BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U-902-M) to Revise its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan	A.25-04-014 (Filed April 25, 2025)

COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL ON JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY (U-902-M) AND THE PUBLIC ADVOCATES OFFICE FOR ADOPTION OF SETTLEMENT AGREEMENT

Date: June 1, 2026

Chris Burmester, Board Chair
California Efficiency + Demand Management Council
2111 San Pablo Ave. Unit 2300
Berkeley, CA 94702
Telephone: 510-813-8982
Email: policy@cedmc.org

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RESPONSE OF
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL ON JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY (U-902-M) AND THE PUBLIC ADVOCATES OFFICE FOR ADOPTION OF SETTLEMENT AGREEMENT

I. INTRODUCTION

The California Efficiency + Demand Management Council (Council)[1] submits Opening Comments on the *Joint Motion of San Diego Gas & Electric Company and the Public Advocates Office for Adoption of Settlement Agreement* (Settlement Agreement).[2] These comments have been timely filed and served pursuant to the California Public Utilities Commission (CPUC) Rules of Practice and Procedure 12.1(d), 12.2 and 11.1 and the instructions contained in the April 7, 2026, Administrative Law Judge's (ALJ) Ruling.[3]

II. SUMMARY OF CEDMC'S POSITIONS

[1] CEDMC is a statewide trade association of non-utility businesses that provide energy efficiency (EE), demand response (DR) and data analytics services and products in California. Our member companies employ many thousands of Californians throughout the state. They include EE, DR and distributed energy resources (DER) service providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and energy efficient product manufacturers. CEDMC's mission is to support appropriate EE, DR and DER policies, programs, and technologies to create sustainable jobs, long, term economic growth, stable and reasonably priced infrastructures, and environmental improvement. (For more information, please go to http://www.CEDMC.org.)

[2] Joint Motion of San Diego Gas & Electric Company (U 902 M) and the Public Advocates Office for Adoption of Settlement Agreement (May 1, 2026) (Settlement Agreement).

[3] Administrative Law Judge's Email Ruling Granting, in part, Motion Requesting Amended Schedule (April 7, 2026) (Ruling).

The Settlement Agreement includes four Settlement Terms.[4] Terms 1 and 2 result in San Diego Gas & Electric's (SDG&E's) withdrawal from its entire regional energy efficiency (EE) portfolio. CEDMC is not taking a position on whether SDG&E should withdraw from this obligation; our concerns are specific to the rationale SDG&E provided for its proposed withdrawal. CEDMC's Comments focus on SDG&E's rational for Terms 1 and 2.

Terms 3 and 4 involve changing the cost-effectiveness obligations of non-investor-owned utility (IOU) program administrators (PAs) providing gap programs in an IOU territory and then applying that term beyond the scope of the current proceeding. CEDMC will leave it to others to argue the legality of these terms, but CEDMC does not agree that cost-effectiveness rules for all PAs need to be the same, particularly given the very different statutory roles of non-IOU PAs.

III. WHILE CEDMC DOES NOT OPPOSE SETTLEMENT TERMS 1 AND 2, CEDMC DISAGREES WITH THE RATIONALE PROVIDED FOR SDG&E'S WITHDRAWAL FROM REGIONAL ENERGY EFFICIENCY PROGRAMS

CEDMC agrees with the factual and policy disputes in this proceeding regarding the characterization of the underlying causes of SDG&E's portfolio underperformance. SDG&E's assertions about portfolio performance, cost-effectiveness and affordability as justification for its requested withdrawal are contested issues, and CEDMC plans to provide additional details on these issues in upcoming briefs.

A. Mischaracterization of Cost-Effectiveness Claims

SDG&E claims that its "total RA segment was not cost effective, with a TRC of 0.98 [in 2024]"[5] and "regional EE programs have not achieved a TRC score of 1.0 or higher for several years."[6] However, the data provided to the Public Advocates Office (PAO) by SDG&E and included in PAO's testimony is missing critical information. Figure 1 below, listing the SDG&E programs proposed to be closed,[7] leads to the claim by PAO that SDG&E fails to deliver the

[4] Settlement Agreement, at A-4.
[5] Settlement Agreement, at p. 14.
[6] Id.
[7] See Opening Testimony on San Diego Gas & Electric Company's Application to Revise its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan (January 15, 2026) (Ex. CA-01) at pp. 2-3 and 2-4.

