CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

September 5, 2025

REC

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Today's Agenda

CALIFORNIA Efficiency + Demand Management COUNCIL

- CEDMC's Industry Training on 9/16
- SoCalGas-CEDMC Member Business Forum on 9/30
- 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

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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

Register Now - SoCalGas-CEDMC Business Forum

Tuesday, September 30, 2025
10:00 am - 2:00 pm
SoCalGas Energy Resource Center - in-person only

Click here to register

The Council is pleased to announce the 2025 Business Forums with investor-owned utilities and Council members. The first scheduled is with SoCalGas, and other Forum dates will follow.

Forum Topics:

- Organizational structure from SoCalGas
- 3rd party results actual vs. forecast goals
- Solicitation / contracting survey
- Demand flexibility / load shift goals
- Energy efficiency barriers
- Changes in the alignment of decarbonization and affordability
- Revisiting Cost-Effectiveness Tests
- Updates / improvements / concerns / on Statewide program coordination
- Decarbonization Programs – updates, lessons learned, and promising technologies
- Schedule for future solicitations

SoCalGas Business Forum for CEDMC Members

Please note: The IOU Business Forums are a CEDMC member benefit; as such, registration will be limited to CEDMC members. There is no limit on number of employees each member company can send. To facilitate a robust discussion, there is no online option, it is in-person only.

CEDMC Appropriations Outcomes

The Assembly Appropriations Committee and the Senate Appropriations Committee met 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 will have to be reintroduced or amended into other vehicles in order to move forward.

This week and next 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.

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Tuesday, September 09, 2025
8:30 AM
ASSEMBLY BUDGET
GABRIEL, JESSE, Chair
LOCATION: 8:30 a.m. - 1021 O Street, Room 1100
INFORMATIONAL HEARING
SUBJECT: September Budget and Trailer Bills

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

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

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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.

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

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B 541, as amended, Becker. Electricity: load ~~shifting: distributed resources.~~ *shifting.*

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~~Existing law requires an electrical corporation to submit to the PUC a distribution resources plan proposal, as specified, to identify optimal locations for the deployment of distributed resources, as defined. Existing law requires the PUC to review and approve, or modify and approve, each distribution resources plan proposal submitted by an electrical corporation.~~

~~This bill would require the PUC, on or before January 1, 2028, to develop a strategy to reduce the total distribution infrastructure investments required to meet long-term electricity load growth by enabling large electrical corporations to leverage, where cost-effective, 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, or provide bridging solutions to enable faster energization of new loads. The~~

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

Existing 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).

Existing law vests the PUC with regulatory authority over public utilities, including electrical corporations and gas ~~corporations. Under existing law, the PUC supervises certain rate assistance and energy efficiency programs administered by electrical corporations and gas corporations, or administered by third-party administrators on their behalf. Existing law requires the PUC to ensure that all eligible low-income electricity and gas customers are given the opportunity to participate in low-income energy efficiency programs, including the Energy Savings Assistance Program, that are designed to provide long-term reductions in energy consumption at the dwelling unit, including customers occupying apartments or similar multiunit residential structures, as specified. Existing law requires that these programs be designed to provide long-term reductions in energy consumption at the dwelling unit, as specified.~~ *corporations.*

Existing law establishes an 11-member Low-Income Oversight Board to advise the PUC on low-income ~~electric,~~ *electrical,* gas, and water customer issues, as specified.

This bill would add to the Low-Income Oversight Board a member to be selected by the Executive Director of the Energy Commission.

