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COUNCIL

Advancing Our Clean Economy

Weekly Member Policy Call

August 7, 2026

REC

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Today's Agenda – covers July 2026

- **CEDMC Announcements** | *Kira Kimick*
- **Board Activities** | *Kira Kimick, Paul Youngblood*
- **July Policy Summary** | *Melanie Gillette, Paul Youngblood*
- **August Policy Opportunities** | *Melanie Gillette, Paul Youngblood*
- **Empower DSM Coalition** | *Paul Youngblood*
- **Legislative Update** | *Erin Niemela and Tiffany Phan, Niemela Pappas & Associates, CEDMC Lobbyists*
- **Q&A**

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Announcements

NOW HIRING

Managing Director

California Efficiency + Demand Management Council

Reports To: CEDMC Board of Directors

Terms: Part-Time Salaried (24 hrs/week)

Location: Remote in California

Compensation: $106,000 – $112,000 annually

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Candidates should submit a resume and cover letter outlining their interest, qualifications, salary expectations within the posted range, and available start date to ops@cedmc.org.

CEDMC is seeking a dynamic and strategic Managing Director to lead the organization through its next phase of growth and impact. This part-time exempt position serves as the primary public representative, spokesperson, and relationship-builder for the organization while providing leadership in support of the Council's mission, strategic priorities, and member engagement efforts.

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Inaugural CalNEXT Innovation Nexus

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On August 26 in Irwindale, the CalNEXT Innovation Nexus will create a space to explore how emerging technologies and utility programs can contribute to California's energy efficiency goals. CalNEXT project findings will be presented and will connect research to potential outcomes for developing and utilizing new technologies.

FREE EVENT!

August 26 in Irwindale

See the full agenda and register at:

https://calnext.com/events/innovation-nexus/

Keynote Speaker

Gene Rodrigues

former Assistant Secretary of Energy for Electricity Delivery and Energy Reliability at the Department of Energy

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Board Activities - July

July Board Activities – Events Committee

Industry Training

Breaking up the training into four online sessions.

Dates and times will be announced soon!

https://cedmc.org/events/trainings/

Session Topics

- **California Energy Policy Foundations**
  - How we got here & what drives today's system
- **Energy Efficiency in Practice**
  - How savings are defined, measured & valued
- **Demand Response & Load Flexibility**
  - DR's role in reliability, affordability & decarbonization
- **Regulatory Process & Decision-Making**
  - How decisions actually get made

July Board Activities – Events Committee

Fall Conference

Join us in South San Francisco on November 17-18, 2026. Agenda planning is actively underway. More details will be announced at:https://cedmc.org/events/fall-conference/

Agenda Topics

- Keynote: Leuwam Tesfai, Executive Director, CPUC
- The Electricity Affordability Equation: Efficiency, Flexible Demand, and Smart Electrification and their impact on Rates
- Powering Growth, Centering Communities: Navigating Local Impacts of Rapid Load Expansion
- Efficiency Plans for Natural Gas's Future
- Building the Workforce Behind Efficiency and Electrification
- EE Applications: What's Emerging, What Matters, and What Comes Next
- Where Strategy Meets Customer Reality: Leadership Perspectives on California's Energy Future

July Board Activities – SPARC

- Member Retention
- Board Strategic Planning Retreat in December
- New ways to engage RENs, CCAs, and manufacturers through possible events or trainings

July Board Activities – Policy Committee

- Met with committee representative to discuss “The Savings You Don’t See” - August 5th hearing
  - Alex Cohill-Milanick
  - Provided feedback on Questions for PAs
- Participated in biweekly Empower DSM Coalition calls
- Workshopped SDG&E withdrawal Reply
- Provided SoCalGas with feedback on Market Support and Equity programs

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July/Aug Policy Updates

California Public Utilities Commission

A.25-04-014 SDG&E to Exit Regional EE Programs

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Reply Briefs Filed – July 15

Key Issues

Should SDG&E's withdrawal be approved?
How should affordability and cost-effectiveness be evaluated?
What role should Regional Energy Networks (RENs) and other regional administrators play going forward?
Should this application establish broader statewide energy efficiency policy—or should those decisions be made elsewhere?

