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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company in Compliance with Ordering Paragraph 37, Resolution E-4906. (U39E).	A.18-10-008
And Related Actions.	A.18-10-009 A.18-10-010

JOINT FILING OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E), PACIFIC GAS AND ELECTRIC COMPANY (U39E), AND SAN DIEGO GAS & ELECTRIC COMPANY (U902-E) OF 2025 VERIFICATION ADMINISTRATOR'S REPORT

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Dated: January 30, 2026

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OF THE STATE OF CALIFORNIA

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Pacific Gas and Electric Company (PG&E), on behalf of itself, Southern California Edison Company (SCE), and San Diego Gas & Electric Company,[1] submits as Appendix A hereto the Verification Administrator's Report on the 2025 Demand Response Prohibited Resources Verification Audit.[2]

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[1] Pursuant to California Public Utilities Commission Rule of Practice and Procedure 1.8(d), counsel for SCE confirms that Pacific Gas and Electric Company and San Diego Gas & Electric Company have authorized SCE to file this document on their behalf.

[2] *See* Resolution E-4906, Ordering Paragraph 26.

Respectfully Submitted,

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Dated: January 30, 2026

APPENDIX A

Verification Administrator's Report on the 2025 Demand Response Prohibited Resources Verification Audit

Verification Administrator's Report on the 2025 Demand Response Prohibited Resources Verification Audit

January 31, 2026

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Contents

1. Introduction

This report presents the outcomes, findings, and recommendations of the 2025 Demand Response (DR) Prohibited Resources (PR) verification audit, conducted by Resource Innovations, Inc (RI). The RI team is currently under contract with Pacific Gas and Electric Co. (PG&E), to serve as Verification Administrator (VA). Resource Innovations' VA contract with PG&E is subject to a co-funding agreement between Southern California Edison Co. (SCE), San Diego Gas and Electric Co. (SDG&E), which joins these three California investor-owned utilities (IOUs) as common stakeholders in Resource Innovations' work on this project. While not funding parties of the VA's contract, third-party Demand Response Providers (DRPs) that operate other Resource Adequacy (RA) products are also audit stakeholders.

Resource Innovations' role as VA is in connection with California Public Utilities Commission (CPUC) directives concerning the use of certain fossil-fueled power generation resources on the premises of participants of DR programs, pilots, and products. CPUC Decision (D.) 16-09-056 directed the IOUs to prohibit the use of certain generation resources to produce load reductions during DR events. These generation resources, or Prohibited Resources, in the context of DR program participation, are characterized as:

- Distributed generation technologies, in either topping-cycle combined heat and power (CHP) or non-CHP configurations, fueled by any of the following:
    - Diesel;
    - Natural gas;
    - Gasoline;
    - Propane; or
    - Liquefied petroleum gas.

The following types of distributed generation technologies are exempted from the preceding list:

- Pressure reduction turbines;
- Waste heat-to-power bottoming-cycle CHP; and
- Storage and storage coupled with renewable generation that meets the relevant greenhouse gas emissions standards adopted for the Self-Generation Incentive Program (SGIP).

This prohibition of the use of fossil-fueled distributed generation to produce DR load impacts, which we refer to in this report as the Prohibition, was made effective January 1,

2019. The Prohibition applies to all participants of the following DR programs and market products that were operating in 2025[1]:

- Agricultural Pumping-Interruptible (AP-I) program;
- Base Interruptible Program (BIP);
- Capacity Bidding Program (CBP)/Capacity Bidding Program-Elect (CBP-E)[2];
- Local Capacity Requirements (LCR) program; and
- RA programs.

All non-residential participants of these affected programs and market products are required to attest, in writing, to compliance with the Prohibition. Existing participants of affected programs were required to submit attestations to their program administrators – either the IOUs, their third-party aggregator, or DRP – by January 2, 2019. After January 2, 2019, all new non-residential program participants were required to submit their attestations at the time of enrollment.

CPUC D.16-09-056 also directed the IOUs to develop an audit verification mechanism to evaluate whether DR participants are complying with the Prohibition. The IOUs engaged Resource Innovations to develop a DR PR Verification Plan, served at the CPUC on June 1, 2017, and presented for discussion in a public workshop on August 23, 2017. The DR Verification Plan was approved by the CPUC, with modifications, in Resolution E-4906 (E-4906) on June 21, 2018.

