

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



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A2603021

Application of Peninsula Clean Energy for
Approval of 2028-2031 Energy Efficiency
Portfolio Plan and 2028-2035 Business Plan

Application 26-03-____
(Filed March 16, 2026)

**APPLICATION OF PENINSULA CLEAN ENERGY
FOR APPROVAL OF
2028-2031 ENERGY EFFICIENCY PORTFOLIO PLAN AND
2028-2035 BUSINESS PLAN**

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March 16, 2026

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I. INTRODUCTION

Peninsula Clean Energy (PCE) respectfully submits this Application for Approval of its 2028-2031 Energy Efficiency (EE) Portfolio Plan and its 2028-2035 EE Business Plan¹ pursuant to Article 2 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission), California Public Utilities Code § 381.1,² and Decision (D.) 14-01-033.³ The Commission granted an extension to all Portfolio Administrators (PA) for this cycle of applications, allowing applications to be filed no later than March 16, 2026.⁴

Since its launch in 2016, PCE has worked to provide its member communities with access to clean energy and innovative programs at affordable rates while simultaneously supporting statewide efforts towards decarbonization. PCE’s existing EE program—the FLEXMarket

¹ Peninsula Clean Energy’s (PCE) 2028-2031 Energy Efficiency (EE) Portfolio Plan and 2028-2035 EE Business Plan is included as Exhibit 1 of the testimony served with this Application.

² Cal. Pub. Util. Code § 381.1 authorizes community choice aggregators (CCA) to administer EE programs. Subsections 381.1(a)-(d) authorize CCAs to apply to administer EE programs.

³ Decision (D.) 14-01-033, Ordering Paragraph (OP) 4 (Jan. 23, 2014) permits first-time CCAs applying to administer conservation and/or EE programs under Cal. Pub. Util. Code § 381.1(a)-(d) may file their applications at any time. PCE is choosing to file its application on the same schedule as the investor-owned utilities (IOU) to better enable comparison across program administrator (PA) applications and streamline stakeholder and Commission review.

⁴ Peterson, letter regarding “Request for Extension of Time” (Dec. 15, 2025). Note that although first-time ATA PAs may file an application at any time, PCE has opted to file concurrently with other PAs to facilitate greater efficiency and simpler comparison among portfolio proposals.

program—has played an important role in achieving each of those objectives over the past several years. Specifically, the FLEXMarket program has allowed PCE’s commercial customers to support grid reliability needs and avoid greenhouse gas (GHG) emissions while benefiting from energy and bill savings. PCE also self-funds and offers its customers several complementary decarbonization programs, including a “Home Upgrade Services” (HUS) program that helps residential customers transition from gas to electric end-uses.

California now finds itself at an “all hands on deck” moment. The State has established critical and ambitious climate and decarbonization goals, including the goal of doubling statewide EE savings by 2030 (Senate Bill (SB) 350); carbon neutrality by 2045 (SB 100); a 40 percent reduction in GHG emissions from residential and commercial buildings by 2030 (Assembly Bill (AB) 3232); and a goal of 6 million heat pumps installed by 2030 (Governor Newsom’s 2022 letter to the California Air Resources Board (CARB)). However, the State risks falling short of many of those targets without sustained investment and innovative strategies to help a broader swath of Californians participate in (and benefit from) the State’s pursuit of those targets.

PCE proposes to substantially expand its EE offerings in order to meet the moment. Through this Application, PCE proposes to deliver an ambitious EE portfolio that will improve energy affordability for both participants and non-participants, address local needs, complement existing EE and demand-side offerings, and accelerate the State’s progress towards its climate goals. PCE is well-equipped to effectively deliver that portfolio. It has built a close and trusting relationship with its customers and community stakeholders and therefore can successfully communicate and deliver EE programming to the diverse communities in its service area. It currently runs (and self-funds) several other customer programs—including electric vehicle, battery, solar and building electrification programs—and therefore has the track-record to deliver

cost-effective programming. Through this experience, PCE has also developed a unique expertise in “stacking” funding (*i.e.*, leveraging various sources of funding to optimize the economic proposition for customers), which again, makes PCE well-positioned to effectively deliver a broad ratepayer-funded EE portfolio.

Three core pillars guide the design of PCE’s proposed portfolio: 1) Innovation, 2) Equity and Affordability, and 3) Community-Based Programming. PCE tailored its proposed portfolio, and delineated its offerings by sector and segment, to deliberately emphasize and advance these pillars. PCE’s Application and supporting testimony describe the strategies PCE will employ to advance its three core pillars, and the manner in which each of its proposed programs will execute those strategies. Finally, in addition to describing PCE’s proposed program offerings, PCE’s Application and supporting testimony offer a range of policy recommendations intended to unlock innovation and ensure that program administrators (PAs) reach Equity customers⁵ more successfully.

PCE therefore respectfully requests that the Commission approve PCE’s 2028-2031 Portfolio Plan, its 2028-2035 Business Plan, and associated budgets as reasonable, cost-effective, and equitable means of advancing the State’s and the Commission’s EE and decarbonization objectives. Further, PCE requests the Commission adopt the policy recommendations described herein.

II. BACKGROUND

PCE is a California Joint Powers Authority (JPA) formed in 2016 for the purposes of implementing and operating a community choice aggregation (CCA) program called Peninsula

⁵ In the context of EE portfolios, “Equity” customers are defined as hard-to-reach customers, underserved customers, and customers living in disadvantaged communities (DACs). PCE describes the definition of Equity customers in detail in Chapter 2 of its testimony supporting this Application.

Clean Energy.⁶ PCE is the default electricity provider of San Mateo County and the City of Los Banos, currently providing electric generation service to a population of over 790,000 people and over 300,000 customer accounts across its service area. In 2025, PCE supplied its customers with more than 3,600 gigawatt-hours (GWh) of electricity that is 50% renewable and 100% greenhouse gas (GHG)-free. Since PCE launched in October 2016, PCE’s customers have saved over \$225 million and over 1 million metric tons CO₂e from PCE’s electric service compared to 2016 baseline, equivalent to over 140 million gallons of gasoline use.

PCE was formed for the express purpose of providing electric generation service that meets the unique needs and reflects the specific values of the communities it serves. PCE’s mission is to reduce GHG emissions by expanding access to sustainable and affordable energy solutions.⁷ Driven by this mission, PCE’s strategic goals emphasize (1) accelerating decarbonization through electrification, (2) limiting cost impacts for ratepayers, and, (3) advancing innovative clean energy solutions that can be replicated by other market participants.⁸

PCE deploys a range of strategies to achieve these objectives, which include a broad spectrum of customer programs that promote decarbonization, lower pollution, advance affordability, and build resilience. As a local public agency, PCE is uniquely positioned to work closely with its member communities to develop and implement locally responsive and innovative programs. In striving to meet these objectives, PCE prioritizes affordability and has consistently

⁶ All subsequent references to Peninsula Clean Energy or PCE refer to both the Peninsula Clean Energy Authority and its CCA program, Peninsula Clean Energy.

⁷ Peninsula Clean Energy, “Mission.” Available at: <https://www.peninsulacleanenergy.com/about-us/our-story/>.

