Building Decarbonization Program: Low-Income Oversight Board: membership: performance metrics.

CALIFORNIA Efficiency + Demand Management COUNCIL

Summary: Current law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to establish the Equitable Building Decarbonization Program that includes the direct install program and the statewide incentive program for low-carbon building technologies, as provided.

This bill would require the Energy Commission to establish a mechanism to notify applicants to the Equitable Building Decarbonization Program that they may also be eligible for building energy efficiency and decarbonization incentives authorized by the Public Utilities Commission (PUC).

Do pass as amended to remove the requirement the CPUC develop standardized statewide performance metrics.

AB 44 (Schultz D) Energy: electrical demand forecasts

CALIFORNIA Efficiency + Demand Management COUNCIL

Summary: Current law requires the State Energy Resources Conservation and Development Commission, at least every 2 years, to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices. Current law authorizes the commission to require the submission of demand forecasts from electrical utilities, among other entities, to perform its assessments and forecasts. Current law requires the commission to adopt an integrated energy policy report every 2 years.

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 of behind-the-meter load modifying technologies and programmatic measures deemed to reliably reduce or modify the load-serving entity's electrical demand, as specified.

Do pass

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

CALIFORNIA Efficiency + Demand Management COUNCIL

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.

Do pass as amended to make the CEC requirements subject to available funding

AB 745 (Irwin D) Electricity: climate credits

CALIFORNIA Efficiency + Demand Management COUNCIL

Summary: The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include the use of market-based compliance mechanisms in regulating of greenhouse gases. The implementing regulations adopted by the state board provide for the direct allocation of greenhouse gas allowances to electrical corporations pursuant to a market-based compliance mechanism. Current law vests the Public Utilities Commission with regulatory jurisdiction over public utilities, including electrical corporations. Current law, except as provided, requires revenues received by an electrical corporation as a result of the direct allocation of greenhouse gas allowances to be credited directly to residential, small business, and emissions-intensive trade-exposed retail customers of the electrical corporation, commonly known as the California Climate Credit.

This bill would require the credit provided to residential customers of an electrical corporation to be provided on the bills of those customers for the months of July, August, and September of each year, or as otherwise directed by the commission to address extreme, unforeseen, and temporary circumstances. The bill would require the credit to be volumetric, rather than independent of consumption.

Do pass

AB 825 (Petrie-Norris D) Energy: electricity.

CALIFORNIA Efficiency + Demand Management COUNCIL

Summary: Would create the Public Transmission Financing Fund within the State Treasury for the purpose of financing eligible transmission projects, as defined, and projects that are necessary to meet the state's clean energy goals to reduce or offset ratepayer costs associated with the public benefits of transmission projects.

The bill would make the moneys in the fund, except as specified, continuously appropriated, without regard to fiscal year, for the support of eligible entities, as defined, and available for expenditure for the above-described purpose. By establishing a continuously appropriated fund, the bill would make an appropriation.

Do pass

AB 942 (Calderon D) Electricity: climate credits.

CALIFORNIA Efficiency + Demand Management COUNCIL

Summary: Current law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Current law requires the PUC to continue a program of assistance to low-income electric and gas customers with annual household incomes that are no greater than 200% of the federal poverty guidelines, as specified, which is referred to as the California Alternate Rates for Energy (CARE) program. Current law also requires the PUC to continue a program of assistance to residential customers of the state's 3 largest electrical corporations consisting of households of 3 or more persons with total household annual gross income levels between 200% and 250% of the federal poverty guideline level, which is referred to as the Family Electric Rate Assistance (FERA) program. Current law, except as provided, requires revenues received by an electrical corporation as a result of the direct allocation of greenhouse gas allowances to be credited directly to residential, small business, and emissions-intensive trade-exposed retail customers of the electrical corporation, commonly known as the California Climate Credit. This bill would exclude residential customers from receiving the California Climate Credit if they are not enrolled in the CARE or FERA program and their total electricity bills for the previous year were less than $300.

Do pass to Rules Cmte

AB 1280 (Garcia D) Energy.

CALIFORNIA Efficiency + Demand Management COUNCIL

Summary: The Bergeson-Peace Infrastructure and Economic Development Bank Act authorizes the California Infrastructure and Economic Development Bank (I-Bank) to make loans, issue bonds, and provide financial assistance for various types of projects that qualify as economic development or public development facilities. The Climate Catalyst Revolving Fund Act of 2020 authorizes the I-bank, under the Climate Catalyst Revolving Fund Program, to provide financial assistance to any eligible sponsor or participating party in connection with the financing or refinancing of a climate catalyst project, either directly to the sponsor or participating party or to a lending or financial institution, as provided. The act requires the bank to adopt climate catalyst financing plans for specified categories of climate catalyst projects, as specified, after meeting and conferring with the appropriate consulting agencies for those specified categories of climate catalyst projects.