The DR PR Verification Plan provides a verification framework for all non-residential participants of DR programs and market products affected by the Prohibition. The plan is designed to be carried out annually by the VA and prescribes different verification activities depending on the disposition of PRs at DR participants' premises. The Prohibition contemplates three distinct cases of PR disposition at a customer premise, which are described as "Scenarios" in DR participants' attestations. All written attestations require the participant to indicate PR disposition at their premise as compliant with one (and only one) of three scenarios:

- **Scenario 1**: I do not have a Prohibited Resource on site;

[1] DRAM products were discontinued in 2024 and are no longer part of the verification audit.
[2] SCE's capacity bidding program is called Capacity Bidding Program-Elect.

- **Scenario 2**: I have a Prohibited Resource on site, and I will not use the resource to reduce load during any DR event;
- **Scenario 3**: I do have a Prohibited Resource on site, and I may have to run the resource(s) to reduce load during DR events for safety reasons, health reasons, or operational reasons. My Prohibited Resource(s) has or have a total nameplate capacity of _____ kW. I understand that this value will be used as the Default Adjustment Value (DAV) to adjust DR incentives/charge for my account.

The Verification Plan provides for a multi-tiered approach that leverages customer contact and existing sources of information to efficiently verify and encourage compliance with the Prohibition.

Decision 22-12-004, issued on December 5, 2022, provided new guidance regarding the original Verification Plan adopted in 2018 (E-4906). The 2022 Decision makes incremental changes to the verification plan for the annual audit procedures undertaken for customers who attest to Scenario 2. Under the original verification plan, sampled Scenario 2 customers were required to provide photographs and copies of operating manifests for all PRs connected to their electric service point selected for audit.

Starting with the 2024 audit, sampled Scenario 2 customers are required to permit the VA to install data loggers and current transformers on all PRs connected to the electric service point selected for audit. The loggers will remain in place to record the date and time of PR operations over the course of the audit. The electronically recorded operational periods lessen the audit's reliance on customer-maintained manifests, which sometimes only specifies the date of operation and not the time(s). For the 2025 audit, RI partnered with Mad Dash, Inc to install and uninstall logging equipment for this project.[3]

D.22-12-004 modified the existing Verification Plan by directing the IOUs to procure logging devices and incorporate their use into the monitoring of PRs installed behind the meter by customers enrolled in certain DR programs. Pursuant to D.22-12-004, all Scenario 2 participants that are randomly selected for the audit will have a data logger installed on their PR(s). While D.22-12-004 capped the number of purchased loggers at 60, a subsequent decision (D.23-12-005, authorizing IOU DR programs for 2024-2027), increased the cap to a total of 90 purchased loggers.

[3] Resource Innovations also partnered with Symmetry Projects to help complete the audit. Symmetry Projects provided high-level audit support and coordination with the logger installation process.

D.23-06-029 issued on July 5, 2023, provided further guidance that DR programs for non-IOU load serving entities (LSEs) also be included in the audit. Specifically, the decision extended the Verification Plan to all RA-eligible DR resources. To determine the eligible customers from non-IOU LSEs, RI emailed each of the DRPs registered with the CPUC to inquire about any non-IOU programs with LSEs. Pursuant to Resolution E-5321-E, the IOUs submitted a joint advice letter to update DR Verification Plan (SCE Advice 5395-E, PG&E Advice 7415-E, SDG&E Advice 4540-E). The advice letter was approved with an effective date of January 1, 2025.

Further guidance and updates to the Verification Plan were provided by Resolution E-5321, adopted by the CPUC on September 12, 2024, which addressed specific requirements regarding data loggers and compliance requirements for customers subject to the Verification Plan, including non-responsive customers.

This report documents Resource Innovations' activities as VA in carrying out the 2025 verification audit and is provided to PG&E for submission in compliance with E-4906 Ordering Paragraph 26. The sections that follow in this report describe the audit process, summarize the outcomes of the audit, and make recommendations for improving or clarifying the Verification Plan.

2. Summary of the 2025 Verification Audit Activities

The framework for the verification audit is described in the Verification Plan and the modifying language found in CPUC Resolution E-4906. The audit framework is broadly comprised of four tasks:

1. Conducting the random sample;
2. Validating the attestations;
3. Attestation-specific verification; and
4. Notification and reporting.

Resource Innovations' activities to accomplish these tasks while conducting the 2025 audit are described below.

2.1 Task 1: Conducting the Random Sample

The verification audit is designed to be carried out as an annual random sample audit of DR program, pilot, and product participants that are affected by the Prohibition.[4] The Prohibition took effect in January 2019 for customers participating in the following programs and products: SCE's AP-I and LCR programs, statewide BIP and CBP/CBP-E. In 2024, the Prohibition was expanded to include customers participating in the non-IOU RA-eligible DR resources. In this report, these resources are referred to as "RA" or "RA programs".

