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Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Weekly Member Policy Call

June 26, 2026

REC

This call is being recorded.

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Today's Agenda

- Announcements
- Policy Updates
  - EE Business Plans
  - DER Cost Effectiveness
  - California Energy Commission
- Legislative Priorities
- Q&A

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Announcements

CEDMC Member Check-In & Survey

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On Tuesday, Kira sent emails with an employee check-in. If you haven't yet, please reply with updates to make sure everyone has access to CEDMC services.

Member Survey deadline extended until Monday! If you haven't yet, please take this short survey. It should take about 10 min. and will help us tailor our services to what you value most.

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Networking Happy Hour in Los Angeles on July 23!

- **Date**: Thursday, July 23, 2026
- **Time**: 4:30 – 7 p.m.
- **Location**: Arts District Brewing Company
  - 828 Traction Ave, Los Angeles, CA 90013
  - About a half-mile walk from LACI
  - About a mile walk to the Amtrak station

Pricing

- AESP Member: $5 - AESP Non-member: $10
- CEDMC Discount Code: **AESPCA26**

CLICK HERE TO REGISTER

Registration includes light appetizers, with gluten-free and vegetarian options available.

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Webinar

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Intelligent Water Management: Unlocking Measurable Water Savings & Reducing Risk

- **June 29, 2:0O PM EDT**
- **Learn more and register**

NAESCO
National Association of Energy Service Companies

This webinar explores how intelligent water management technologies can improve Energy Savings Performance Contracts (ESPCs) by increasing water efficiency, reducing risk, and supporting verified savings.

All NAESCO webinars are free to all attendees. Recordings and slides available only to members.

Webinar

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Exploring 2025 patterns in transmission value across the United States with Berkeley Lab's Energy Market Value Tool

- **July 1, 10:00 AM PST**
- **Learn more and register**

Berkeley Lab introduced a new interactive tool to explore transmission market value trends. Webinar includes live demo and 2025 data insights.

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Policy Updates

A.26-03-009 – EE Business Plan Applications (1)

June 19 Prehearing Conference: Commission outlined its proposed scope for the proceeding.

Key priorities:

- Keep the proceeding focused enough to issue a final decision by **Summer 2027** so portfolios can launch on schedule in **January 2028.**
- Separate broad statewide policy questions from portfolio-specific issues.
- Focus this proceeding on reviewing portfolio applications rather than rewriting EE policy.

Why this matters

- The Commission signaled it intends to keep the case moving and avoid allowing broader policy debates to delay approval of the next EE portfolio cycle.

A.26-03-009 – EE Business Plan Applications (2)

Major Theme: Policy vs. Portfolio

The ALJs repeatedly emphasized that many policy questions belong in **R.25-04-010 (Energy Efficiency Rulemaking)** rather than this application proceeding.

Examples proposed for the Rulemaking include:

- Cost-effectiveness policy
- REN oversight & governance
- Energy Efficiency Policy Manual updates
- Workforce policy
- EM&V and reporting reforms
- Database & administrative changes

Key takeaway

- The Commission appears committed to separating long-term policy development from approval of the 2028–2031 portfolios.

A.26-03-009 – EE Business Plan Applications (3)

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Issues Remaining In Scope

The Commission's draft scope continues to include review of:

- Portfolio budgets
- Energy savings and performance forecasts
- Individual program proposals
- Equity program definitions and funding
- Statewide program administration
- Third-party procurement reforms
- Integrated Demand Side Management (IDSM)
- Building decarbonization issues

The ALJs also noted portfolios may need updates later if related proceedings change Commission policy.

A.26-03-009 – EE Business Plan Applications (4)

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Stakeholder Discussion

While most parties generally supported the streamlined approach, discussion focused on:

- Whether additional cost-effectiveness reforms should remain in this proceeding.
- How equity programs and Regional Energy Networks (RENs) should be evaluated.
- Whether certain implementation issues (such as net-to-gross treatment) should be decided now or deferred to the rulemaking.

Despite differing priorities, many parties supported avoiding major policy changes after applications had already been submitted.

