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Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Weekly Member Policy Call

October 2, 2026

REC

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Today's Agenda – September Recap

CALIFORNIA Efficiency + Demand Management COUNCIL

- CEDMC Announcements
- Legislative Update
- Board Activities
- September Policy Summary
- October Policy Opportunities
- Q&A

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Announcements

Don’t miss out! Register today to lock in the best price.

What to expect: Invigorating discussions, innovative perspectives, captivating keynotes, and lots of networking!

Theme: The Demand Side Delivers: Efficiency, Flexibility, and Load Growth for a California Grid That Works for All

Where: South San Francisco Conference Center

When: Nov 17-18, 2026

REGISTER
cedmc.org/events/fall-conference

Registration is now OPEN!

Industry Training Series: California's DSM Market Intelligence

A CEDMC Professional Development Series

Sessions on Oct 20, 22, 27 & 29 | 12:00–1:00 pm Pacific | Online via Zoom

Can't make every session live? No problem - all registrants get access to the recordings.

THE SESSIONS:

1. California Energy Policy Foundations (Oct 20)
How we got here — EE/DR policy history, the roles of CPUC/CEC/CAISO, and today's biggest hot topics.

2. Energy Efficiency in Practice (Oct 22)
How EE programs and savings actually work, and why cost-effectiveness and evaluation matter.

3. Demand Response & Load Flexibility (Oct 27)
DR's role in reliability and decarbonization, plus utility, aggregator, and CCA program models.

4. Regulatory Process & Decision-Making (Oct 29)
How CPUC decisions get made, how to engage in proceedings, and what's ahead for 2026–2027.

CAEECC's Call for New Member Organizations

Applications and information on requirements are available here.

Applications are due **October 30, 2026**.

CAEECC provides a venue for stakeholders to discuss energy efficiency matters under the purview of the California Public Utilities Commission (CPUC) while ensuring transparent access to information and opportunities to get involved.

New Membership would take effect January 1, 2027.

If you have any questions email katie@birchroadconsulting.com.

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Legislative Update

Legislative Update

- CEDMC Priority Bill List - August 2026

- Niemela Pappas & Associates: 2026 End of Session Report

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End of Session Updates

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AB 2458 (Bennett) Energy: appliance standards and cost-effective measures.

- **Status: Signed prior to end of session**

AB 2493 (Petrie-Norris) Electrical corporations: interconnection: Public Utilities Commission: transmission development monitor

- **Status: Signed by Governor**

SB 222 (Wiener) Residential heat pump water heater or heat pump HVAC systems

- **Status: Signed by Governor**

SB 905 (Becker) Electricity

- **Status: Signed by Governor**

SB 913 (Becker) Resource adequacy: aggregated distributed energy resources.

- **Status: Signed by Governor**

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Board Activities - September

September Board Activities – Events Committee

Industry Training

Breaking up the training into four online sessions.

Dates: October 20, 22, 27, 29

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

September 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' 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

September Board Activities – SPARC

- Membership growth
  - Welcome EnergyHub!
- Board Strategic Planning Retreat in December
- Increasing DR engagement

September Board Activities – Policy Committee

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- SDG&E Proposed Decision Comments and Reply Comments
- Business Plan Testimony development
- Participation in CAEECC

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Sep/Oct Policy Updates:
California Public Utilities Commission

A.25-04-014

SDG&E to Exit Regional EE Programs
CEDMC's PD Response

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On **September 2**, the ALJ filed a Proposed Decision - a big win! For details, please see CEDMC's September 9 Newsletter.