While the Prohibition applies to residential and non-residential participants of these affected programs and products, the enforcement mechanism differs between the two customer classes. Non-residential participants are required to attest to the disposition of any PRs on site and may be randomly selected for audit in any given audit year, but residential participants are simply required to agree upon enrollment that they will not use a PR to reduce load during DR events. Therefore, a random sample of non-residential AP-I, BIP, CBP/CBP-E, LCR, and RA participants were taken to conduct the 2025 audit.

The sample frame, or collection of all DR program and product participants eligible for the 2025 audit, was constructed by requesting a database of all PR attestations on file at the IOUs and DRPs for their participating customers. A total of four DRPs provided RA participant attestations.

RI used the IOUs' secure file transfer protocol (SFTP) websites to receive their enrollment and attestation data. In the case of the DRPs, RI established separate SFTP accounts on RI's SFTP website for each of the DRPs to use for delivering their data. At the start of the audit, RI received the enrollment and attestation information for 7,952 non-residential participants of affected DR programs and products.

The Verification Plan specifies that the verification audit is carried out by randomly sampling a given number of customers each year from each DR program, pilot, or product that is in operation that year and is subject to the prohibition. This sampling approach is in contrast to other sampling strategies that may be considered, such as sampling by IOU and DRP, or sampling by attestation Scenario. This approach implies that RA participants were subject to a single sample draw across all DRPs. For example, this mirrors the sampling of all BIP participants across all IOUs. The sampling unit is the service account (SA), or account enrolled

[4] No DR pilots were included in the 2025 audit.

in the program, pilot, or product; this is in contrast to defining the sampling unit as the customer, which may have several SAs, or accounts enrolled in one or more programs.

The timing of the 2025 verification audit dictated two different sampling periods since the loggers and current transformers need to be installed before the audit can begin. For each sampling period, RI completed the same sampling steps but only used certain customers based on their attested Scenario. During the August 2024 sampling procedure that was part of the 2024 verification audit, the 2025 Scenario 2 customers were selected. These Scenario 2 customers had a logger installed on their PR(s) before the start of the DR summer event season. A second sampling process took place in August 2025, where only the sampled Scenario 1 and 3 customers were utilized. This two-step sampling procedure produced a final 2025 Audit sample which consisted of Scenario 1 and Scenario 3 customers from the August 2025 sample and Scenario 2 customers from the August 2024 sample. The decision to sample Scenario 1 and 3 customers separately at a later date than the Scenario 2 customers helped ensure only customers actively enrolled in their DR programs were included in the audit.

Table 1 summarizes the composition of the 2025 verification audit sample frame used in August.[5] The total number of accounts for each program or product represents the count of audit eligible customers. Random samples of accounts were drawn for audit from each of the programs and products shown in Table 1.

Table 1: Summary of 2025 Verification Audit Sample Frame

DR Program or Product	Accounts
AP-I	868
BIP	512
CBP/CBP-E	1,645
LCR	299
RA	4,628
Total	**7,952**

The number of accounts randomly selected for the 2025 audit depends on three things:

- The number accounts in the sample frame;

[5] The sample frame used for the initial Scenario 2 sampling in August 2024 was similar to the August 2025 sample frame. In total, there were 7,120 customers in the August 2024 sample frame.

- The assumed compliance rate: we assumed 80%, which is what the Verification Plan recommended as a starting point for the first audit year and has been retained for the subsequent years. The assumed compliance rate is an opening assumption of the percentage of accounts that are compliant with the Prohibition and has ranged from 81% to 94% in previous audits; and
- The target level of confidence and precision for the estimated compliance rate. Since the audit is a sample and not a census, the compliance rate as measured by the audit is an estimate, which is subject to uncertainty. The confidence and precision targets used here are referred to as "90/10", denoting 90% confidence with 10% precision.

The sample sizes for each DR program and product, given the above assumptions, are determined by the equation shown in Equation 1. Table 2 presents the sample sizes as calculated using Equation 1 and include customers who attested to each Scenario. A total of 206 Accounts were randomly selected for audit. Of the 206 sampled Accounts, 180 were Scenario 1, 23 were Scenario 2, and three were Scenario 3.

