BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Application of Pacific Gas and Electric Company (U 39 M) on Behalf of the California Market Transformation Administrator (U-1399-E) for the Approval of the Initial Tranche of Statewide Energy Efficiency Market Transformation Initiatives.	Application 24-12-009 (Filed December 20, 2024)

REPLY COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL ON PROPOSED DECISION AND ALTERNATE PROPOSED DECISION APPROVING INITIAL TRANCHE OF ENERGY EFFICIENCY MARKET TRANSFORMATION INITIATIVES

Dated: October 20, 2025

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I. INTRODUCTION

The California Efficiency + Demand Management Council ("The Council")[1] respectfully submits these Reply Comments on the Proposed Decision Approving Initial Tranche of Energy Efficiency Market Transformation Initiatives ("Proposed Decision") and the Alternate Proposed Decision Approving Initial Tranche of Energy Efficiency Market Transformation Initiatives ("Alternate Proposed Decision"), both mailed in this proceeding on September 23, 2025. These Reply Comments are timely filed and served pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure and the instructions accompanying the Proposed Decision and the Alternate Proposed Decision.

II. MULTIPLE PARTIES SUPPORT ADOPTION OF THE PROPOSED DECISION AND REJECTION OF THE ALTERNATE PROPOSED DECISION

In its Opening Comments, the Council supported "adoption of the Proposed Decision because it correctly approves the two energy efficiency market transformation initiatives ("MTIs") proposed by California Market Transformation Administrator ("CalMTA") which are for room heat pumps and induction cooking."[2] The Council also recommended rejection of the Alternate Proposed Decision because it is contrary to state law and Commission precedent.[3] As such, the Council agrees with the numerous parties that support adoption of the Proposed

[1] The views expressed by the California Efficiency + Demand Management Council are not necessarily those of its individual members.
[2] The Council Opening Comments, at p. 3; *see also*, Proposed Decision, at p. 2.
[3] The Council Opening Comments, at p. 3.

Decision, including but not limited to Association of Bay Area Governments and County of Ventura ("BayREN" and "3C-REN"), CalMTA, California Environmental Justice Alliance ("CEJA"), Northwest Energy Efficiency Alliance ("NEEA"), and The Utility Reform Network ("TURN").[4]

In Opening Comments, the Council took issue with the Alternate Proposed Decision's decision to only adopt the room heat pump MTI, as opposed to both the room heat pump and induction cooking MTIs.[5] The Council reiterates that the Alternate Proposed decision does not comply with Commission decision and state law and does not provide an adequate basis for not adopting the induction cooking MTI.[6]

The Council agrees with CalMTA that the Alternate Proposed Decision fails to follow the law, is not supported by the record, and assumes facts not in evidence.[7] CalMTA outlines the numerous ways the Alternate Proposed Decision fails to follow Decision ("D.") 19-12-021 and the relevant law, Public Utilities ("P.U.") Code Section 399.4.[8] The Council agrees with CalMTA that the Alternate Proposed Decision bases its denial of approval of the induction cooking MTI "based on the three inappropriate or inaccurate criteria: 1) 'TRC break-even year,' 2) inaccurate facts about market saturation, and 3) the existence of other programs that promote all-electric technologies in the residential market."[9] BayREN and 3C-REN correctly state that the Alternate Proposed Decision "is unsupported by the record and: (1) denies a cost-effective initiative which supports California's climate objectives; (2) creates substantial procedural and administrative inefficiencies; and (3) creates new rules inconsistent with current energy efficiency (EE) policy and practice."[10]

The Council also agrees with CEJA that the Alternate Proposed Decision rejects the induction cooking MTI based on the following erroneous conclusions:

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[4] *See*, e.g., BayREN and 3C-REN Opening Comments, at p. 3; CalMTA Opening Comments on the Proposed Decision, at p. 1; CEJA Opening Comments, at p. 2; NEEA Opening Comments, at p. 2; and TURN Opening Comments, at p. 1.
[5] The Council Opening Comments, at pp. 5-6.
[6] *Id.*, at p. 6.
[7] CalMTA Opening Comments on Alternate Proposed Decision, at pp. 2-13.
[8] *Id.*, at pp. 1-4.
[9] *Id.*, at p. 6.
[10] BayREN and 3C-REN Opening Comments, at p. 3.