Where Parties Agree

An orderly transition is essential if SDG&E exits
Customers should continue to have access to energy efficiency programs
Successor administrators will need transition data and planning

Why It Matters

Although focused on SDG&E's proposed withdrawal, the Commission's decision could influence future energy efficiency policy by shaping how affordability, cost-effectiveness, regional administration, and transition planning are addressed statewide.

A.25-04-014 SDG&E to Exit Regional EE Programs

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In its July 15th reply brief, CEDMC recommended that the Commission:

Limit its findings to SDG&E's specific regional portfolio and avoid concluding that regional energy efficiency in San Diego is inherently infeasible or no longer cost-effective.

Reject unsupported affordability claims unless they account for long-term customer value, including avoided-cost benefits, participant bill savings, non-energy benefits, transition costs, and reliability benefits.

Preserve a pathway for continued regional energy efficiency funding and successor program development if SDG&E's withdrawal is approved.

Require an orderly transition that includes stakeholder engagement, transition data, gap analyses, and customer access protections.

Avoid establishing statewide precedent regarding investor-owned utility withdrawal, Regional Energy Network responsibilities, or future energy efficiency policy through this application, instead addressing those issues in future business plan applications and statewide rulemakings.

A.25-04-014

SDG&E to Exit Regional EE Programs

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On August 5, SDG&E filed a Motion requesting permission to submit a **Sur-Reply Brief** addressing the gap proposals discussed in the Opening and Reply Briefs.

SDG&E argued that several parties, including CEDMC, supported recommendations regarding a transition ("glide path") for customers if SDG&E exits its energy efficiency programs before replacement programs are available.

The Administrative Law Judge has **approved SDG&E's request** and directed SDG&E to file its Sur-Reply Brief by **August 14**.

No additional response opportunity has been provided to the other parties.

A.26-03-009 EE Business Plans

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Scoping Memo Issued – July 24, 2026

- Established priorities for 2028–2031 Energy Efficiency Portfolio Plans and 2028–2035 Business Plans
- Defined the scope and schedule for the proceeding

Why It Matters:

The Scoping Memo establishes the roadmap for the next generation of California's energy efficiency portfolios, defining the policy issues that will shape program design, funding priorities, and implementation through 2035.

Schedule

- Aug./Sept. – Workshops (if needed)
- October – Testimony
- Late 2026 – Evidentiary hearing ruling
- Mid/Late 2027 – Proposed Decision

A.26-03-009 EE Business Plans

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Scope of the Proceeding

🟢 In Scope
(Will be addressed in this proceeding)

- Budgets & load forecasts
- Energy savings, GHG goals & total system benefits
- Program design & delivery
- Statewide program rules & third-party procurement
- Equity definitions & Integrated Demand-Side Management (ISDM)
- Workforce standards
- Building decarbonization & fuel-switching

🟡 Deferred to R.25-04-010
(Addressed in the Energy Efficiency proceeding)

- Energy efficiency cost-effectiveness methodology
- Net-to-gross methodology
- Participant costs & benefits
- Regional Energy Networks (RENs) policies & oversight
- Energy Efficiency Policy Manual updates
- CAEECC governance
- Evaluation, Measurement & Verification (EM&V)
- DEER process & "bus stop" schedule
- Multifamily project treatment
- Custom project review process

🔴 Out of Scope

- Moratorium on new RENs
- Avoided cost & cost-effectiveness changes beyond energy efficiency
- Cost-effectiveness requirements for portfolio segments
- Eliminating programs based solely on cost-effectiveness
- Use of EE funding for event-based demand response
- Development of general non-energy benefits

A.26-07-004 California Market Transformation Administrators' (CalMTA) Second Tranche Application

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New Proceeding Opened! CalMTA filed its Second Tranche Application proposing three new Market Transformation Initiatives (MTIs):

- Residential Heat Pump Water Heating
- Commercial Replacement and Attachment Window Solutions
- Commercial Rooftop Units

CEDMC Activity

- Filed a **Motion for Party Status**
- Opening Response due **August 7**
- Will address:
  - Support for the MTI approach
  - Proposed Tier 2 Advice Letter process for future MTIs
  - Affordability considerations

Why It Matters

- Creates future opportunities for members to develop and implement MTI programs.
- The Commission's decision on the proposed **Tier 2 Advice Letter** process could shape how future Market Transformation Initiatives are reviewed and approved.