⁸ See Peninsula Clean Energy Authority, *2026-2030 Strategic Plan*, (Nov. 20 2025). Available at: <https://library.peninsulacleanenergy.com/m/16178ff0ecf9ef16/original/Our-Path-Forward-2026-2030-Strategic-Plan.pdf>.

provided generation service to its customers at lower rates than Pacific Gas and Electric Company (PG&E).

EE is a key component in PCE’s comprehensive approach to carry out these strategic objectives, and PCE has successfully implemented EE programming for over five years. In May of 2022, the Commission approved PCE’s request to administer a “FLEXMarket” program under the Elect-to-Administer (ETA) framework set forth in Cal. Pub. Util. Code § 381.1(e)-(f).⁹ The Commission recently certified the extension of PCE’s FLEXMarket program for a three-year term.¹⁰ Through implementation of this program, PCE has gained valuable experience and lessons learned that it will build upon and leverage throughout the implementation of its proposed expanded EE portfolio.

III. LEGAL AND POLICY FRAMEWORK

PCE’s proposed EE portfolio is grounded in the legal and regulatory guidance underlying the Apply-to-Administer (ATA) framework, as set forth in Cal. Pub. Util. Code Section 381.1(a)-(d). These statutory provisions require the Commission to establish procedures whereby CCAs may apply to administer cost-effective EE programs. The resulting ATA framework “allows CCAs to access energy efficiency funds from, and provide energy efficiency programs to, both their customers *and* other utilities’ customers.”¹¹

The Commission adopted much of the policy guidance surrounding ATA portfolio administration through D.14-01-033, in which the Commission first recognized CCAs as program administrators eligible to administer EE funds.¹² Decision 14-01-033 provided that CCAs may file an initial ATA application at any time, but that subsequent applications must comply with the

⁹ See Resolution E-5197 (May 5, 2022).

¹⁰ Resolution E-5442 (Jan. 15, 2026).

¹¹ D.14-01-033 at 5 (emphasis in original).

¹² See *id.* at 6-12.

application timing requirements applicable to IOUs.¹³ Decision 14-01-033 also set forth a number of key requirements for ATA CCA PAs, including the direction that CCA PAs must comply with the Commission’s prior EE decisions as implemented through the Policy Manual,¹⁴ that CCAs’ portfolios must meet a total resource cost (TRC) threshold of 1.0 or greater,¹⁵ and specific encouragement that CCA PAs target hard-to-reach (HTR) customers and innovative programs within their portfolios.¹⁶

Since D.14-01-033, the Commission has adopted several decisions refining procedural and substantive requirements for EE PAs, which apply equally to ATA CCAs. In particular, D.21-05-031 required EE PAs to submit eight-year business plans and four-year portfolio plans, and required PAs to categorize all programs into Resource Acquisition (RA), Equity and Market Support segments.¹⁷ Decision 21-05-031 further provided that only the RA segment must achieve a TRC ratio greater than or equal to 1.0, while the Market Support and Equity Segments do not have a cost-effectiveness requirement but together are capped at 30% of the PA’s total portfolio budget.¹⁸ Importantly, the Decision also adopted total system benefit (TSB)—which monetizes lifecycle energy, capacity, and GHG benefits—as the primary goal of the EE portfolios.¹⁹ Finally, D.21-05-031 mandated funding proposals to use “zero-based budgeting” (ZBB) procedures, requiring that all PAs justify each line item of spending rather than relying on historical allocations.²⁰

¹³ *Id.* at 15. Note that although first-time ATA PAs may file an application at any time, PCE has opted to file concurrently with other PAs to facilitate greater efficiency and simpler comparison among portfolio proposals.

¹⁴ *Id.* at 13.

¹⁵ *Id.* at 14.

¹⁶ *Id.* at 15.

¹⁷ D.21-05-031 at 65, Conclusion of Law (COL) 15, Ordering Paragraph (OP) 5.

¹⁸ *Id.* at OPs 3-4, COL 8.

¹⁹ *Id.* at OP 1.

²⁰ *Id.* at OP 8.

Decision 23-06-055, authorizing the most recent iterations of the PAs’ energy efficiency portfolios and business plans, added several requirements that guide PCE’s Application. Among them, the Commission adopted specific definitions, objectives and indicators shaping the Equity and Market Support segments of EE portfolios.²¹ Decision 23-06-055 further authorized optional multi-distributed energy resource (DER) integrated demand-side management (IDSM) pilots, and updated prior guidance surrounding joint cooperation memorandums (JCMs).²² Finally, D.23-06-055 also required certain new, downstream residential and commercial RA retrofit programs to use normalized metered energy consumption (NMEC) or other meter-based savings evaluation methods, or to justify why such methods are not feasible or cost-effective.²³ PCE’s Application complies with each of these regulatory requirements, as described in greater detail in Chapter 2 of its supporting testimony.

Beyond the Commission’s directives, several important State goals drive PCE’s portfolio. First, SB 350 (2015) requires doubling of statewide EE savings and demand reduction by 2030.²⁴ While the Commission has taken significant steps to facilitate achievement of SB 350’s goals, recent California Energy Commission (CEC) modeling demonstrated that aggressive EE in a high-electrification future is needed to reach those goals.²⁵ PCE’s ATA portfolio aligns well with SB 350’s objectives, as its portfolio is designed to capture deeper savings and it dedicates resources to workforce training—especially in Equity communities—to facilitate sustained progress towards California’s decarbonization goals.²⁶

²¹ D.23-06-055, pp. 43-54, 57-59 (Jul. 3, 2023).

²² *Id.* at OPs 28-29, 35.

²³ *Id.* at OP 20.

²⁴ 2015 Cal. SB 350; *see also* Cal. Pub. Resources Code § 25310(c)(1).

²⁵ California Energy Commission (CEC), *Draft Commission Report: California Building Energy Action Plan*, pp. 141, Table 16, and 147, Figure 15 (Dec. 2025). Available at: <https://www.energy.ca.gov/sites/default/files/2025-12/CEC-400-2025-001-CMD.pdf>.

²⁶ *See* Exhibit 1, Chapter 1.

Next, the legislature enacted AB 802 in 2016, which requires the Commission to authorize IOUs to provide financial incentives and pay-for-performance (P4P) approaches to customers to increase the energy efficiency of existing buildings based on NMEC and other meter-based methods.²⁷ In line with this policy direction, as well as subsequent Commission direction with regard to NMEC programs,²⁸ PCE’s portfolio employs NMEC and P4P methods to facilitate compliance with AB 802 and to safeguard ratepayer funds.²⁹

The legislature also enacted SB 32 in 2016, which requires CARB to ensure that the State’s GHG emissions are reduced to 40% below 1990 levels by 2030.³⁰ Two years later, SB 100 (2018) codified California’s north star goal of carbon neutrality by 2045.³¹ CARB analysis has emphasized the importance of building decarbonization in reaching this aggressive goal, highlighting an ongoing need to maximize EE, demand flexibility, battery storage, low-GWP measures, and electrification in order to reach carbon neutrality by the target deadline.³² PCE’s proposed portfolio advances each of these strategies, placing an emphasis on equity, workforce training, accelerated electrification, efficient load shaping, and promotion of clean energy solutions.³³

Finally, the CEC’s 2025 Draft Building Energy Action Plan recently explained that “aggressive, efficient electrification — as articulated by the aspirational 6-million-heat-pump goal — is the *only* scenario that will achieve GHG emission reductions from buildings consistent with

²⁷ See Cal. Pub. Util. Code § 381.2.