individual projected savings for 70 percent of the 22 programs listed.[8]

Row No.	Program ID	Program Name	Program Segment [23]	Proposed Last PY	2017	2018	2019	2020	2021	2022	2023	2024	Total TRC Costs for PYs 2017-2024
1	SDGE_SW_HVAC_Up_Com	SW HVAC Upstream Commercial	RA	2026**								0.59	$791,265
2	SDGE_SW_HVAC_Up_Res	SW HVAC Upstream Residential	RA	2026**								0.7	$1,447,562
3	SDGE_SW_PLA	SW Plug Load and Appliances	RA	2026**					0	0.26	0.44	0.5	$5,081,430
4	SDGE3226	SW-COM Direct Install	RA	2025	2.03	0.69	0.58	0.31	0.18	0.44	0.54	1	$32,872,643
5	SDGE3280	3P-IDEEA	MS	2025	0	0	0	0	0	0	0	0	$10,365,238
6	SDGE4001	Single Family Program	RA	2025					0	0.04	0.75	0.99	$1,826,852
7	SDGE4002	Multi Family Program	RA	2025				0	1.14	1.32	1.8	1.01	$24,920,441
8	SDGE4006	Industrial Sector Program	RA	2031*							0	1.13	$6,589,045
9	SDGE4009	Agricultural Growers Services Program	RA	2026						0.2	0.5	0.99	$1,351,049
10	SDGE4012	Federal Customer Services Program	RA	2025					0	0.21	0.2	0.03	$6,704,728
11	SDGE4040	IDSM Local Residential Behavioral Program (EE)	RA	2025							0.67	1.66	$7,597,836
12	SDGE4168	Lodging (Hotels/Motels)		2027									$0
13	SDGE4169	Groceries, Restaurants and Food Storage		2027									$0
14	SDGE4170	Wholesale/Retail/Office, including Entertainment Services		2027									$0
15	SDGE4171	Private Institutions/Healthcare		2027									$0
16	SDGE4173	Small Business Outreach	E	2027								0	$1,023,538
17	SDGE4174	Workforce, Education & Training Programs	MS	2027								0	$2,914,147
18	SDGE4175	Local Residential Fuel-Substitution		2027									$0
19	SDGE4176	Residential Equity Program	E	2027								0	$968,695
20	SDGE4184	Non-Residential Behavioral Program	MS	2027								0	$653,301
21	SDGE4197	Market Access Program - Residential	RA	2027									$211,083
22	SDGE4198	Market Access Program - Commercial	RA	2027									$668,769

Figure 1.0: SDG&E Programs Proposed for Closure

Some key data points are missing related to this claim:

- The program start year is not included. Including this data would clearly demonstrate that only two of these programs have been running since 2017, and one of them is a Market Support program with no claimable savings (IDEEA). The Commercial DI

[8] Id., at p. 2-8.

program has remained in the market in a limited capacity for public K-12 schools to fill a gap and avoid a lapse in program services[9] until SDREN service offerings are available for this customer segment.[10]

- The table does not reference programs that have closed since 2017
- Inclusion of Market Support and Equity programs next to Resource Acquisition programs: Market Support and Equity programs have different key objectives and are not intended to be evaluated alongside Resource Acquisition programs based on Total Resource Cost (TRC) alone.
- Of the 22 programs listed, only 6 are regional Resource Acquisition programs that have been in the market for at least one full year. In 2024, only one of these programs fell significantly short of a 1.0 TRC. Two achieved a TRC of 0.99, and the other three exceeded 1.0 TRC.
- Ten of the 22 programs listed launched mid-2024 or have not yet launched, claiming their failure before they even had a chance to begin.

CEDMC's analysis of the 2025 CEDARS data indicates that the TRC for SDG&E Resource Acquisition program is 1.31, while the TRC for "all program segments" is 1.41 based on CEDARS data available on the date of this filing, June 1, 2026.[11] Based on this publicly available CEDARS data (see below snapshots), CEDMC also notes that of the 11 Resource Acquisition programs with TRC values greater than 1.0, only three are statewide programs. These 11 programs correspond to 70% of the budget expenditure.

