

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Consider
Distributed Energy Resource Program Cost-
Effectiveness Issues, Data Access and Use,
and Equipment Performance Standards.

Rulemaking 22-11-013
(Filed November 17, 2022)

**OPENING COMMENTS OF MARIN CLEAN ENERGY ON ADMINISTRATIVE LAW
JUDGE'S RULING ON PROPOSED CHANGES TO THE AVOIDED COST CALCULATOR
PROCESS**

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**OPENING COMMENTS OF MARIN CLEAN ENERGY ON ADMINISTRATIVE
LAW JUDGE’S RULING ON PROPOSED CHANGES TO THE AVOIDED COST
CALCULATOR PROCESS**

Marin Clean Energy¹ (“MCE”) submits these Opening Comments in response to the *Administrative Law Judge’s Ruling* on proposed changes to the avoided cost calculator (“ACC”) process (“Ruling”) issued on April 29, 2025.

I. INTRODUCTION

The Ruling seeks party input on changes to the biennial ACC update process proposed by Energy Division staff during the April 10, 2025 workshop. The proposed changes include delaying the release date of the 2026 ACC Update Staff Proposal from summer 2025 to February or April 2026.

**II. THE COMMISSION SHOULD COORDINATE ENERGY EFFICIENCY
PROCEEDING FILINGS WITH THE PROPOSED ACC SCHEDULE CHANGES**

The proposed changes to the ACC update schedule may introduce timing or structural conflicts in the new *Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation*,² which relies on ACC outputs to evaluate the cost-effectiveness of energy efficiency (“EE”) programs. Historically, the ACC Staff Proposal has been released in the summer

¹ MCE is a load-serving entity supporting a 1,400 MW peak load. MCE provides electricity service to more than 580,000 customer accounts and more than 1.5 million residents in businesses in 38 member communities across four Bay Area counties: Contra Costa, Marin, Napa, and Solano. MCE has administered energy efficiency funds under California Public Utilities Code Section 381.1(a)-(d) since 2013.

² Rulemaking (“R.”) 25-04-010 is the successor proceeding to R.13-11-005, which was closed in January 2025. R.25-04-010 is the new forum for regulatory issues related to the ongoing oversight and administration of energy efficiency programs (“EE proceeding”).

or fall of the year prior to its intended use. For example, the 2026 ACC Staff Proposal would typically be released in the summer of 2025 to allow EE program administrators to incorporate ACC updates in their portfolio filings for 2026 and 2027 implementation years.

The biennial ACC update schedule was formalized in Decision (“D.”) 19-05-019, which replaced the prior annual update cycle established in D.16-06-007.³ D.19-05-019 established a formal structure where major updates would be initiated in odd-numbered years and adopted in even-numbered years and minor changes, if needed, would occur through resolutions in odd-numbered years. This schedule was intended to balance the need for updated avoided cost data with administrative efficiency.

The biennial update structure was further aligned with EE planning through D.21-05-031, which coordinated technical inputs such as the ACC, Database for Energy Efficiency Resources (DEER) values, and energy efficiency potential and goals.⁴ Most recently, D.23-06-055 adjusted the deadline for EE True-Up Advice Letters to be filed no later than 60 days after the Commission issues a decision updating the energy efficiency potential and goals, reinforcing the need to align EE filings with up-to-date avoided cost assumptions.⁵

Under the proposed changes, the 2026 ACC Staff Proposal would be released in April 2026 after the Integrated Resource Plan (IRP) Preferred System Plan (PSP) is finalized in February 2026. While this improves alignment between the ACC and the IRP, it introduces potential timing misalignments for the EE proceeding. If key EE filings require modeling and analysis to be completed before the 2026 ACC Update Staff Proposal is released, EE program administrators may be forced to rely on outdated avoided cost assumptions. Accordingly, MCE recommends that the Commission coordinate EE proceeding filing timelines with the proposed ACC schedule or provide clear guidance on how EE proceeding filings should proceed when updated ACC values are not yet available.

³ D.19-05-019, Decision Adopting Cost-Effectiveness Analysis Framework Policies for All Distributed Energy Resources, May 16, 2019, p.51.

⁴ D.21-05-031, Decision of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process, May 20, 2021, p. 25.

⁵ D.23-06-055, Decision Authorizing Energy Efficiency Portfolios for 2024-2027 and Business Plans For 2024-2031, June 29, 2023, Ordering Paragraph 37.

III. CONCLUSION

MCE thanks the Commission for its consideration of this request. For the reasons set forth above, MCE recommends that the Commission coordinate EE proceeding filing timelines with the proposed ACC schedule or provide clear guidance on how EE proceeding filings should proceed when updated ACC values are not yet available.

Respectfully submitted:

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