²⁸ See D.23-06-055 at OP 20.

²⁹ See Exhibit 1, Chapter 1.

³⁰ Cal. Health and Safety Code § 38566.

³¹ See Cal. Pub. Util. Code § 454.53(a).

³² California Air Resources Board (CARB), *2022 Scoping Plan, Appendix F: Building Decarbonization*, p. 1, 49 (Nov. 2022).

³³ See Exhibit 1, Chapter 1.

the state’s 2045 climate and efficiency goals.”³⁴ PCE’s portfolio strategies directly align with those identified in the CEC’s Building Energy Action Plan, which recommends a continued emphasis on traditional EE, deeper investments into electrification, and sustained consideration of equity in decarbonization efforts.³⁵

IV. OVERVIEW AND ORGANIZATION OF PCE’S TESTIMONY

In support of this Application, PCE provides testimony describing its 2028-2031 EE Portfolio Plan and 2028-2035 Business Plan in Exhibit 1. Exhibit 2 includes program cards for each of PCE’s proposed EE programs. Exhibit 3 provides CEDARS filing links and receipts.

Exhibit 1 is structured as follows:

- **Chapter 1: *Executive Summary*** – Chapter 1 provides a concise description of PCE’s testimony, including an overview of PCE’s goals and strategies, a discussion of portfolio overlap and coordination, and a high-level discussion of ratepayer impacts.
- **Chapter 2: *Portfolio Summary*** – Chapter 2 provides a description of PCE’s service territory, customer demographics, and their impact on EE programming. In addition, Chapter 2 sets forth PCE’s Application Summary Tables, as well as a discussion of the legal, regulatory, and policy guidance driving PCE’s proposed EE portfolio.
- **Chapter 3: *Portfolio Strategies*** – Chapter 3 discusses key strategies informing PCE’s proposed portfolio, including those related to affordability, TSB, building decarbonization, peak savings, meter-based measurement, exempt measures in the Equity segment, the ESJ Action Plan, IDSM, workforce education, service area demographics, sector- and segment-specific challenges, low-GWP refrigerants, innovation, and community-based programming.

³⁴ CEC 2025 Draft Building Energy Action Plan at 3 (emphasis added).

³⁵ *Id.* at 12-15; *see* Exhibit 1, Chapter 1.

- **Chapter 4: *Forecast Methodology and Zero-Based Budgeting*** – Chapter 4 details the methodologies PCE employed to derive a zero-based budget, further described by sector and segment.
- **Chapter 5: *Portfolio Management*** – Chapter 5 provides PCE’s planned portfolio management strategies, including a discussion of 4-year and 8-year key metrics and outcomes. Chapter 5 further discusses PCE’s strategies for portfolio optimization and risk management, and presents PCE’s portfolio-level logic model.
- **Chapter 6: *Segmentation and Sector Strategy*** – Chapter 6 sets forth a holistic description of PCE’s EE portfolio, focusing on sector- and segment-level strategies.
- **Chapter 7: *Portfolio Coordination*** – Chapter 7 describes PCE’s approach to portfolio coordination, including coordination within the programs of PCE’s EE portfolio, as well as coordination with other PAs, market transformation initiatives, Energy Savings Assistance program, and other demand-side programs. This Chapter also highlights PCE’s use of fund-stacking to improve customer economics and maximize benefits from PCE’s suite of programs.
- **Chapter 8: *Stakeholder Engagement*** – Chapter 8 details PCE’s comprehensive approach to stakeholder engagement, as well as a discussion of key lessons learned throughout this process and their incorporation within PCE’s proposed EE portfolio.
- **Chapter 9: *Evaluation, Measurement, and Verification*** – Chapter 9 discusses PCE’s planned evaluation, measurement, and verification (EM&V) activities, which align with Commission directives.
- **Chapter 10: *Policy Recommendations*** – Chapter 10 sets forth the policy recommendations that PCE developed concurrently with its portfolio in order to

improve the overall effectiveness of PAs' EE portfolios going forward. PCE's proposed policy changes are intended to catalyze innovation and support equitable access, affordability and community-based programming under the EE portfolios.

V. STATEMENT OF RELIEF SOUGHT

A. The Commission Should Approve PCE's 2028-2031 Energy Efficiency Portfolio Plan, Including PCE's Proposed Budget.

PCE's four-year Portfolio Plan reflects a measured and prudent expansion of its existing EE activities, leveraging its demonstrated experience under the ETA framework while scaling up program offerings in a manner commensurate with its service area needs. In accordance with Commission guidance, PCE developed its proposed EE portfolio to further the Resource Acquisition, Equity, and Market Support segments' respective purposes. PCE's Portfolio Plan is further informed by comprehensive strategies designed to flexibly serve the needs of PCE's diverse customer sectors. The Commission should approve PCE's proposed 2028-2031 EE Portfolio Plan and associated budgets as reasonable, well-supported, and consistent with the Commission's requirements for CCA EE portfolios implemented under Cal. Pub. Util. Code § 381.1(a)-(d).

1. PCE's Overall EE Portfolio Plan and Annual Budgets are Reasonable.

PCE's proposed portfolio consists of eight new programs that were designed with community input to advance PCE's overarching objectives of catalyzing innovation while supporting equity, affordability and community-based programming.³⁶ Each program is tailored to address specific opportunities within PCE's diverse service area, ensuring funds are deployed

³⁶ See Exhibit 1, Chapter 6, Section 6.1 (providing an overview of each program within PCE's proposed portfolio).

in a locally-responsive manner rather than through duplicative or one-size-fits-all approaches.³⁷ Collectively, the programs form a comprehensive and complementary portfolio that balances near-term opportunities with longer-term market transformation and innovation.

PCE's portfolio strategy prioritizes GHG reductions through strategic electrification and refrigerant-related measures while concentrating RA investments in the non-residential sector, where high-TRC savings provide the greatest ratepayer value and support system affordability.³⁸ The portfolio also directs substantial resources to Equity programs, particularly for renters, using community-driven design and targeted delivery models to address barriers that are difficult to overcome in programs constrained by cost-effectiveness requirements.³⁹ PCE's proposed portfolio also advances load-shaping offerings to reduce peak loads and lower procurement costs.⁴⁰ Across its portfolio, PCE prioritized innovative program design and layering of PCE-funded and other public incentives with Commission programs to deepen customer impact, accelerate electrification adoption, and maintain overall portfolio cost-effectiveness.⁴¹ These strategies produce a balanced portfolio that aligns affordability, equity, and decarbonization objectives.

Table 1 below summarizes PCE's budget and goals on an annual basis through the 2028-2031 portfolio period.

³⁷ See Exhibit 1, Chapter 6, Sections 6.2 and 6.3 (describing the unique sector- and segment-level considerations that informed PCE's portfolio development); *see also*, Exhibit 1, Chapter 8 (describing PCE's stakeholder outreach process and the incorporation of key lessons learned within its proposed portfolio).