This bill would authorize the I-bank to provide financial assistance in connection with the financing or refinancing of a new category of climate catalyst projects, those that enable the decarbonization of industrial facilities' use of heat and power, including, but not limited to, industrial heat pump and thermal energy storage projects, as specified, with the State Energy Resources Conservation and Development Commission and the State Air Resources Board as consulting agencies.

Do pass

EE PAs' reply to PAO protest of PG&E AL 5095-G/7664-E et al

- On 8/28, the EE PAs replied to PAO's protest of the "Equity and Market Support Goal Constructs Report" submitted in PG&E AL 5095-G/7664-E et al
- The Report:
  - Proposed goal construct options for each equity and market support segments
  - Recommended a process for proposing and adopting equity and market support segment goals
  - Proposed a study scope, methods, and an associated budget to develop meaningful, measurable, and achievable goals
- PAO protest overview
  - The proposed equity segment goal constructs do not demonstrate alignment with all the objectives of the equity segment, as required by D.23-06-055
  - The proposed market support construct violates the requirements of D.23-06-055 b/c it did not provide flexibility for PAs to establish their own goal constructs
  - The joint AL does not justify a $1 million budget for studies on baseline metrics, data collection methods, and recommendations for goal implementation and tracking
- Response summary
  - D.23-06-055 did not require goal constructs to address all 4 objectives in the advice letter
  - OP 25(b), which was cited by PAO, does not prohibit any PA-specific goals
  - Clarified that the $1 million set-aside required by OP 25 is a budgetary cap

©2025 Proprietary and Confidential. All Rights Reserved.

SGIP proposed decision re: DR participation requirement

- On 8/29, the CPUC issued a proposed decision in the SGIP proceeding on several issues, including the DR participation requirement in the Residential Solar and Storage Equity (RSSE) program
- Background
  - D.24-03-071 adopted a requirement that all participants receiving an SGIP technology incentive for BTM storage participate in a "qualified" DR program
  - The definition of "qualified" DR program was so limited that some customers had no way to meet this requirement
  - On 7/7, the ALJ issued a ruling seeking feedback on whether to remove the requirement for all residential low-income customers applying to the RSSE program
- Proposed decision summary
  - Grants exemption for all residential low-income customers applying to the RSSE budget due to current lack of unqualified DR in some territories
  - This will reduce barriers for low-income customers and maintain the benefits of the SGIP
  - Non-RSSE participants are still expected to meet the DR requirement
- Next steps: Opening comments due on 9/18, replies due on 9/23

©2025 Proprietary and Confidential. All Rights Reserved.

SCE proposed modifications to Smart Energy Program

- On 8/29, SCE submitted AL 5619-E to modify its Smart Energy Program (SEP) tariff
- Background
  - The SEP is a direct load control program for enabling technologies that reduce participants' load during events
    - Technologies currently only include Wifi-enabled smart thermostats
  - SEP is available year-round but only pays a $0.32750 daily capacity payment from June-Sept., up to $40 annually (established in 2017)
  - In 2023-2024, approx. 66 MW on average (~85,000 participants)
- Proposal
  - Pursuant to guidance in D.23-12-005 for the DR Mid-Cycle Review, SCE proposes to increase the capacity payment to $0.40984 ($50 annually) under the criterion of "increasing program enrollment", but submits as a standalone separate from the MCR (due 11/1/25) to get approval by 3/31/26
  - SCE plans to expand to expand to non-residential customers in November
  - No change to $22 million total program budget
- Next steps: Responses and protests due on 9/18

©2025 Proprietary and Confidential. All Rights Reserved.

Quick hits

- **Final decision on guidelines for IOU demand flexibility rate design proposals:** On 8/28, the CPUC approved a final decision with minor changes; (redline and clean revised PD)
- **October 7 CEC EPIC Symposium:** CEC will hold an EPIC symposium to "explore how next-generation electric vehicle charging innovations, among other exciting investments, are helping California reach its ambitious clean energy goals affordably and equitably"

©2025 Proprietary and Confidential. All Rights Reserved.

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.