A.26-07-004 CalMTA Second Tranche Application

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CEDMC is filing comments August 7 to support CalMTA's application for a second tranche of market transformation initiatives (MTIs).

CEDMC supports approval of the three new initiatives: Residential Heat Pump Water Heating, Commercial Replacement and Attachment Window Solutions (CRAWS), and Commercial Rooftop Units (CRTUs). The three initiatives collectively are expected to generate approximately $1.9 billion in lifetime Total System Benefits over the next 20 years.

CEDMC also supports CalMTA's request to authorize future qualifying MTIs through a Tier 2 Advice Letter process

Finally, CEDMC maintains that affordability should be evaluated not only through near-term bill impacts but also through long-term system cost reductions. The proposed MTIs represent a strategic investment intended to deliver durable market changes that can generate benefits long after ratepayer funding has ended.

R.19-01-011 Building Decarbonization

Limited Proceeding Reopened, July 23, 2026

Scoping Memo Issued

- Reopens a limited portion of the Building Decarbonization proceeding
- Considers whether **Tribal lands** should be exempt from the Commission's decision eliminating electric line extension subsidies for mixed-fuel new construction
- Responds to a request from the **Morongo Band of Mission Indians**

Key Questions

- Is a Tribal exemption warranted?
- Does the current policy align with the CPUC's **Environmental and Social Justice Action Plan?**

R.21-06-017 High DER Proceeding

Two Major Workstreams Advanced in July

Flexible Service Connections (FSCs) (Track 3)

Develops a statewide framework for faster customer interconnections

Focuses on how customers connect to the grid

Stakeholder comments filed on the Assigned Commissioner's Proposal

DER Orchestration (Track 2)

Develops a framework for coordinating DER operations across the grid

Focuses on **how DERs operate once connected**

Stakeholder comments filed on the Track 2 Workshop Reports

Key Policy Questions
Flexible Service Connections: How broadly should FSCs be deployed, and under what customer protections?
DER Orchestration: How should DERs be coordinated, who should oversee the system, and what market structure should support participation?
CEDMC Activity
Filed **reply comments** on DER Orchestration
Comments emphasized technology-neutral standards, transparent market design, and effective integration of Distributed Energy Resources.
Why It Matters
The proceeding has shifted from exploratory discussions to active policy development. Decisions made in these two tracks will shape how Distributed Energy Resources are interconnected, coordinated, and integrated into California's electric grid.

R.22-11-013 DER Cost Effectiveness Data Working Group Report

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Key Issues Before the Commission

Statewide Data Platform
Should the Commission begin implementation planning now or require additional analysis first?
DER Registry
Supporters see it as foundational infrastructure; utilities argue additional justification is needed.
Data Access
Several parties continue to push for faster, standardized customer-authorized data sharing.
Privacy & Cost Recovery
Utilities emphasize protecting customer privacy and ensuring new systems demonstrate measurable ratepayer benefits before implementation.

Why It Matters

The proceeding is transitioning from identifying data challenges to determining how California will modernize DER data systems. The Commission's decisions will shape future data access, governance, and implementation for Distributed Energy Resources statewide.

R.22-11-013 DER Cost Effectiveness Data Working Group Report

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CPUC Proposed Decision (Issued July 31, 2026)

Key adopted changes:
Single electricity-based GHG value used across both electric and gas sector calculations (replacing separate values), and elimination of the related "GHG rebalancing" adjustment
No cap on GHG value tied to the Societal Cost of Carbon (rejected due to inconsistency concerns across state frameworks)
A simplified "Integrated Calculation" combining generation capacity and GHG avoided costs using a hybrid solar+storage resource and the IRP's GHG "shadow price," intended to be more transparent and stable than the 2024 methodology
Switch from EUE to Loss of Load Hours (LOLH) to allocate generation capacity value (better reflecting marginal reliability benefit)
Use of energy prices instead of temperature to identify high-value reliability days (accounting for growing winter/renewable-driven risk)
New differentiation between weekday vs. weekend reliability risk in capacity allocation
Updated transmission capacity allocation using IEPR load forecasts instead of historical loads, and a single DTIM methodology (dropping the combined DTIM/LNBA approach) applied consistently across all electric utilities (PG&E, SCE, SDG&E)