[9] SDG&E 2024 Energy Efficiency Annual Report, at p. 8
[10] EE Portfolio Application of San Diego Regional Energy Network, Exhibit 2 2024-2027 Portfolio Plan, at p. 84.
[11] Confirmed claim dashboard - CEDARS

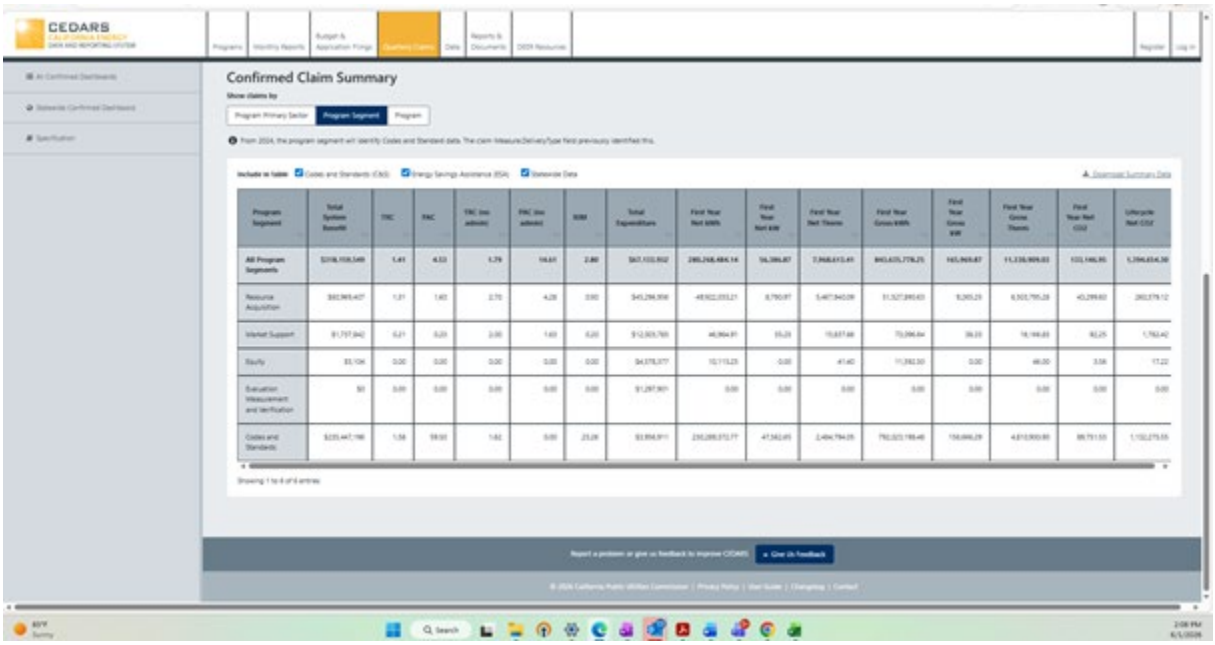

Figure 2.0: SDG&E CEDARS Data 6.1.2026 – Program Segment

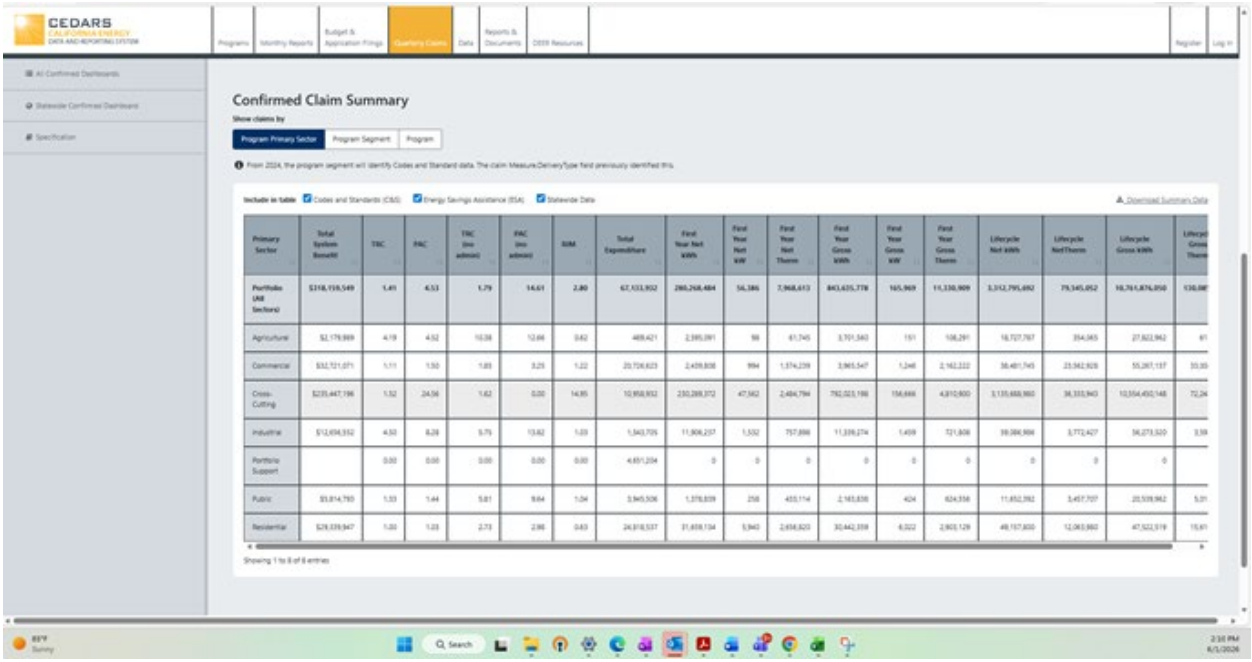

Figure 3.0: SDG&E CEDARS Data 6.1.2026 – Program Primary Sector

B. Failure to Quantify Costs or Demonstrate Net Benefits

SDG&E's affordability argument lacks a quantified showing of ratepayer benefits. The Settlement includes no rigorous comparison of:

- Current administrative costs versus projected post transition costs
- Transition and implementation expenses
- Impacts on program participation and resulting energy savings
- Net present value of benefits foregone due to disruption.

Without such analysis, the claim that discontinuation will improve affordability is speculative. The Commission has consistently required a clear demonstration of net benefits to ratepayers; here, no such showing exits.

In fact, the likely outcome is the opposite. Program disruption, contract transitions, and loss of institutional knowledge introduce inefficiencies that can increase costs and reduce savings. These impacts would directly undermine affordability by reducing the cost-effectiveness of ratepayer-funded programs over time.

C. Ignoring the Cost of Program Disruption

Regional energy efficiency programs rely on continuity, established relationships with implementers, and long-term market development strategies. SDG&E has not demonstrated how these elements will be preserved, nor how potential transitions will avoid the substantial and well-documented costs of program disruption. These include:

- Delays in program delivery and project pipelines
- Loss of experienced implementers and staff
- Reduced participation due to market uncertainty