(1) the MTI is overly broad, when in fact there is a clear focus on development of affordable 120V induction models;
(2) other programs, and specifically the California Energy Commission's ('CEC') Building Initiative for Low-Emissions Development ('BUILD') Program, are already promoting the same technologies, when BUILD focuses on *new* construction that is already wired for 240V stoves;
(3) CalMTA's saturation estimates for induction cooking understated deployment and an alternative dataset should be used, when in fact the dataset referred to in the APD does not exist and in any event, uncontroverted evidence in the record highlights the lack of affordable 120V cooking equipment, which is not obviated by any data set relied on in this proceeding; and
(4) imposition of a new cost-effectiveness threshold for the MTIs' break-even Total Resource Cost ('TRC') year is warranted, when this is not the applicable legal standard."[11]

Similarly, TURN correctly states that the Alternate Proposed Decision provides an erroneous cost-effectiveness rationale and argues against the Alternate Proposed Decision's "break-even year" metric which is limited and "focuses on various snapshots in time at which mid-stream cumulative costs and benefits are compared."[12] The Council agrees with TURN that "[s]uddenly giving significant weight to interim snapshots of cumulative costs versus benefits, as the APD does, is erroneous because it flatly conflicts with the cost-effectiveness approach that the Commission adopted in D.19-12-021 and ordered CalMTA to use in its application."[13]

In addition, the Council agrees with NEEA that "[i]nduction cooking represents a unique opportunity to transform a major end-use market with significant energy, health, and equity benefits. Delaying this initiative risks losing momentum with manufacturers and retailers at a critical time."[14] The Council also agrees with CEJA that by misconstruing the focus of the induction cooking MTI and "ignoring facts in the record related to the cost-effectiveness and ESJ benefits of the MTI, the APD improperly rejects a program that is uniquely positioned to remove barriers to ESJ households' access to efficient zero-emissions cooking equipment."[15]

Lastly, the Council agrees with CalMTA, NEEA and TURN that the Alternate Proposed Decision inaccurately finds that the induction cooking MTI is duplicative of other programs.[16]

[11] CEJA Opening Comments, at p. 2.
[12] TURN Opening Comments, at p. 3.
[13] *Id*.
[14] NEEA Opening Comments, at p. 7.
[15] *Id*., at pp. 2-3.
[16] CalMTA Opening Comments on the Alternate Proposed Decision, at pp. 8-9; NEEA Opening Comments, at pp. 8-9; and TURN Opening Comments, at pp. 6-8.

The Council agrees with TURN that the Alternate Proposed Decision "misconstrues the record regarding programs promoting induction cooking, and it provides no reasonable basis for reversing the Commission's conclusions in D.19-12-021 and positing that ratepayers are best served when an MTI operates alone in a market."[17] The Council agrees with CalMTA that "the BUILD program does not cover the full scope being addressed by the MTI. The BUILD program rebates are only for new construction and are provided to builders and developers of primarily low-income housing."[18]

For the reasons outlined in the Council's Opening Comments and above, the Commission must reject the Alternate Proposed Decision and adopt the Proposed Decision and approve both the room heat pump and induction cooking MTIs.

III. THE COUNCIL AGREES WITH CALMTA, NEEA AND TURN THAT THE PROPOSED DECISION SHOULD BE MODIFIED REGARDING THE BUDGET

The Council continues to recommend that the Proposed Decision should be modified to release the full $250 million budget cap.[19] As such, the Council agrees with CalMTA, NEEA, and TURN who recommend the same.[20] CalMTA argues that the Proposed Decision's approach to determining the Administration and Operations budget is based on incorrect assumptions.[21] In addition, the Council agrees with CalMTA that "it is reasonable and appropriate for the Commission to fund 100 percent of CalMTA's cost estimate for Administration and Operations for the full implementation period."[22]

TURN correctly states that:

> There is no record support for [the Proposed Decision's] proportional reduction in [Market Transformation Administrator ("MTA")] Administration and Operations budgets, which would leave CalMTA unable to complete essential tasks that do not depend on MTI Market Deployment activities. Nor is there evidence that the planned MTA Administration and Operations activities are unreasonable.

NEEA also argues that the Administration and Operations budget set forth in the Proposed Decision "is based on the assumption that these expenses are fully variable in

[17] TURN Opening Comments, at p. 6.
[18] CalMTA Opening Comments on the Alternate Proposed Decision, at p. 8.
[19] The Council Opening Comments, at p. 5.
[20] *See*, e.g., CalMTA Opening Comments on the Proposed Decision, at pp. 8-12; NEEA Opening Comments, at pp. 10-12; and TURN Opening Comments, at pp. 9-12.
[21] CalMTA Opening Comments on the Proposed Decision, at pp. 8-9.
[22] *Id.*, at p. 10.

proportion to the costs of MTIs in market deployment."[23] NEEA outlines the numerous tasks that CalMTA will need to undertake to implement these MTIs, such as coordination with program administrators, engagement with ESJ communities and the public, and development and maintenance with California market actors; all of which will be needed as operational expenses.[24] The Council agrees with NEEA that "[t]here may be some variability in these categories from year to year, but a good deal of the effort and expense will not change substantively without compromising some element of the value delivery from these activities."[25]

IV. CONCLUSION

The Council appreciates the opportunity to provide Reply Comments on the Proposed Decision and Alternate Proposed Decision. The Council again requests adoption of the Proposed Decision with the modification that the full budget should be adopted and that the Alternate Proposed Decision must be rejected in its entirety due to the fact that it does not comply with California law or Commission decision.

Dated: October 20, 2025

Respectfully submitted,

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[23] NEEA Opening Comments, at pp. 11-12.
[24] *Id.*, at p. 12.
[25] *Id.*