Equation 1: Sample Size Equation for Estimating Population Proportions

$$n = \frac{N \times X}{(X + N - 1)}, where\ X\ = \frac{Z^2_{\propto/2}\ \times P\ \times (1 - P)}{MOE^2}\ and$$

$Z_{\propto/2}$ *is the z statistic associated with the targeted confidence level given the normal distribution and* MOE *is the relative margin of error.*

Table 2: Sample Sizes for the 2025 Verification Audit Sample

DR Program or Product	Total Number of Accounts
AP-I	42
BIP	40
CBP/CBP-E	43
LCR	38
RA	43
Total	**206**

2.2 Task 2: Validating the Attestations

The second task of the annual verification audit is to validate the information presented in the sampled attestations directly with the customer that submitted them to the IOU or DRP. The purpose of this step is to quickly determine if there are errors in the attestation that are immediately obvious to the customer, and to allow the customer to participate in the audit by verifying their attestation is free of errors or to provide administrative corrections if warranted. This step was carried out by contacting all Scenario 1 and 3 audited accounts by email. The process was as follows:

- An email was sent to the point of contact as shown on the attestation or as provided by the IOU, aggregator, or DRP.
    - The aggregator, or DRP point of contact, was carbon copied (CC'd) for aggregated or DRP participants. In the case of direct-enrolled participants of IOU programs or pilots, the customer's IOU account executive was CC'd.

In the case of Scenario 1 attestations, it was not compulsory for the customer to respond to the request for confirmation of attestation accuracy as described below in Section 2.3. The formal Scenario 1 mechanism for verification is confirming there is not a PR located at the site by requesting operating permits from the governing air quality management district (AQMD). However, initiating the audit process for Scenario 1 attestations by contacting the customer serves to notify the customer that they have been selected for audit. Since a large proportion of DR program participants attest to Scenario 1, this step acts as a notice to participants that annual audits of the attestations do take place. Being selected for the audit is likely an important driver of compliance with the prohibition. This initial communication also provides a "customers first" footing for the audit – the VA in this way takes an initial step to offer customers a chance to review their attestation information and provide corrections if necessary. Approximately 65% of Scenario 1 customers selected for the audit responded to Resource Innovations' email.

Table 3 presents a tabulation of the number of Scenario 1 accounts that Resource Innovations sought to validate directly with the customer. Customers representing a total of 180 Scenario 1 accounts were contacted. A total of three customers indicated that they left their DR program, resulting in their exclusion from the audit.[6] A total of one Scenario 1 account

[6] Each customer's respective IOU or DRP confirmed they were no longer enrolled in their DR program.

updated their attestation from Scenario 1 to Scenario 2. Out of the 180 Scenario 1 customers audited, 61 customers did not respond to Resource Innovations' email.

Table 3: Scenario 1 Account Attestation Validations Sought from the Customer

DR Program or Product	Sampled Scenario 1 Accounts	Exited Prior to Audit	Accounts Corrected to Scenario 2	Unresponsive Accounts	Total Audit Respondents
AP-I	41	0	0	11	30
BIP	36	1	0	7	28
CBP/CBP-E	40	0	0	21	19
LCR	20	0	0	13	7
RA	43	2	1	9	31
Total	**180**	**3**	**1**	**61**	**115**

In the case of Scenario 2 and Scenario 3 accounts, additional information was requested from the customer as described in Section 2.3.

2.3 Task 3: Attestation-specific Verification

The VA undertakes different verification activities for each sampled attestation depending on the attested Scenario.

2.3.1 Attestation Scenario 1 Verification

The VA's verification of the 180 Scenario 1 accounts is accomplished by querying two sources of information that can validate a customer's attestation that they have no PRs at a particular site: the IOU and the air quality management district (AQMD) that has jurisdictional authority over the site.

The IOUs were provided with a list of the DR program participants who were selected for audit and attested to Scenario 1. The IOUs searched their information databases for customer notifications of the presence of a generator and/or for interconnection agreements. This process produced no customers with an interconnection agreement for a PR with the IOU.

Resource Innovations also contacted all the relevant AQMDs that covered the sampled 180 Scenario 1 sites to inquire as to whether permits exist for PRs at the locations of those sites. This process began by mapping each sampled customer to their appropriate AQMD using a ZIP code. Some ZIP codes are in two AQMDs, in which case both AQMDs were initially contacted in order to ensure that no permits for PRs existed for that customer. Each AQMD

has its own process for requesting permit information; for most, an information request form is completed for each location and submitted electronically to the AQMD for processing. Table 4 displays each AQMD that was contacted and the number of sampled Scenario 1 sites that were ultimately found to be in their jurisdiction.