³⁸ Exhibit 1, Chapter 3, Section 3.1.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

Table 1: PCE Annual Budget and Goals for the 2028-2031 Portfolio Plan

Year	Total Budget	Total System Benefit (TSB)
2028	\$6,593,750	\$5,272,530
2029	\$9,025,209	\$11,396,103
2030	\$9,817,397	\$12,894,357
2031	\$10,865,729	\$14,766,713
Total	\$36,302,085	\$44,329,703

PCE’s requested 2028-2031 portfolio budget reflects a ZBB approach, consistent with the Commission’s directives in D.21-05-031.⁴² A ZBB approach ensures that each dollar PCE requests through its Application is fully justified, and that the proposed budgets are designed to achieve measurable, cost-effective and equitable outcomes. PCE employed this approach to construct each program’s budget from the ground up, in consideration of stakeholder insights, market needs, available delivery strategies, and expected savings.⁴³

Beyond the Commission’s ZBB directive, several other drivers informed the development of PCE’s proposed budget. First, PCE’s budget is informed by statewide decarbonization and EE goals, such as SB 350, which, as described above, requires a doubling of statewide EE savings and demand reduction by 2030,⁴⁴ and AB 802,⁴⁵ which authorized NMEC methods. Second, PCE’s budget reflects a variety of relevant Commission directives, including key guidance related to portfolio segmentation and cost-effectiveness.⁴⁶ Third, the budget reflects PCE’s mission to reduce GHG emissions by expanding access to sustainable and affordable energy solutions.⁴⁷ Finally, the

⁴² D.21-05-031, COL 22, OP 8 (May 26, 2021); *see also* Exhibit 1, Chapter 4 at 1.

⁴³ For a more in-depth discussion of PCE’s forecast methodology and zero-based budgeting approach, *see* Exhibit 1, Chapter 4.

⁴⁴ Clean Energy and Pollution Reduction Act of 2015, Senate Bill (SB) 350 (De León, 2015). Codified at Cal. Pub. Resources Code § 25310(c)(1).

⁴⁵ Assembly Bill (AB) 802 (Williams, 2015).

⁴⁶ Exhibit 1, Chapter 4, Section 4.1.1.

⁴⁷ *Id.*

budget allocation reflects community input, which PCE received via interviews, surveys, and coordination with local governments, contractors, and workforce partners.⁴⁸

In sum, the overall scale of PCE’s four-year portfolio budget is proportionate to the scope of its proposed portfolio and reasonable as compared to the forecasted benefits that will accrue to PCE customers and the energy system over the portfolio period. PCE’s proposed portfolio represents a meaningful program expansion that builds upon PCE’s proven capabilities, incorporates Commission-required budgeting methodologies, and prioritizes the equitable deployment of funds to advance statewide decarbonization goals.

2. PCE’s Proposed Portfolio Advances the Purposes of the Resource Acquisition, Equity, and Market Support Segments.

Pursuant to the Commission’s guidance in D.21-05-031, PCE divided its portfolio into Resource Acquisition, Equity, and Market Support segments.⁴⁹ PCE’s approach to segmentation reflects a deliberate allocation of budget and program design tools to maximize TSB, strengthen program delivery to Equity customers, and support long-term market development and workforce readiness within PCE’s service territory.⁵⁰

RA programs have a primary purpose of, and the short-term ability to, deliver cost-effective avoided cost benefits to the electricity and natural gas systems.⁵¹ PCE dedicated 70% of its proposed budget to the RA segment, looking to available program models, existing programs, and stakeholder feedback in developing this allocation.⁵² PCE’s proposed RA segment focuses on non-residential, high-TRC program designs such as Multifamily and Non-Residential Strategic

⁴⁸

Id.

⁴⁹

D.21-05-031 at 14.

⁵⁰

For a more in-depth discussion of PCE’s segmentation strategy, *see* Exhibit 1, Chapter 6.

⁵¹

D.21-05-031 at 14.

⁵²

See Exhibit 1, Chapter 6, Section 6.3.1.

Energy Management (SEM) and FLEXMarket.⁵³ In particular, PCE’s RA segment targets commercial, industrial, agricultural, and multifamily (MF) common area customers, where operational savings, electrification readiness, and flexible load management provide measurable value.⁵⁴ These programs produce the largest, most cost-effective avoided-cost benefits, and generally support portfolio affordability.

For example, PCE’s proposed Non-Residential SEM program engages commercial, agricultural, public sector, and industrial customers through a dedicated energy coaching model that builds capacity for sustained energy awareness and operational and behavioral energy management.⁵⁵ This program provides participating customers with real-time energy dashboards, cohort-based learning opportunities, technical assistance to uncover low- and no-cost savings opportunities and improve load flexibility, and Energy Coach support to identify electrification-readiness and IDSM opportunities.⁵⁶ By integrating SEM practices with decarbonization pathways, the program supports participants in embedding continuous improvement processes, providing sustained operational savings toward statewide GHG reduction and reliability targets.⁵⁷

The purpose of the Equity segment is to provide EE to hard-to-reach or underserved customers and disadvantaged communities (DACs) to advance the Commission’s Environmental and Social Justice (ESJ) Action Plan.⁵⁸ Under current Commission guidance, EE expenditures for Equity and Market Support programs are limited to a combined 30% of the PA’s total budget.⁵⁹ PCE segmented its portfolio to maximize this funding carveout, preserving the majority of the

⁵³ *See id.*

⁵⁴ *See id.*

⁵⁵ *See Exhibit 2, Non-Residential Strategic Energy Management Program Card.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ D.21-05-031 at 14.

⁵⁹ *Id.* at OP 4.

30% budget allocation to serve Equity customers.⁶⁰ PCE centered its Equity segment strategy on serving the unique needs of underserved and HTR customers in its service area, specifically tailoring program designs to target linguistically diverse households and renters.⁶¹ PCE’s Equity segment includes two core programs – the Residential Direct Install (DI) Program and the Renters Marketplace.⁶² PCE designed these programs to overcome split incentive challenges, reduce energy burden, and eliminate financial barriers to participation that disproportionately affect underserved and HTR customers.

The Renters Marketplace, for example, provides homeowners, renters, and small businesses with streamlined access to discounted energy efficiency and clean energy equipment through an online marketplace platform that simplifies purchasing and access to incentives.⁶³ Program participants receive curated product recommendations, multilingual support, and hands-on guidance from PCE’s Concierge service – a dedicated customer support team that is trained in helping customers with their energy journey. Offering this service has shown to reduce confusion and increase trust among underserved and HTR communities in PCE’s existing programs.⁶⁴ Ultimately, the Renters Marketplace aims to normalize equitable, digital access to energy upgrades, reduce barriers to participation, and contribute to long-term affordability and GHG reduction goals within PCE’s service area.⁶⁵

Market Support programs are intended to support the long-term success of the EE market by educating customers, training contractors, building partnerships, or moving beneficial

⁶⁰ See Exhibit 1, Chapter 6, Section 6.3.2.

⁶¹ *Id.*

⁶² *Id.*

⁶³ Exhibit 2 at Renters Marketplace Program Card.