On September 22, CEDMC filed Comments to support the Proposed Decision and suggest:

- Modify FoF 2 suggesting SDG&E withdrawal would provide $300million in savings for ratepayers
- Add in a FoF establishing EE benefits reach all ratepayers, not just those participating in programs (directly rebutting claim from SDG&E)

On September 28, CEDMC filed Reply Comments highlighting:

- SDREN/SBUA's language supporting a glide path and data sharing
- SDG&E/CalAdvocates' ask to strike glide path language and FoF's that weaken EE as an affordable and effective resource

A.25-04-014

Other Parties' Responses

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Cal Advocates and SDG&E both want any requirements for a glidepath struck from the record as out of scope. **SBUA and the San Diego Parties** want to build on it with more detailed requirements.
SBUA and the San Diego Parties both want the PD to spell out SDG&E's data-sharing obligations for any future withdrawal.
SDGE wants removal of FoF 4, claiming subtracting $286M in TSB from the $300M in savings to be misleading and a "factual and technical error"
SDG&E stands alone on rejecting the outcome. **Cal Advocates** does not reject the decision outright but does ask for significant changes.
Cal Advocates says FoF 9 stating energy efficiency costs have not contributed to SDG&E rate increases is factually wrong. **SDG&E** says it misses the point. The question is whether the $300M delivers value, not whether EE drives rate increases.
Joint RENs want the PD's language emphasizing the value of C&S elevated to a FOF and COL. **SDG&E** wants the passage deleted.

Reply Comments from **parties supporting** the PD built upon these arguments and supplied supporting evidence rebutting SDG&E and Cal Advocate claims, while **SDG&E and Cal Advocates** suggested most comments didn't point out factual or legal errors as PD reply comments are required to.

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

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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
- Tier 2 Advice Letter

On September 11, CEDMC participated in a pre-hearing conference to establish scope and schedule.

On September 28, a Scoping Ruling was filed, outlining the scope and schedule as predicted.

A.26-03-009 EE Business Plans

CEDMC is convening a working group to build out Testimony for the EE Business Plan Proceeding.

If you have interest in being a part of a weekly discussion group to build Testimony, please reach out to Paul or Melanie.

CEDMC is now prioritizing questions provided by a Ruling on September 17

- Prioritizing 3rd party requirements
- Will still work to include considerations provided by ED

We expect an extension request to be granted which would make Testimony due on November 16

A.26-03-009 EE Business Plans

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Questions for Testimony

Budget and Goals

- Adjust business plans after CARB's heater standards?
- Is equity funding sufficient?

Program Proposals

- SCE: consolidate delivery types?
- SoCalGas: combine programs across segments?

Third-Party Programs

- Impacts of third-party definition changes; alternatives to minimum budget percentage?

Equity

- Single "Equity Targeted Customer" definition?

Fuel Switching

- Is fuel switching within EE authority, and can the ACC value it?
- If allowed: caps, rate impacts, cost-effectiveness?
- Effect on potential and goals?

Low-GWP Measures

- Should no-savings low-GWP measures claim TSB?

Electrification Right-Sizing

- When is right-sizing enough vs. a panel upgrade?
- How to treat right-sizing in cost-effectiveness and NTG?

IDSM

- When should EE funding for load shifting end?

R.19-01-001 Building Decarb

A Ruling was filed extending deadlines for high-Global Warming Potential (GWP >750) refrigerant equipment to remain eligible for incentives under the BUILD Program and TECH Initiative.

Equipment	Old CPUC Deadline	New CPUC Deadline
VRF HVAC systems	Manufacture by 1/1/25; install by 1/1/26	**Manufacture by 1/1/26; install by 1/1/27 (+1 year each)**
"Self-contained" heat pump products	Manufacture by 1/1/25; install by 1/1/26	Manufacture by 1/1/25 (unchanged); **install by 1/1/28 (+2 years)**
All other heat pump HVAC systems	Manufacture by 1/1/25; install by 1/1/26	Manufacture by 1/1/25 (unchanged); **install deadline removed entirely**
Heat pump water heaters & heat pump dryers	Install by 1/1/27	**Install by 1/1/28 (+1 year)**

Why It Matters: Manufacturers and installers get more time before high-GWP refrigerant equipment becomes ineligible for BUILD/TECH incentives, which better aligns with CARB agenda but slows decarb goals.

R.21-06-017 High DER Proceeding

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Clean Coalition filed a Motion to Compel on **August 19** seeking hourly load data from SCE for specific facilities in the Goleta/Santa Barbara area.

What's at issue:

Clean Coalition requested 8760 hourly load data to evaluate location- and time-specific grid needs and opportunities for DERs and load flexibility.
SCE declined to provide the data, raising concerns related to scope, burden, confidentiality, and the timing of the request.