R.25-04-010 Energy Efficiency

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- **On July 1st and 10th, Comments and Replies were filed by parties in response to an ALJ Ruling Seeking Comments on Budget Approach for Community Choice Aggregators that Elect to Administer Energy Efficiency Programs.**

- **The Commission is considering how Community Choice Aggregators (CCAs) should be funded when administering energy efficiency programs.** Parties generally support a more stable budget methodology but disagree over whether broader funding and program administration issues should also be addressed in this proceeding.

- **Stakeholders remain divided on the future role of CCAs, Regional Energy Networks (RENs), and investor-owned utilities.** CCAs and RENs are seeking greater funding certainty and flexibility, while utilities and the Public Advocates Office argue that broader policy changes should be considered elsewhere.

Why it matters: Although the immediate issue is budget methodology, the Commission's decision could shape how California funds and administers energy efficiency programs for years to come. The outcome may influence the balance of responsibilities among CCAs, RENs, and investor-owned utilities, as well as future discussions on program administration and funding statewide.

R.25-09-004 Demand Response

Bridge-Year Funding Phase Nears Decision

The Administrative Law Judge modified the procedural schedule after determining the record on bridge-year funding is complete.

Key Updates

- Testimony, evidentiary hearings, and briefing have been eliminated.
- The ALJ indicated there is no current inclination to modify the Emergency Load Reduction Program (ELRP) budget.
- The proceeding will now move toward a Commission decision on bridge-year funding.

Why It Matters

The Commission has effectively closed the record on the bridge-year funding phase, signaling that a decision is likely to be issued without additional hearings or briefing.

R.26-04-009 Electric Rate Design

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New Rulemaking Launched

The CPUC opened a new proceeding to modernize residential and non-residential electric rate design.

Key Areas of Focus

- Affordability and cost allocation
- Time-of-use and dynamic pricing
- Demand flexibility and electrification
- Large-load customers, including AI data centers
- Implementation of **SB 57** and **AB 2109**

Why It Matters

This proceeding will shape California's future electric rate policy, including how customers are charged for electricity, how demand flexibility is encouraged, and how emerging large electric loads are integrated into the grid.

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July/Aug Policy Updates: California Energy Commission

California Energy Commission Update DEBA Grant Program (Proposition 4)

The CEC released the draft solicitation for the **Distributed Electricity Backup Assets (DEBA) Grant Program**, making **$46.1 million** available for eligible distributed energy resource (DER) projects that improve grid reliability during extreme events.

What's New

- Public comments on the draft solicitation were submitted in July.
- Stakeholders provided extensive feedback on:
  - Eligible technologies and project costs
  - Performance pathways and scoring criteria
  - Aggregation and third-party participation
  - Program timelines and application deadlines

Why It Matters

The comments will help shape the final DEBA solicitation and influence how Proposition 4 funding is deployed to support distributed energy resources and grid resilience projects across California.

2025 Integrated Energy Policy Report

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The CEC adopted the 2025 Integrated Energy Policy Report (IEPR) on **July 8**. While the IEPR does not establish new regulations, it provides the long-term planning assumptions that will influence future CPUC proceedings, utility investments, procurement decisions, and grid modernization efforts.

Key Themes:

- **Load flexibility is becoming a core planning resource**
- **Distributed Energy Resources are becoming foundational to system planning**
- **Interconnection and energization remain key implementation challenges**
- **Scenario-based planning is expanding to address uncertainty**
- **AI-driven data centers are emerging as a major driver of future electricity demand**

Why It Matters

The IEPR serves as California's long-term energy planning roadmap and is expected to shape discussions on energy efficiency, demand response, resource adequacy, electrification, and grid modernization across multiple CPUC proceedings.