⁶⁴ *Id.*

⁶⁵ *Id.*

technologies towards greater cost-effectiveness.⁶⁶ PCE’s Market Support segment is designed to build long-term regional capacity for decarbonization by strengthening the contractor workforce, improving refrigerant management practices, and preparing the market for low-global warming potential (GWP) transitions.⁶⁷ PCE is offering one program in the Market Support segment – the Refrigerant Workforce, Education & Training (WE&T) program.⁶⁸ The Refrigerant WE&T program targets contractors and technicians to build technical capacity and industry relationships to advance a more efficient, low-GWP refrigeration market.⁶⁹ The Refrigerant WE&T program targets small and independent HVAC contractors and technicians, offering no-cost, hands-on training for refrigerant handling, leak detection, compliance, and market access.⁷⁰ Over the long-term, this program facilitates compliance with SB 1013,⁷¹ expands the qualified local contractor base for refrigerant management, and contributes to statewide emissions reductions targets.⁷²

Table 2 below reflects PCE’s requested budget on an annual basis, disaggregated by segment for the 2028-2031 period.

⁶⁶ D.21-05-031 at 14.

⁶⁷ See Exhibit 1, Chapter 6, Section 6.3.3.

⁶⁸ *Id.*

⁶⁹ Exhibit 2 at Refrigeration Workforce, Education, and Training (WE&T) Program Card.

⁷⁰ *Id.*

⁷¹ California Cooling Act, Senate Bill (SB) 1013 (Lara, 2018). Codified at Cal. Health and Safety Code § 39734 and Cal. Pub. Res. Code § 76000 *et seq.* SB 1013 promotes the adoption of new refrigerant technologies that provide climate benefits by reducing the emissions of hydrofluorocarbons.

⁷² Exhibit 2 at Refrigerant WE&T Program Card.

Table 2: Annual Budget for the 2028-2031 Portfolio Plan by Segment

	2028	2029	2030	2031	Total
Resource Acquisition	\$4,449,000	\$6,156,201	\$6,603,201	\$7,191,600	\$24,400,002
Equity	\$1,503,000	\$2,004,000	\$2,254,500	\$2,588,500	\$8,350,000
Market Support	\$378,000	\$504,000	\$567,000	\$651,000	\$2,100,000
EM&V	\$263,750	\$361,008	\$392,696	\$434,629	\$1,452,083
Total Budget	\$6,593,750	\$9,025,209	\$9,817,397	\$10,865,729	\$36,302,085

3. PCE’s Proposed Portfolio Incorporates Comprehensive Sector Strategies to Serve the Needs of a Diverse Range of Customers.

Over the 2028-2031 portfolio period, PCE will offer programs in the residential, commercial, and cross-cutting sectors.⁷³ In developing its proposed portfolio, PCE tailored its sector strategies to meet the identified needs, barriers, and opportunities present in each customer sector.⁷⁴ These strategies ensure that programs are directed toward the customer groups most likely to benefit from them and that offerings address sector-specific operational realities, energy uses, and participation constraints.⁷⁵ PCE’s sector strategies place a particular emphasis on the residential and commercial sectors, which collectively comprise the majority of PCE’s customer accounts and load share.

PCE’s **residential sector** represents 90% of its total accounts and comprises approximately 40% percent of PCE’s electricity load.⁷⁶ Based on the identified needs of its highly diverse residential customer base, PCE developed its residential sector programs to serve three core

⁷³ While PCE will not offer dedicated programs in the industrial, agricultural or public sectors, customers in those sectors may access PCE’s commercial programs. For a more in-depth discussion of PCE’s sector strategies, see Exhibit 1, Chapter 6.

⁷⁴ Exhibit 1, Chapter 6, Section 6.2.

⁷⁵ *Id.*

⁷⁶ Exhibit 1, Chapter 6, Section 6.2.1.

populations: 1) underserved and HTR single-family (SF) homeowners; 2) MF property owners and operators; and 3) renters (both SF and MF).⁷⁷ PCE’s residential sector thoughtfully balances its overall goals of supporting innovation, equity, affordability and community-based programming by streamlining access, leveraging community partnerships, and offering flexible solutions to reach customers that remain underserved through traditional EE portfolios.

In particular, PCE’s Renters Marketplace targets renters, who remain one of the most underserved segments in traditional EE portfolios.⁷⁸ The Renters Marketplace will expand access to portable, renter-friendly EE and electrification technologies such as window heat pumps, induction cooktops, efficient lighting, and weatherstripping bundles.⁷⁹ The second program targeting residential customers, the Residential DI program, targets SF households that meet the Commission’s Equity definition. The program provides in-home assessments and low- or no-cost direct installation of EE measures that improve health, comfort, and safety, while also setting up the customers for whole-home electrification and load flexibility measures in the future.⁸⁰ Finally, the Multifamily SEM program supports multifamily property owners and managers in reducing whole-building energy use through operational improvements, central system upgrades, and ongoing performance monitoring.⁸¹ As the Multifamily SEM program targets building-level efficiencies, it is functionally more aligned with commercial offerings than traditional residential offerings. However, the program will engage tenants directly through education sessions to uncover low- and no-cost opportunities that improve comfort and reduce energy bills.⁸²

⁷⁷

Id.

⁷⁸

See Exhibit 2 at Renters Marketplace Program Card.

⁷⁹

Id.

⁸⁰

Exhibit 2 at Residential Direct Install Program Card.

⁸¹

Exhibit 2 at Multifamily SEM Program Card.

⁸²

Id.

PCE's **commercial sector** constitutes the largest non-residential sector in its service area, comprising 20,000 customer accounts and nearly 60% of PCE's electricity load.⁸³ Given the diversity of commercial customers within its service area, PCE developed its commercial sector strategies with flexibility in mind to meet customers where they are in terms of technical capacity, existing EE knowledge, and financial abilities.⁸⁴ PCE's commercial strategies are built around three primary delivery channels: DI, Non-Residential SEM, and FLEXMarket.⁸⁵ These offerings provide a range of EE opportunities based on the commercial customer's unique needs and bandwidth to engage (*i.e.*, low engagement via DI or very involved engagement via SEM).

The Commercial DI program provides accessible, turnkey, no-cost audits for small and medium businesses (SMB), delivering onsite energy and electrification readiness assessments and direct installation of energy-saving measures.⁸⁶ The Commercial DI program utilizes a single-point-of-contact model, whereby PCE helps refers SMB customers to relevant complementary programs, allowing those customers to generate immediate savings.⁸⁷ Specifically, the Commercial DI program integrates EE with load flexibility and electrification readiness, enabling participants to identify follow-on projects or referrals to SEM or FLEXMarket programs.⁸⁸ In contrast, the Non-Residential SEM Program engages commercial, public sector, agricultural, and industrial customers on a deeper level through a dedicated energy coaching model that builds capacity for ongoing operational and behavioral energy management.⁸⁹ Participants in the Non-Residential SEM program gain access to real-time energy dashboards, cohort-based learning

⁸³ Exhibit 1, Chapter 6, Section 6.2.2.

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ Exhibit 2 at Commercial Direct Install Program Card.