Table 4: Scenario 1 Account Attestation Validations Sought from AQMDs

AQMD	Number of Sites
Bay Area AQMD	17
Butte County AQMD	2
Calaveras County APCD	1
Colusa County APCD	1
EL Dorado County AQMD	2
Feather River AQMD	1
Great Basin Unified APCD	5
Kern County APCD	2
Lake County AQMD	1
Mojave Desert AQMD	5
Monterey Bay ARD	5
North Coast Unified AQMD	1
Northern Sierra AQMD	1
Placer County APCD	1
San Diego County APCD	5
San Joaquin Valley APCD	58
Santa Barbara County APCD	2
Shasta County AQMD	1
South Coast AQMD	65
Ventura County APCD	2
Yolo-Solano AQMD	2
Total	**180**

In all, 21 AQMDs were contacted for at least one sampled customer site. If relevant permits (e.g., for fossil-fueled combustion engines or agricultural engines) were found for a site, then RI contacted the IOU and customer to check whether the permit is for a PR that is interconnected at a different service point than the one that is enrolled in DR. If the permitted PR cannot be shown to be serving load at a different service point, the IOU, aggregator, or DRP is contacted to submit a corrected attestation within 60 days. For agricultural sites, this process is usually more complicated because the service address associated with an account usually refers to a plot of land or surveyors' coordinates.

In total, four permits for PRs were identified at sites where customers had originally attested to Scenario 1. One permit was associated with a site that had previously responded to Resource Innovations' email inquiries, as shown in Table 3. One site is currently in the process

of updating their attestation, with their 60-day cure windows closing in mid-January. The remaining two sites have been unresponsive to repeated inquiries from the VA.

2.3.2 Attestation Scenario 2 Verification and Logger Installation

For the 2025 audit, sampled Scenario 2 customers had a logger and current transformer installed on their PR. The loggers and transformers remained installed throughout the audit until they were retrieved. Each logger records the date and time a PR is operational. However, it does not measure the kW output of the generator while it is functioning.

RI contracted with Mad Dash, a company that specializes in making site visits to install loggers, to help implement the audit for Scenario 2 customers. First, Mad Dash contacted Scenario 2 customers to set up an initial site visit and installation. Additionally, Mad Dash gathered relevant information needed for the installation like the number of PRs, the PR type, safety concerns regarding the installation, and if the PR has onboard metering that can be used in lieu of a logger.

Besides installing a logger during the site visits, Mad Dash also recorded:

- A date- and time-stamped photo of the nameplate capacity of the PR(s); and
- A date- and time-stamped photo of the PR(s) hour meter.

Resource Innovations used these images to 1) verify each customer's attestation with respect to the number of PRs and total capacity onsite and 2) alert the customer of any potential violations due to inconsistencies in the number of PRs or nameplate capacity.

After taking photos of the nameplate and hour meter, Mad Dash installed loggers and transformers on each PR onsite and scheduled a follow-up site visit to remove the logger(s) at the end of the event season. After retrieving the loggers, Mad Dash provided RI with a CSV file containing five-minute interval data of each PR(s) operational periods. When Mad Dash retrieved the loggers, they also photographed the operating manifest, which is typically a handwritten record of the Prohibited Resource's operating periods.

Per CPUC guidelines, loggers must remain installed from at least May 1 through October 31. In 2025, most loggers were installed between April 8 and April 21 and retrieved in early November. However, two sites had later installations, one on May 6 and the other on May 28. The first site required internal leadership approval before installation, while the second initially refused due to issues with its DRP. Those issues were resolved, and the logger was installed in late May.

Customers representing a total of 23 Scenario 2 accounts were contacted for the audit, which are tabulated below in Table 5 by program and product.

Table 5: Tabulation of Scenario 2 Account Attestation Verifications

DR Program or Product	Scenario 2 Accounts
AP-I	1
BIP	2
CBP/CBP-E	3
LCR	17
Total	**23**

The Scenario 2 logger process produced in a variety of outcomes that resulted in fewer than 23 accounts receiving a logger:

- **One account was no longer enrolled in the program.** The site was confirmed to be unenrolled from the program on April 10th and they were subsequently removed from the analysis.
- **One account switched their attestation to a Scenario 1 site.** Resource Innovations has already confirmed with the customer's relevant AQMDs that there are no permitted PRs on site.
- **Two accounts provided fuel cell interval data.** There were two sites that confirmed their prohibited resource was a fuel cell. Fuel cells have a unique design among PRs insofar as that they are specifically designed for customers to place them into service with the intention that they run 24 hours a day, 7 days a week. This design is in contrast to diesel-fueled backup generators that are designed for occasional use. The two accounts with fuel cells did not use logger data, and instead submitted their own operating manifests, which were analyzed separately by the Resource Innovations team. The interval data provided the kW output of the fuel cell every 15 minutes.

We summarize how RI came to receive logger data for 19 of the 23 accounts in Table 6. Starting with the sample of 23 Scenario 2 accounts, one account was unenrolled from the program, one account was corrected to Scenario 1, and two accounts provided fuel cell data instead of having a logger installed.