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July/Aug Policy Updates: California ISO

Demand & Distributed Energy Market Integration (DDEMI)

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Track 1 Draft Final Proposal Released – July 8

- CAISO released its **Track 1 Draft Final Proposal**, continuing efforts to better integrate demand-side resources and distributed energy resources into California's wholesale electricity markets.

Key Proposal

- Allow individual customer exports within a Demand Response (DR) aggregation to be reflected in performance measurement rather than automatically being treated as zero.

Stakeholder Feedback

Stakeholders are encouraging CAISO to also address **aggregation-level and sub-LAP exports** in future proposal revisions.

Next Steps:

- August: Revised paper and stakeholder meeting
- September: Stakeholder comments
- Late October: CAISO Board Consideration

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August Filing Opportunities

August Opportunities

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Upcoming Comment Opportunities

- **Aug. 17** – Comments due on Proposed Decision revising the ICA Workshop Schedule & Grid Modernization Progress Reports *(R.21-06-017 – High DER Future)*
- **Aug. 20** – Comments due on Proposed Decision updating the Avoided Cost Calculator *(R.22-11-013 – DER Cost Effectiveness)*
- **Aug. 21** – Comments due on Phase 3B Scoping Memo *(R.19-01-011 – Building Decarbonization)*

Coming Up for CEDMC

- CalMTA Opening Response
- Additional High DER comments

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Empower DSM July Update

Empower DSM Activities July

In July, the Empower DSM coalition focused on organizing rounds with Assembly Utilities and Energy member offices ahead of the August 5 committee hearings, and reating collateral for those meeting rounds. The coalition members met with the committee consultant running the hearing and prepared talking points for the panelists.

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Legislative Update

Legislative Update

- CEDMC Priority Bill List - August 2026

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Assembly Committee Examines California's Energy Efficiency Programs

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On **August 5**, the Assembly Utilities and Energy Committee held an informational hearing titled *Savings You Don't See: California's Energy Efficiency Programs*. The hearing explored the value of California's energy efficiency programs, opportunities to improve program delivery, and ongoing discussions around program cost-effectiveness.

Key Discussion Topics

- Whether current cost-effectiveness tests fully capture the value of energy efficiency.
- Why implementation costs account for a significant share of program spending.
- How customer costs and benefits should be reflected in cost-effectiveness analyses.
- Timeline for the CPUC's ongoing energy efficiency cost-effectiveness review.

CEDMC Participation

- CEDMC coordinated with Committee staff and stakeholders in advance of the hearing.
- **Laurel Rothschild** participated as a panelist, representing the implementer perspective.

Why It Matters

The discussion signals continued legislative interest in how California measures the value of energy efficiency and how programs can better support affordability, reliability, and grid modernization.

Assembly Committee Examines California's Energy Efficiency Programs

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Key Questions from Committee Members

- Why do implementation costs account for such a large share of energy efficiency program spending?
- Do current cost-effectiveness tests accurately reflect the full value of energy efficiency?
- Should customer-side costs and benefits be treated differently in cost-effectiveness calculations?
- What is the timeline for the CPUC's ongoing review of energy efficiency cost-effectiveness?
- How should California balance program costs with long-term customer and grid benefits?

Hearing Materials

- Agenda 08.5.26 [pdf]
- Background [pdf]
- Panelist Information [pdf]
- California Public Utilities Commission [pdf]
- Energy and Environmental Services, County of Los Angeles [pdf]
- The Energy Coalition [pdf]
- California Technical Forum [pdf]
- Public Advocates Office [pdf]

Legislative Update: SB 168 Signed into Law

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SB 168 signed by Governor Newsom – July 13, 2026

Key Provisions

- Extends expenditure authority for the **Distributed Electricity Backup Assets (DEBA) Program** through **June 30, 2027**.
- Authorizes remaining DEBA funding to also support the **Demand Side Grid Support (DSGS) Program**.
- Provides additional flexibility to deploy available funding for grid reliability and demand-side resources.

Why It Matters

- The legislation provides greater flexibility for using existing state funding to support reliability programs and demand-side resources while extending the timeframe for deploying remaining DEBA funds.

Discussion and Questions

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Thank You!

Please contact us if you have any questions.

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