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ Exhibit 2 at Non-Residential Strategic Energy Management Program Card.

opportunities, and technical assistance to uncover low- and no-cost savings opportunities and improve load flexibility.⁹⁰ Through this program, Energy Coaches work directly with facility teams and decision-makers to identify energy efficiency, electrification readiness and load shifting opportunities.⁹¹ Finally, the FLEXMarket program operates by offering a flexible, performance-based pathway for aggregators of commercial customers to deliver verified energy savings and grid benefits. Customers benefit from simplified participation, turnkey support, and incentives that promote both cost savings and load flexibility.

PCE's industrial, agricultural, and public sectors comprise a small portion of its overall customers and load and thus do not have dedicated programs within PCE's proposed EE portfolio. However, each of these customer sectors may access the programs within PCE's commercial sector offerings.⁹²

Finally, PCE's **cross-cutting sector** consists of programs that support multiple customer sectors and centers around two programs: Refrigerant WE&T and IDSM.⁹³ Together, PCE's cross-cutting strategies enhance the effectiveness of sector-level programs and integrate innovative program designs such as demand flexibility and low-GWP measures into the broader portfolio.⁹⁴ In particular, the IDSM program incentivizes permanent load shifting out of peak periods through coordinated control of behind-the-meter (BTM) battery systems enrolled in PCE's Distributed Energy Resource Management System (DERMS) platform.⁹⁵ This program is available to a broad base of participants – ranging from residential customers to municipal facilities – which receive

⁹⁰ *Id.*

⁹¹ *Id.*

⁹² For a discussion of programs available to agricultural, industrial, and public sector customers, *see* Exhibit 1, Chapter 6, Sections 6.2.3, 6.2.4, and 6.2.5.

⁹³ Exhibit 1, Chapter 6, Section 6.2.6.

⁹⁴ *Id.*

⁹⁵ Exhibit 2 at Integrated Demand Side Management Program Card.

performance-based incentives for managed battery discharge during peak hours, reducing grid stress and advancing grid reliability.⁹⁶

Table 3 below reflects PCE’s requested budget on an annual basis during the 2028-2031 portfolio period, disaggregated by sector.

Table 3: Annual Budget for 2028-2031 Portfolio Plan Period by Sector

	2028	2029	2030	2031	Total
Residential	\$1,775,000	\$2,597,200	\$2,915,200	\$3,312,600	\$10,600,001
Commercial	\$2,971,600	\$4,221,800	\$4,552,401	\$4,974,200	\$16,720,002
Cross-Cutting	\$1,272,000	\$1,430,000	\$1,490,000	\$1,608,000	\$5,800,000
EM&V	\$263,750	\$361,008	\$392,696	\$434,629	\$1,452,083
Portfolio Support	\$311,400	\$415,200	\$467,100	\$536,300	\$1,730,000
Total Budget	\$6,593,750	\$9,025,209	\$9,817,397	\$10,865,729	\$36,302,085

B. The Commission Should Approve PCE’s Proposed 2028-2035 Energy Efficiency Business Plan.

PCE’s 2028-2035 Business Plan reflects the long-term strategy informing PCE’s Portfolio Plan strategies, forecasted outcomes, and budgets. PCE’s Business Plan builds upon the momentum PCE will gain throughout the four-year Portfolio Plan period and continues to emphasize the following overarching portfolio vision and strategies:

- Prioritization of electrification and refrigerant measures, especially low-GWP refrigerant replacement;
- Emphasis on high-TRC commercial programs within the RA segment;

⁹⁶ *Id.*

- Maximization of Equity offerings, particularly those that serve renters;
- Implementation of programs and measures that enable effective load shaping and projects that can be enrolled in PCE’s virtual power plant;
- Development of innovative program designs to push the boundaries of EE while maintaining cost-effectiveness; and
- Layering of PCE-funded programs, such as Home Upgrade Services and solar + battery programs.

Table 4 below summarizes PCE’s requested budget and forecasted TSB on an annual basis during the eight-year Business Plan period.

Table 4: PCE Annual Budget and Goals for the 2028 – 2035 Business Plan Period

Year	Requested Budget	Forecasted TSB
2028	\$6,593,750	\$5,272,530
2029	\$9,025,209	\$11,396,103
2030	\$9,817,397	\$12,894,357
2031	\$10,865,729	\$14,766,713
Total (4 years)	\$36,302,085	\$44,329,703
2032	\$11,191,701	\$15,344,932
2033	\$11,527,452	\$15,925,159
2034	\$11,873,276	\$16,514,491
2035	\$12,229,474	\$17,312,347
Total (4 years)	\$46,821,903	\$65,096,929
Cumulative (8 years)	\$83,123,988	\$109,426,632

C. Recommendations for New or Modified Energy Efficiency Policies

PCE’s proposed portfolio centers three overarching themes: 1) to catalyze innovation, 2) to support equity and affordability, and 3) to offer community-based programming. In developing its portfolio, PCE identified several opportunities for policy changes to spur further innovation, provide meaningful programs tailored to community needs, and to reach Equity customers that have historically been underserved by EE programs. Chapter 10 of PCE’s testimony provides

recommendations for new or modified EE policy designed to unlock these opportunities and adapt to changing market realities. Those recommendations are briefly summarized below.

1. Adopt the Program Administrator Cost Test as the Primary Cost-Effectiveness Test.

The Commission currently uses the TRC test as the primary metric to determine EE cost-effectiveness.⁹⁷ The TRC compares total PA *and participant cost* against program benefits in the form of avoided costs, as derived from the Commission’s Avoided Cost Calculator (ACC). While the TRC considers all program costs, it does not currently consider harder-to-quantify but meaningful non-energy benefits (NEBs) associated with EE programs. This imbalance leads to a computational bias—whereas all costs are considered (even those that do not impact ratepayers), only some benefits are counted. This bias presents a significant barrier to incorporating higher-cost measures that provide high-value savings, such as HVAC and electrification measures, into the EE portfolios.

To solve this challenge, PCE recommends the Commission adopt the Program Administrator Cost (PAC) test as the primary cost-effectiveness test for evaluating EE portfolios. The PAC test measures only costs recovered through EE budgets—those expenditures within PA control—and aligns them with benefits calculated under the Avoided Cost Calculator, which reflects system-level impacts. This alignment removes the computational bias embedded in the TRC by ensuring that both sides of the equation are evaluated from the same system perspective (*i.e.*, without considering ratepayer costs or benefits). Moreover, the PAC test avoids penalizing measures based on participant expenditures that do not impact ratepayers more broadly. Adoption of the PAC test will unlock greater access to electrification and HVAC measures that deliver

⁹⁷ For a more in-depth discussion of PCE’s recommendation to utilize the Program Administrator Cost test, *see* Exhibit 1, Chapter 10, Section 10.2.1.

substantial value through deeper energy efficiency projects but do not typically pass current cost-effectiveness screening.

2. If the PAC Test is not Adopted as the Primary Cost-Effectiveness Test, the Participant Costs for NMEC Programs Should be Removed.