Table 6: Disposition of Logger Data Received from Scenario 2 Accounts

Logger Data Disposition	Number of Accounts
Starting sample of Scenario 2 accounts	23
Unenrolled from the program	(1)
Corrected to Scenario 1	(1)
Provided fuel cell data	(2)
Accounts that received a logger	**19**

In terms of administrative violations, a total of six accounts were found to have incorrect attestations concerning the nameplate capacity or number of PRs onsite when compared to the photographs provided by Mad Dash. Five of these accounts have provided updated attestations and one is still outstanding, with their 60-day cure window expiring in January 2026. Resource Innovations will inform the CPUC and relevant IOU if this customer does not cure their incorrect attestation by the end of their cure window.

2.3.3 Scenario 2 Logger Analysis

The last area of validation for Scenario 2 customers is to examine their logger data for evidence their PRs were used to produce DR load reductions. In total, Resource Innovations has received logger data for 27 PRs at the sites of 19 accounts.

The first part of validating PR logger data is to identify those PRs that run at any point on a DR event day. Of the logger data received from the 19 accounts, six PRs from five accounts were run on at least one event day during the period from when the logger was installed on-site to October 31, 2025. The records of PRs that ran on an event day were evaluated to determine whether they were used to produce demand response during events.

The validation procedure for PR usage on event days for the six PRs consisted of comparing the time stamps in the logger data to the DR event times. Over the 2025 season, none of the six PRs ran on event days during the event hours, confirming that they were not used to produce demand response.

Table 7 presents a summary for PRs that ran on at least one event day. The six PRs are on the site of five accounts enrolled in one DR program. Table 7 masks both the customer identifier and the DR program or product they are participating in to protect confidential customer information. The table documents the number of total event days, the number of times the PR ran during event days, the number of times the PR ran during the event hours, and a description of the generators' usage pattern on event days.

Overall, the generators only ran on a small subset of the total number of event days, and at no point did these generators run during event hours. The descriptions of generator usage on event days indicate there was no pattern or evidence of an account using their PR(s) to produce demand response load reductions.

Table 7: Summary of Scenario 2 PR Operations on 2025 DR Event Days

Customer ID	Provider	Program	Gen #	# of Event Days	# of Event Days PR Used	# of Times Run During Event Hours	Notes
A	1	1	1	80	2	0	Generator briefly ran at 7 PM on two event days after a 2 PM event had ended
B	1	1	1	100	1	0	Generator ran between 11 AM and 2 PM on one event day before a 5 PM event began
C	1	1	1	120	1	0	Generator ran between 9 AM and 2 PM on one event day before a 6 PM event began
D	1	1	1	120	2	0	Generator ran between 4 AM and 6 AM on two event days before 5 PM events began
E	1	1	1	100	2	0	Both generators ran between 12 PM and 1:30 PM on one event day before a 2 PM event began, and between 12 AM and 3 AM on another event day before a 4 PM event began
			2	100	2	0	

2.3.4 Scenario 2 Fuel Cell Data Analysis

This section provides additional information about the two PRs included in the audit that are fuel cells. Fuel cells are designed to run continuously 24 hours a day and generally produce a consistent output while they are operating. This means that fuel cells must be analyzed differently than the PRs presented in Table 7, which only run occasionally. Furthermore, it would be clear if fuel cells were being used during DR events because usage would increase. Neither of the two fuel cells show a substantial pattern of increased usage on event days. Additionally, the usage is similar for event and proxy days, indicating the fuel cells are not being used at a higher operating output during DR events. Proxy days are similar to event days in terms of temperature profile, but no event was called that day.

Figure 1 and Figure 2 show the time-series energy production for the fuel cells over the entire event season. The data for both fuel cells was provided at the 15-minute level. The dark blue and light blue lines represent event and proxy days, respectively. Both customers are enrolled in a program which has event days nearly every weekday of the year.