~~This bill would require the PUC, in consultation with the Low-Income Oversight Board, to establish standardized statewide performance metrics to evaluate the effectiveness, equity, and accountability of certain programs, as specified. The bill would require the commission to require administrators of those programs to collect and report data related to those metrics in a standardized format.~~

~~Under existing law, a violation of the Public Utilities Act or an order, decision, rule, direction, demand, or requirement of the PUC is a crime.~~

~~Because a program administrator's failure to collect and report that data in violation of a PUC action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

AB 44 (Schultz D) Energy: electrical demand forecasts

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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. ~~The bill would require the commission to evaluate new and existing mechanisms that can support or expand opportunities for load-serving entities to modify their hourly resource adequacy obligations through load management, and would authorize the commission to include its findings and recommendations in its integrated energy policy report.~~

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

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Summary: This bill would require the Energy Commission, ~~on or before November 1, 2026,~~ *in the next update to the biennial integrated energy policy report after January 1, 2027,* and subject to available funding, 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.~~

Existing law requires the Energy Commission, in consultation with the Public Utilities Commission 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 each electrical corporation to annually report to the Energy Commission its contribution towards meeting that load-shift goal.

Do pass

AB 745 (Irwin D) Electricity: climate credits

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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.

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

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CEDMC remains Opposed Unless Amended (OUA) regarding the AB 825 provision to establish a new oversight Task Force. We continue to engage with Staff and the Author to provide recommendations,.

1. Preferred Resource: Add affirmative language about the value of cost -effective energy efficiency and demand side management as a preferred resource for Californians. This, by definition, is the least-expensive energy and T&D resource for all ratepayers.
2. Time: Either allot more time for the task force or provide a budget to hire independent experts.
    1. Fund hire of independent industry consultants to support task force
3. Program Administration Model: Review program administration model and process – look at other states and make recommendations to either reform current model or change to different model.
4. Streamline Process: Timing of CPUC approvals, approval windows, solicitation requirements, ability of "third-party administered" to in fact run programs independent of IOU control.
5. Reform Cost-Effectiveness Methods: Recommend removing reference to TRC test – it includes costs not paid for by ratepayers. Otherwise we are supportive of direction of the task force in reforming and creating clear rules around cost-effectiveness

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

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6. Out of State Consultation: Recommend that task force consult with out of state EE/DSM entities for advice and insights on how other states approach funding DSM. Consult with ACEEE, NASEO, and other leading state commissions including MA DOER (CA regularly trades places with MA for 1st on ACEEE Scorecard), and IL on other approaches and best practices.

7. Value of DSM to Avoid T&D Build Out Costs: Include in scope of task force a review of potential avoided costs for new T&D needed by instead investing in Demand Side Management approach. Massive potential savings. Peak Load Management Association (PLMA) is currently doing a study on this. Bill increases overwhelmingly driven by increases in T&D spending. Reducing this impact can reduce bills.

8.Non-Participant Benefits: Evaluate and report on the value and impacts to non-participants. Cost-effective DSM lowers costs for all ratepayers.

9.Permitting Reform: As part of process reform, Task Force to examine how the "Permitting Reform Best Practices" from Assembly's own streamlining report can be applied to accelerate benefits from EE: Final Report: Select Committee on Permitting Reform | Official Website - Assemblymember Buffy Wicks Representing the 14th California Assembly District

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

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10. Representation: Add Industry representation to Task Force, in particular, CEMDC and CalTF, to the DSM Task Force, and provide funding to give the Task Force independent representation outside of regulators and regulated entities. Implementers experience the friction, inefficiencies, and inconsistencies in the current process and know where reform is needed and where duplication exists. Also consider CAISO representation to cover load management and participation of DSM resources into the wholesale market.

11. Portfolio Approach: Review and make recommendations on how the overall portfolio of EE/DSM is managed and what amount of "non-resource" investments are allowed and for what.

AB 942 (Calderon D) Electricity: climate credits.

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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.

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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

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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
  - The Council & Leap submitted joint comments stating that the DR requirement is good policy but should be removed for all participants if the CPUC will not expand the qualifying DR programs
- 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

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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 non-residential customers in November
  - No change to $22 million total program budget
- Next steps: Responses and protests due on 9/18

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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"

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Recent filings

2025 Council Filings

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

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Discussion and Questions

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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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