The current TRC challenges described above are particularly pertinent for NMEC programs.⁹⁸ This is because current Commission guidance for NMEC programs requires TRC screening to include the *full* participant cost of a replacement measure (e.g., the total installed cost of an electrification measure such as a heat pump), regardless of the avoided cost of a code-compliant alternative (e.g., a gas furnace). This approach differs from the Commission's TRC screening of other EE programs, which consider only the *incremental* cost between the efficient and code-minimum measure. The result is a higher cost input to the TRC calculation, creating particular barriers for NMEC programs to pass TRC screening.

As described above, PCE recommends the Commission move to the PAC test as its primary measure of portfolio cost-effectiveness, which would address the current structural barriers associated with NMEC programs. However, if the Commission does not adopt the PAC test as its primary cost-effectiveness test, then it should, at a minimum, direct PAs to remove participant costs as a CET input for calculating the TRC value of NMEC programs. In this way, the Commission can address structural barriers to NMEC programs without fundamentally modifying the TRC methodology. By removing a reporting obligation that currently disadvantages NMEC relative to other program models, the Commission would create a more level regulatory framework to encourage PAs to deploy NMEC in place of, rather than in addition to, other program models. This recommendation therefore supports the intent of AB 802 by allowing for growth of meter-

⁹⁸ For a more in-depth discussion of PCE's recommendation with regard to the PopNMEC participant cost baseline, see Exhibit 1, Chapter 10, Section 10.2.2.

based savings programs to play a larger role in achieving statewide EE, electrification, and demand flexibility goals.

3. Allow for Standalone Low-GWP Measures Under the EE Portfolio.

The Commission has previously directed PAs to consider and incorporate strategies to support the use of low-GWP refrigerants in their portfolios.⁹⁹ However, current Commission guidance provides that GHG emissions savings attributable to low-GWP measures may only be counted towards a PA's claimed TSB if they also deliver energy savings. This requirement materially limits PAs' ability to leverage low-GWP measures that deliver meaningful GHG reductions but do not affect, or may modestly increase, energy consumption. To alleviate this barrier and foster the significant potential of low-GWP measures to deliver substantial GHG savings and contribute to TSB goals, the Commission should authorize EE programs to offer incentives for low-GWP refrigerant replacement measures, even if the measure delivers no energy savings.

4. Formalize IDSM as an EE Segment to Support Beneficial Load Management.

Despite the Commission's longstanding endorsement of IDSM strategies, implementation has been limited due to the absence of a unified structural framework.¹⁰⁰ In particular, PAs lack clear expectations for IDSM programs over successive portfolio cycles, face funding uncertainty, and experience increased administrative complexity in the absence of a formalized framework. These challenges have largely prevented IDSM programs from scaling beyond small, unintegrated pilots.

⁹⁹ For a more in-depth discussion of PCE's recommendation with regard to standalone low-GWP measures, *see* Exhibit 1, Chapter 10, Section 10.2.3.

¹⁰⁰ For a more in-depth discussion of PCE's recommendation for formalization of an IDSM segment, *see* Exhibit 1, Chapter 10, Section 10.2.4.

To provide PAs the guidance necessary to meaningfully expand and develop IDSM programs, the Commission should formalize an IDSM segment, parallel to the RA, Equity, and Market Support segments. In doing so, the Commission should assign the IDSM segment its own objectives, metrics, indicators, and evaluation framework, and should delineate IDSM segment funding. Creation of an IDSM segment signals the regulatory commitment and funding stability needed to fully scale these programs. By removing existing barriers to multi-DER and load-shaping measures, the Commission can enable broader deployment of integrated demand flexibility strategies that shift load away from peak periods, reduce system stress, and lower overall grid costs. In doing so, the IDSM programs directly support two of the Commission’s core objectives: improving customer affordability and strengthening grid reliability.

5. Establish “Right-Sizing” as a Guiding Principle for Electrification Under the EE Portfolio.

As the Commission increasingly shifts its focus to electrification to achieve decarbonization goals, it must simultaneously prioritize cost containment to preserve long-term affordability for ratepayers.¹⁰¹ An effective means by which the Commission can strike this balance is through an emphasis on “right-sizing” of electrification. Right-sizing means ensuring that project equipment and infrastructure is optimized to actual customer and/or system needs, thereby preventing oversized investments that increase costs for participants and ratepayers. Right-sizing should be treated as a “loading order” for electrification projects: before pursuing panel replacements, service upsizing to increase its electrical capacity, or other capital-intensive solutions, projects should first evaluate whether existing infrastructure can accommodate electrification through proper load calculations, equipment selection, and system optimization.

¹⁰¹ For a more in-depth discussion of PCE’s recommendation with regard to the integration of “right-sizing” as a guiding electrification principle, *see* Exhibit 1, Chapter 10, Section 10.3.1.

PCE recommends the Commission adopt right-sizing as a formal guiding principle for electrification within the EE portfolio, and to require PAs to incorporate right-sizing principles across all electrification activities.

6. Allow PAs to Request Equity Funding up to the Proportional Share of Equity Customers in Their Service Area.

Current Commission guidance limits Equity and Market Support budgets to 30% of the PA's total EE portfolio budget.¹⁰² However, this budgetary cap is often not proportionate to the actual share of Equity customers within a given PA's service territory, and therefore creates barriers to effectuating the Commission's Equity segment objectives.¹⁰³ For example, census data indicates that 41% of residential customers across PCE's service area are considered "underserved customers" based on the Commission's definition. This figure does not capture businesses that meet the definition of underserved customers and likely does not include many HTR customers which are identified based on multiple non-geographic criteria (e.g., language spoken at home). In short, the 30% budget cap is mismatched in comparison to the portion of Equity customers in PCE's service area. This mismatch materially constrains PAs' ability to design Equity programs commensurate to community needs and limits PAs' ability to carry out the Equity objectives set forth in D.23-06-055.

PCE recommends the Commission address this challenge by adopting a "Proportional Equity Allocation" formula, whereby PAs may request additional Equity funding proportional to the share of Equity customers in their service areas. To mitigate unreasonable budget expansion and ensure Equity budgets are set properly based on the needs of Equity customers, the

¹⁰² For a more in-depth discussion of PCE's Proportional Equity Allocation formula, *see* Exhibit 1, Chapter 10, Section 10.3.2.

¹⁰³ *See* D.23-06-055 at 57-58.

Commission should require PAs to justify their maximum proposed Equity budgets in future Applications, thereby providing an opportunity for stakeholder review and feedback.

VI. COMPLIANCE WITH THE COMMISSION'S RULES OF PRACTICE AND PROCEDURE

A. Statutory Authority (Rule 2.1)

PCE is applying to administer EE programs under the authority granted in Cal. Pub. Util. Code § 381.1(a)-(d).

B. Legal Name and Principal Place of Business (Rule 2.1(a))

PCE's legal name is Peninsula Clean Energy Authority. PCE's principal place of business is Redwood City, CA. Its address is 2075 Woodside Road, Redwood City, CA 94061. PCE is a JPA formed under the laws of California.