On August 31, parties filed Responses/Oppositions

On September 8, Clean Coalition requested a Limited Reply to respond to parties:

The utilities are conflating "discovery" with "publication requirements." Just because the Commission hasn't ordered this data published before doesn't mean it's not discoverable now.
The utilities' offered substitute (576-point "representative" load profiles) isn't adequate. Full, hourly (8760-point) data, shows the actual timing/persistence/frequency of load conditions.
The utilities haven't shown concrete burden or confidentiality problems. Generalized concerns aren't enough to block discovery.
Granting the motion wouldn't prejudge bigger policy questions in Track 2

Why It Matters:
Though CC argues it doesn't prejudge Track 2 questions, it is directly relevant to the ongoing discussion: **What grid data should third parties be able to access in order to effectively participate in DER orchestration?**

R.21-06-017 High DER Proceeding

A Decision revising the integration capacity analysis workshop schedule and ordering grid modernization progress reports was filed on **September 3, 2026.**

What are the highlights?

Supported by the IOUs:

- **ICA workshop cadence** → biannual, starting Q1 2027. Used to be quarterly.
- **IOUs can file Tier 2 advice letters to further modify cadence.** IOUs can seek further reductions later without a full rulemaking.
- **Extended time for review and renegotiation of Appendix A's contents.** (Appendix A is the reporting template utilities have to fill out when they submit their Grid Modernization Report)

Supported by other Parties:

- **Grid Modernization Progress Reports required.** IOUs now have a standing, recurring compliance filing instead of ad hoc Energy Division data requests.
- **Appendix A applies starting with the 2026 report** (not delayed to 2028 as IOUs requested).
  - Includes cost reporting
  - Includes forward-looking use cases/benefits
  - Does not include quantified, use-case-tied benefit reporting, as requested by CalPA

Why It Matters: Implementers will get more granular visibility into program-level benefit and cost data if the Appendix A reporting requirements are expanded, while the shift to a biannual ICA workshop cadence means less frequent formal updates on capacity data between sessions.

R.21-06-017 High DER Proceeding

A Proposed Decision adopting an application process for utility distributed energy resources orchestration was filed on **September 25, 2026.**

What did we ask for that is missing?

CEDMC Position	Proposed Decision	Alignment
Aggregators as essential participation channels	Recognizes aggregator value but not as "essential"	**Partial alignment**
DSO signals needs; 3Ps operate customer assets	Allows aggregators but assigns IOUs to propose dispatch and control	**Partial alignment**
Central repository to prevent double payment and allow value stacking	Bars double payment/counting but does not require a repository	**Partial alignment**
Customer-owned DERs and competitive provision by default	Requires ownership/funding disclosure, not customer ownership by default	**Limited alignment**

What did we ask for that is included?

- Adopts open access, interoperability, transparent participation & compensation, competitive neutrality
- Adopts technology neutrality and open, standardized protocols
- Requires location and time-specific valuation of measurable avoided costs
- Requires joint application and statewide framework
- Requires performance, reliability, and cost effectiveness before scaling

R.25-09-004 Demand Response Proceeding

A Proposed Decision Approving Two-Year Bridge Funding for Demand Response Programs filed on **September 25, 2026.**

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Key Adoptions:

Two years of bridge funding for 2028–2029 at 2027 levels	PG&E, SCE, and SDG&E get about $110M, $178M, and $15M per year, carried over from the D.23-12-005 budgets. Any unspent bridge funds go back to ratepayers after 2029.
The next application deadline moves to November 1, 2028	The IOUs' next DR applications will cover 2030–2034, a five-year cycle. The new date is earlier than the January 1, 2029 date the staff proposed.
The bridge years are exempt from the SCT, and the SCT tool is due by April 1, 2028	The bridge portfolios get no new cost-effectiveness review, since the 2027 portfolios were already evaluated. The SCT gets built into the DR Cost-Effectiveness Reporting Tool using the existing EM&V research budget, with no new funding.
ELRP continues, but trimmed	Only A.4 (VPP aggregators) and A.5 (EV/VGI aggregators) survive statewide, plus A.1 for SDG&E alone. Every other sub-group closes at the end of 2027. ELRP's cost-effectiveness is pushed to the 2030–2034 cycle, and no sunset date is set.
The ELRP design gets narrow changes	Minimum dispatch drops to 18 hours for both A.4 and A.5. The 60-hour cap and $2/kWh incentive stay the same. The IOUs may file a Tier 3 advice letter by January 30, 2027 to streamline enrollment along the lines of DSGS

What did we ask for that isn't included?