Figure 1: Fuel Cell Usage for Customer #1

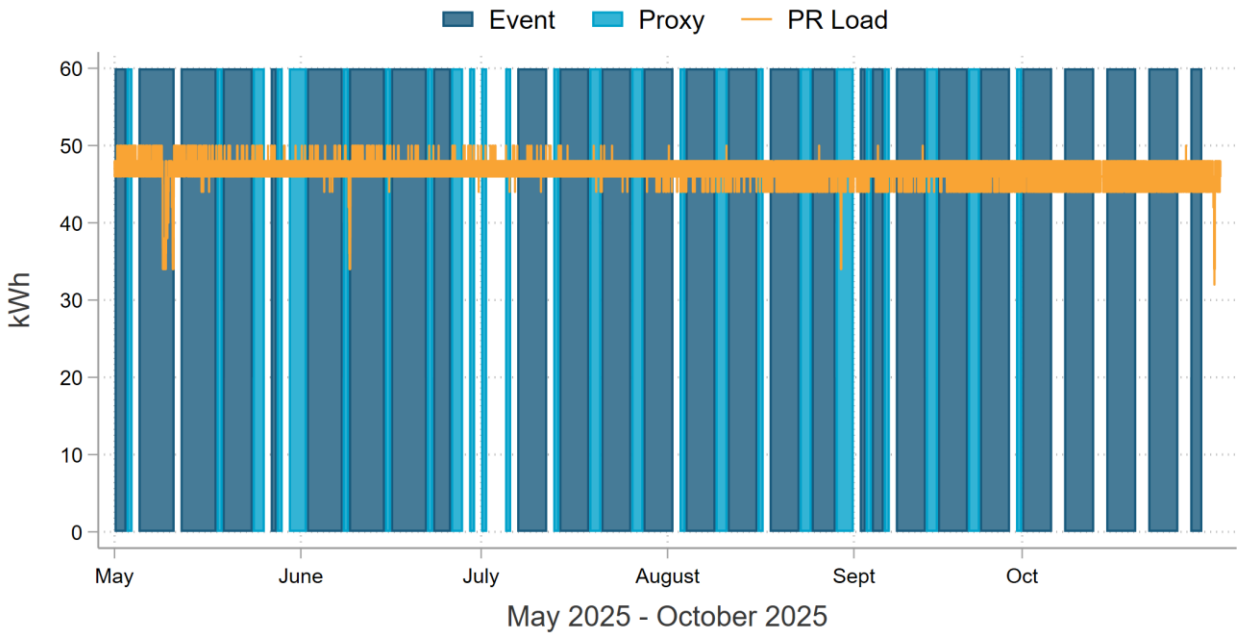
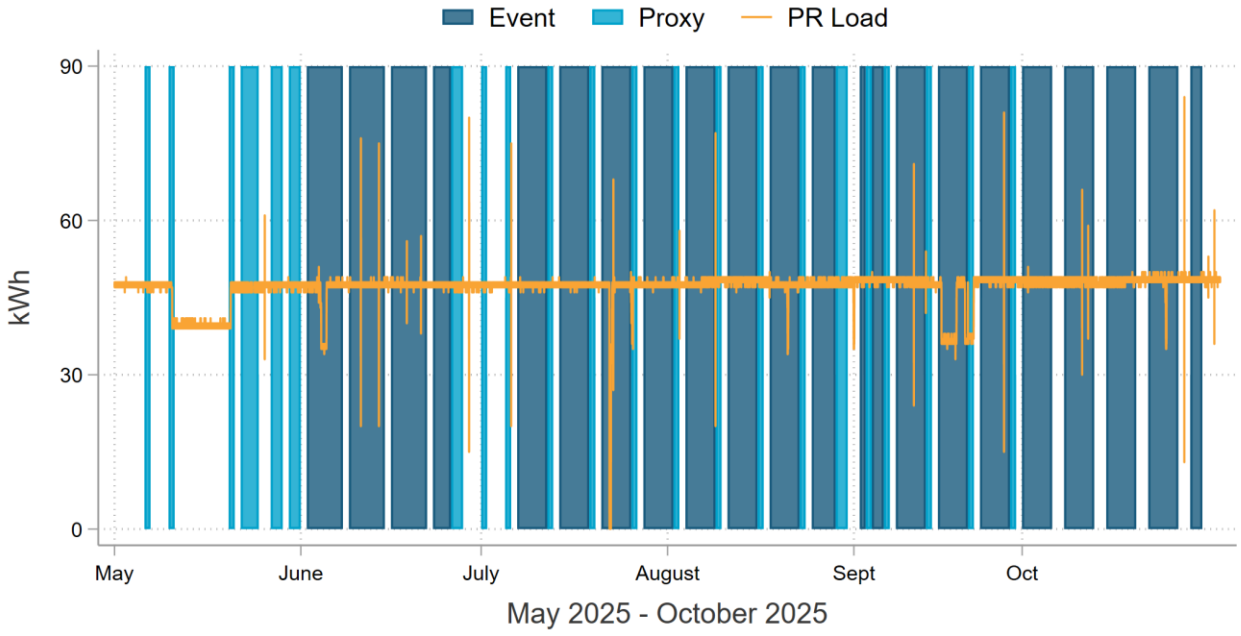


Figure 2: Fuel Cell Usage for Customer #2



Additionally, the Resource Innovations team analyzed the fuel cell data at the interval level to determine if the two customers were increasing their usage during event hours compared to the two hours immediately before and after the events. Table 8 displays the average 15-minute kWh interval value for the two customers during events, as well as the average kWh for the fuel cells in the two-hour windows before and after the event. Overall, the average kWh during event hours was almost the exact same as the average kWh before and after the event. Statistical t-tests confirmed that there were no significant differences between the average 15-minute kWh interval value before or after the event when compared to the average 15-minute kWh interval value for the event itself.