C. Correspondence and Communication (Rule 2.1(b))

PCE consents to email service of all notices, orders, and other correspondence and communications relating to this Application. All correspondence and communications regarding this Application should be addressed to:

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D. Categorization (Rule 2.1(c))

The Commission should categorize this Application as “ratesetting.” Commission Rule 7.1(e)(2) provides that where an application does not clearly fit into any of the categories as defined by Rules 1.3(a), 1.3(b), 1.3(f) and 1.3(g), the proceeding will be conducted under the rules applicable to ratesetting proceedings, unless the Commission determines that the rules associated with a different category are more appropriate. PCE’s Application does not fit any of the categories described in Rules 1.3(a), 1.3(b), 1.3(f), or 1.3(g), and the rules associated with ratemaking proceedings most appropriately suit this proceeding.

PCE’s Application does not meet the definition of adjudicatory in Rule 1.3(a) because it is neither an enforcement investigation nor a complaint. PCE’s Application is not a “catastrophic wildfire proceeding” as defined in Rule 1.3(b) because it does not involve an application to recover costs and expenses related to a wildfire. PCE’s Application does not fit the definition of a “quasi-legislative proceeding” under Rule 1.3(f) because the Application does not require the Commission to establish policy or rules affecting a class of regulated entities, and because the Application requests the Commission to grant relief that is specific to PCE. Finally, PCE’s Application does not ask the Commission to set or investigate rates and therefore does not meet the definition of a “ratesetting proceeding” in Rule 1.3(g). Nevertheless, the Commission should categorize this Application as “ratesetting” because, as described above, the Commission has the authority to do so where a proceeding does not clearly fit into any of the categories as defined in Rules 1.3(a), (b), (f) and (g). Categorization as “ratesetting” is consistent with the Commission’s prior treatment of Apply-to-Administer applications.¹⁰⁴

¹⁰⁴ See, e.g., A.22-02-005 et al., *Assigned Commissioner’s Scoping Memo and Ruling*, p. 10 (Jun. 24, 2022) (applying a ratesetting categorization to the consolidated proceeding addressing nine PAs’ EE applications, including the ATA application of Marin Clean Energy).

E. Need for Hearing (Rule 2.1(c))

PCE has made efforts to provide a sufficient record via its Application materials to obviate the need for evidentiary hearings and therefore does not recommend hearings at this time. Section V.H below sets forth a proposed schedule for the consideration of PCE's Application.

F. Issues to be Considered (Rule 2.1(c))

The principal issues to be considered are whether:

1. PCE's 2028-2031 Portfolio Plan and 2028-2035 Business Plan and associated budgets are just, reasonable, compliant with all statutory and Commission directives, and should be approved;
2. PCE's policy recommendations should be adopted.

G. Relevant Safety Considerations (Rule 2.1(c))

PCE is not aware of any relevant safety considerations associated with this Application.

H. Proposed Schedule (Rule 2.1(c))

As discussed above, PCE does not believe hearings are necessary at this time, but would welcome participating in workshops with Commission staff, parties and other stakeholders. PCE anticipates several other program administrators will file energy efficiency applications on March 16, 2026. Consistent with the Commission's treatment of prior energy efficiency applications, PCE presumes the Commission will consolidate these applications given similar issues and potential for overlap. Should hearings be required, PCE proposes the following schedule if the Commission consolidates all filed applications:

Application Filed	March 16, 2026
Protests or Responses	30 days after notice of the Application in the Daily Calendar
Replies to Protests or Responses	10 days after protests and responses are due
Prehearing Conference	May 2026
Workshops (if needed)	July 2026
Testimony of Interested Parties	September 25, 2026
Rebuttal Testimony	October 26, 2026
Evidentiary Hearings (if needed)	November 20, 2026
Opening Briefs	January 15, 2027
Reply Briefs	February 16, 2027
Proposed Decision	August 2027
Final Decision	September 2027

Notwithstanding this proposal, PCE is open to working with the parties to discuss a mutually-agreeable schedule.

I. Articles of Incorporation (Rule 2.2)

PCE is a CCA operating as a JPA organized under California law. PCE commenced operations as a JPA on May 16, 2016. PCE is engaged in the provision of electric generation services under the authority granted in Cal. Pub. Util. Code § 366.2 and currently offers EE programming under the authority granted in Cal. Pub. Util. Code § 381.1(e)-(f). A copy of PCE’s current Amended JPA, amended September 26, 2024, is available on PCE’s website.¹⁰⁵

J. Authority to Increase Rates (Rule 3.2)

The requirements listed in Rule 3.2 do not apply to this Application because PCE does not request authority to increase rates or to implement changes that would result in increased rates. IOUs perform revenue collection for PCE’s EE programs and typically provide the materials described in Rule 3.2 in their EE applications. As discussed above in Section V.D (Categorization), PCE does not directly collect revenue for its EE programs. Thus, PCE does not propose specific

¹⁰⁵ *Peninsula Clean Energy Authority Joint Powers Agreement*, effective February 29, 2016, as further amended by Amendment No. 3 dated October 22, 2020, and September 26, 2024. Available at: <https://www.peninsulacleanenergy.com/wp-content/uploads/2025/03/JPA-Approved-Third-Amended-.pdf>

rate changes in this Application. Accordingly, the requirements of Commission Rule 3.2 do not apply to this Application.

K. Notice and Service (Rule 1.9)

A copy of the Application and supporting testimony are being served on the parties of record in R.13-11-005 and R.25-04-010, A.22-02-05 *et al.*, and Chief Administrative Law Judge Michelle Cooke.

L. List of Supporting Documents

PCE includes the following documents to support this Application:

- Testimony of Peninsula Clean Energy Supporting its 2028-2032 Energy Efficiency Portfolio Plan and 2028-2035 Energy Efficiency Business Plan (Exhibit 1);
- Program Cards (Exhibit 2);
- CEDARS Materials (Exhibit 3); and
- Notice of Availability of Application Tables.

VII. CONCLUSION

For the reasons described herein and in PCE's supporting testimony, PCE respectfully requests that the Commission approve this Application and grant the following relief:

- Approve PCE's 2028-2031 EE Portfolio Plan and associated annual budgets as described in Exhibit 1;
- Approve PCE's 2028-2035 EE Business Plan as described in Exhibit 1;
- Adopt the PAC test as the primary cost-effectiveness test;
- If the PAC test is not adopted as the primary cost-effectiveness test, the participant cost for NMEC programs should be removed;
- Allow for standalone low-GWP measures under the EE portfolio;
- Formalize IDSM as an EE segment to support beneficial load management;

- Establish right-sizing as a guiding principle for electrification under the EE portfolio;
- Authorize PAs to request Equity funding up to the proportional share of Equity customers in their services areas; and
- Grant any and all additional relief the Commission deems just and proper.

Respectfully submitted,

By: /s/ Nikhil Vijaykar
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Attorneys for Peninsula Clean Energy

DATED: March 16, 2026

VERIFICATION

I, the undersigned, state:

I am an officer of Peninsula Clean Energy Authority, a California Joint Powers Authority, and am authorized to make this verification on its behalf. The statements in the foregoing APPLICATION OF PENINSULA CLEAN ENERGY FOR APPROVAL OF 2028-2031 ENERGY EFFICIENCY PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on Mar 11, 2026 at Redwood City, California.



Shawn Marshall
Chief Executive Officer
Peninsula Clean Energy Authority