R.22-11-013 DER Cost Effectiveness Proceeding

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Opening Comments Filed (June 19)

Seven parties submitted opening comments on Energy Division's revised 2026 Avoided Cost Calculator (ACC) Staff Proposal. Comments generally focused on the revised Integrated Calculation methodology and proposed transmission avoided cost updates.

Key Themes:

Transparency & Simplicity	Alignment with IRP	Concerns About Cost-Effectiveness	Requests for Additional Refinement
Several parties supported moving from the Python-based optimization model to a more transparent Excel-based calculation that stakeholders can more easily review and validate.	Many commenters supported closer alignment between the ACC and the Integrated Resource Plan (IRP), particularly by using RESOLVE greenhouse gas shadow prices.	Several parties argued the revised methodology could undervalue distributed energy resources, electrification, and demand-side programs by oversimplifying assumptions or applying inappropriate caps to GHG values.	Many commenters supported the direction of the proposal but requested additional calibration, benchmarking, documentation, or updated assumptions before adoption.

R.22-11-013 DER Cost Effectiveness Proceeding

Data Working Group Final Report

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ALJ Extends Comment Schedule

- The ALJ issued a ruling extending the deadline for comments on the Data Working Group Final Report.
- The report addresses data access and implementation recommendations within the DER Cost-Effectiveness proceeding.
- **Opening comments are now due June 26; reply comments are due July 3.**

California Energy Commission Update

Proposition 4 DEBA Grant Program

The CEC has released the **draft solicitation** for the Proposition 4 **Distributed Electricity Backup Assets (DEBA)** Grant Program.

Highlights

- **$46.1 million** available for eligible distributed energy resource (DER) projects.
- Program is intended to support deployment of backup energy resources that improve grid reliability during extreme events.
- Public comments on the draft solicitation are due **July 15, 2026**.

Resources

- CEC Docket (22-RENEW-01)

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Legislative Updates

Legislative Priorities

- CEDMC Priority Bill List - June 2026
- Legislative Priorities and Actions
- Budget Priorities and Actions

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SB 913 (Becker) – Clean Local Power Act

- Heard in the **Assembly Utilities & Energy Committee**.
- Bill continues to move through the legislative process following recent amendments.
- Bill Information

Purpose: Seeks to expand the use of aggregated distributed energy resources (such as batteries, EVs, and smart thermostats) in California's Resource Adequacy program to support grid reliability and affordability.

SB 1282 (Irwin) – Clean Local Power Act

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- Bill continues to move through the legislative process following recent amendments.
- Bill Information

Purpose: Seeks to expand the use of aggregated distributed energy resources (such as batteries, EVs, and smart thermostats) in California's Resource Adequacy program to support grid reliability and affordability.

Flexible Load Management Report Released

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A new industry report highlights growing interest in flexible load management as utilities prepare for increasing electricity demand.

- **Key Findings**

82% of energy professionals view load flexibility as critical today.

59% report growing strain on generation capacity from data center demand

63% plan to prioritize data center participation in demand response programs over the next 3–5 years.

70% identify implementation cost and complexity as the biggest barriers to scaling flexible load solutions

Why It Matters

- As electricity demand continues to grow—particularly from data centers—utilities are increasingly looking to demand response and flexible load management to improve grid reliability and manage costs.

State Budget Update – DSGS & ELRP

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Budget negotiations continue on the future of the **Demand Side Grid Support (DSGS)** and **Emergency Load Reduction Program (ELRP).**

- Current budget language:

Includes **placeholder statutory language** for DSGS, ELRP, and the Distributed Electricity Backup Assets Program.

Provides **$2 million** for a heat pump matching program serving low-income Californians.

Extends and reappropriates funding for several existing clean energy and decarbonization programs, including:

- Distributed Electricity Backup Assets
- Equitable Building Decarbonization (EBD)
- California Schools Healthy Air, Plumbing & Efficiency
- INDIGO

Key Takeaway

- Budget language keeps these programs moving administratively, but major policy and funding decisions for DSGS and ELRP have been deferred and are still under negotiation.

Discussion and Questions

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Thank You!

Please contact us if you have any questions.

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