- Fragmentation of regional coordination efforts

Such impacts directly erode cost-effectiveness by reducing realized energy savings while fixed and transition costs remain. The Settlement does not include a credible mitigation strategy for these risks, nor does it quantity their financial implications.

D. No Showing That Alternatives Were Considered

SDG&E does not demonstrate that discontinuation is the least cost or most cost-effective

option available. It is important that SDG&E evaluate alternatives such as:

- Targeted administrative reforms
- Enhanced oversight or performance management
- Shared or hybrid administration models
- Incremental program redesign

Absent this analysis, SDG&E cannot reasonably claim that its proposed course of action is justified on cost-effectiveness or affordability grounds.

E. Affordability is not Served by Reducing Program Effectiveness

CEDMC emphasizes that affordability must be evaluated in terms of long-term ratepayer value, not short-term administrative cost reductions. Energy efficiency programs are a primary tool for lowering customer bills and avoiding more expensive supply-side investments. Any action that reduces program performance, delays savings, or diminni8shes market transformation outcomes ultimately harms affordability. SDG&E's proposal risks precisely these outcomes. By undermining established regional programs without a substantiated replacement framework, the Settlement introduces uncertainty and inefficiency that are incompatible with the Commission's affordability objectives.

IV. CONCLUSION

CEDMC looks forward to the opportunity to provide additional information on the issues underlying SDG&E's reasons for requesting withdrawal from regional EE programs.

Date: June 1, 2026

Respectfully Submitted

/s/ Chris Burmester, Board Chair

California Efficiency + Demand Management Council
2111 San Pablo Ave. Unit 2300
Berkeley, CA 94702
510-813-8982
policy@cedmc.org