Table 8: Summary of Fuel Cell Operations on 2025 DR Event Days

Fuel Cell Customer	Provider	Program	# of Event Days	Avg. kWh Interval Before Events	Avg. kWh Interval During Events	Avg. kWh Interval After Events
#1	1	1	120	46.57	46.64	46.76
#2	1	1	100	47.07	47.10	47.24

2.3.5 Attestation Scenario 3 Verification

There were three Scenario 3 customers selected for the audit, which are displayed by program in Table 9. Each customer was contacted by email and asked to provide date- and time-stamped photos of the nameplate capacities of their PRs. Initially, all three were marked as non-responsive after repeated email attempts. However, all eventually replied with the requested photos.

Two customers provided photographs that matched the information on file at Resource Innovations. The third customer also complied with the audit request but submitted a photo showing a generator nameplate capacity lower than the value stated on their attestation form. A new attestation form was sent to this customer, which must be completed by January 2026, when their 60-day cure window expires.

Table 9: Tabulation of Scenario 3 Account Attestation Verifications

DR Program or Product	Scenario 3 Accounts
AP-I	0
BIP	2
CBP/CBP-E	0
LCR	1
RA	0
Total	**3**

2.4 Task 4: Notifications and Reporting

Table 10 presents the composite compliance rate for all programs and products, which ranges from 100% for AP-I to 82% for LCR. Fourteen customers were found to have Type 1 violations, which include the customers who had AQMD permits pulled, customers that need to switch from Scenario 1 to Scenario 2 and vice versa, customers whose attested PR kW capacity or number of generators did not match the information provided, and non-responsive customers.[7]

The Type 1 violations shown in Table 10 are those that we are reporting to the CPUC. The audit found 14 Type 1 violations for which nine updated attestations have been received. The 60-day cure window for the remaining violations ranges from early-January to the end of January, and any account that does not update their attestation within the cure window will be reported to the CPUC. If any Type 1 violations update to Type 2 violations, Resource Innovations will notify the CPUC.

[7] Starting in 2025, customers who do not respond to the VA's inquiries are no longer classified as "non-responsive" and instead classified as a Type 1 violation, which turns into a Type 2 violation 60 days after the customer is deemed non-responsive.

Table 10: Compliance Rate by Program

DR Program or Product	Total Number of Accounts	Total Number of Type 1 Violations	Total Number of Type 2 Violations	Overall Compliance	Margin of Error	Relative Precision
AP-I	42	0	0	100%	0%	0%
BIP	40	3	0	93%	7%	7%
CBP/CBP-E	43	3	0	93%	6%	7%
LCR	38	7	0	82%	10%	13%
RA	43	1	0	98%	4%	4%
Total	**206**	**14**	**0**	**93%**	**3%**	**3%**

Lastly, there were no instances of fuel switching from renewable to non-renewable fuels for any audit participants.

3. Conclusions and Recommendations

The Verification Audit is designed to achieve two parallel objectives. First, to encourage compliance with the Prohibition among all participants of the DR programs, pilots, and products. The audit provides a mechanism to annually communicate with a sample of customers, reminding them that their compliance with the Prohibition is important to the CPUC, the IOUs, their aggregators, and the DRPs, and that compliance is systematically monitored. With annual random sampling, participants subject to the Prohibition can expect that each year there is a chance they may be contacted for an audit.

Second, the verification audit provides an annual estimate of the compliance rate for each program, pilot, and product. Table 10 summarizes compliance as measured by the 2025 audit.

As the 2025 Verification Audit concludes, Resource Innovations offers the following recommendation for improving the Verification Plan or the VA's ability to carry out the Verification Plan effectively. The recommendation does not reflect the views of the IOUs or DRPs and solely represents Resource Innovations' views in their experience of serving as VA.

Provide clear and specific guidance on how the VA should handle sites with multiple small, portable generators. Several sites enrolled in DR programs have reported owning numerous small portable generators that rotate among various locations operated by the same company. At a given time, any number of generators may be located at different sites. Additionally, each site may or may not be enrolled in a DR program and, therefore, may or

may not be subject to audit. Under the current audit framework, determining the generator's location during an event is not possible. While the VA could install a logger on these generators, it would still be unclear where the generator operated and whether a violation occurred. Alternatively, a GPS device could be utilized in combination with a logger to determine where and when the PR was operational.