- 5-10% of DR funding for load-modifying programs.
- A 1-2% set-aside for pilots and innovation.
- Capacity payments and other DSGS-style ELRP redesigns.

R.22-11-013 DER Cost Effectiveness Avoided Cost Calculator

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CPUC Decision (approved September 3, 2026)

Key changes from Proposed Decision:
Battery transition year - going from 4 to 8 hour storage is now set to change in 2031 rather than 2028.
No GHG value cap assigned - The Commission explicitly acknowledged the many proposed caps (including Societal Cost of Carbon) and rejected all.

Key elements that stood from the Proposed Decision:
Single electric-sector GHG value for gas / rebalancing removal - This will greatly devalue fuel switching
Risk-Assessment Methodology Corrections - Relying on LOLH/EUE, temperature to energy pricing, weekday/weekend will all make predictions more accurate

It will be difficult to know the true impact of the new ACC on cost-effectiveness measures until it is formally put into effect, but it is expected to lower energy efficiency TRC scores.

Res. E-5474 – DEER2028 Update

Energy Division released a draft resolution approving DEER2028 (effective January 1, 2028) and a revised DEER2026. It is scheduled for the October 29 Voting Meeting.

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Key Changes:

NTG raised to 1.0	Applies to residential weatherization packages (insulation, duct sealing, windows, doors) and CO2-refrigerant equipment. Custom weatherization, CO2, and multifamily common-area projects (excluding lighting) can use 1.0 starting January 1, 2027
Commercial water heating baselines rise	Based on DOE's October 6, 2026 gas water heater standard, despite DOE's non-enforcement through October 2027. This cuts gas savings for five packages, including HPWH fuel substitution.
New modeling inputs for PY2028	New 2025 weather files, peak days, and EnergyPlus hourly (8760) load shapes replace the legacy profiles. A new calculator becomes required for all commercial and multifamily water heating.
Longer EULs	High-performance and low-SHGC windows go from 20 to 30 years. There are also new EULs for greenhouse heaters, storefront doors, and door seals.
DEER2030 timeline set	The draft measure package update schedule is due August 1, 2027, and submittals are due July 31, 2028.

Why It Matters: The NTG and EUL changes improve cost-effectiveness for weatherization, refrigeration, and multifamily programs, partly offsetting the new ACC. Water heating implementers should expect lower gas savings claims even if the federal rule is vacated. Load-shifting measure packages can use the new load shape library mid-cycle.

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September Policy Updates - CEC

24-BPS-01 CEC - Building Energy Performance Strategy Report

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On **July 7**, the CEC published a draft of their California Building Energy Performance Strategy Report

There is an opportunity to integrate Building Performance Standards (BPS) into EE regulations to provide visibility to and meet BPS goals

Next Steps:

- Form a working group to define vision, including integration into EE program designs, attribution of savings, and data access + management
  - Can BPS be a targeting mechanism for new and existing EE programs?
  - Could/should EE programs claim attribution for savings from
  - a BPS?
  - What data is needed to evaluate compliance and help adopt future targets?
- Filter issues to most appropriate vehicles for adoption
  - EE BP Proceeding/CEC/ED

October Filing Opportunities

October Opportunities

Upcoming Comment Opportunities

- **October 15** - R.25-09-004 - Comments due on Proposed Decision Approving Two-Year Bridge Funding for Demand Response Programs
- **October 15** - R.21-06-016 - Comments due on Proposed Decision Adopting an Application Process for Utility Distributed Energy Resources Orchestration
- **October 30** - A.26-03-009 - Testimony due in BPA Proceeding

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Discussion and Questions

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Thank You!

Please contact us if you have any questions.

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