



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

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Application of Association of Bay Area Governments (CPUC ID 941) for Approval of the Bay Area Regional Energy Network 2028-2031 Portfolio Plan and 2028-2035 Business Plan.

Application 26-03-009

And Related Matters.

Application 26-03-010

Application 26-03-011

Application 26-03-012

Application 26-03-013

Application 26-03-014

Application 26-03-015

Application 26-03-017

Application 26-03-018

Application 26-03-019

Application 26-03-020

Application 26-03-021

Application 26-03-028

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) PROTESTS AND
RESPONSES TO PARTIES' ENERGY EFFICIENCY PORTFOLIO APPLICATIONS**

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**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) PROTESTS AND
RESPONSES TO PARTIES’ ENERGY EFFICIENCY PORTFOLIO APPLICATIONS**

Pursuant to Rule 2.6(e) of the California Public Utilities Commission’s (CPUC or Commission) Rules of Practice and Procedure, the *March 18, 2026 Email Ruling Partially Granting Rule 11.6 Extension Request for Energy Efficiency Applications and Business Plans (Email Ruling)*,¹ and the *April 15, 2026 Administrative Law Judge’s Ruling Consolidating Proceedings and Confirming Final Dates to File Protests, Responses and Replies (Ruling)*, Southern California Edison Company (SCE) respectfully submits this Protest and Response

¹ On March 17, 2026, the Natural Resources Defense Council (NRDC) requested an extension of time for parties to file protests and responses to EE applications and business plans. On March 18, 2026, the Chief ALJ issued an email ruling extending the deadline for protests and responses to the EE applications until May 1, 2026, and setting the deadline of May 18, 2026, for replies to protests and responses.

(Protest) to the Energy Efficiency (EE) 2028–2031 Portfolio Plan and 2032–2035 Business Plan Applications filed on March 16, 2026 by the Southern California Regional Energy Network (SoCalREN), the San Diego Regional Energy Network (SDREN), the Bay Area Regional Energy Network (BayREN), the Northern Rural Energy Network (NREN), the Inland Regional Energy Network (I-REN), and 3C-REN (collectively, the Regional Energy Networks or RENs), as well as the Application filed by Southern California Gas Company (SoCalGas).

Consistent with Commission direction governing the upcoming EE portfolio cycle, Portfolio Administrators (PAs) filed applications proposing business plans, portfolio designs, and budgets for the 2028–2031 program period. SCE timely filed its own 2028–2031 EE Application and now submits this Protest to address threshold procedural and scoping issues raised by certain proposals advanced by other applicants. SCE looks forward to collaborating and consulting with interested parties on their recommendations through the discovery, settlement discussions, and evidentiary phases of this proceeding.

I.

INTRODUCTION

SCE filed its EE Application proposing a forward-looking EE portfolio and business plan organized around three core pillars: advancing affordability for ratepayers, modernizing EE portfolio administration, and supporting California’s decarbonization objectives. SCE’s proposed portfolio reflects the regulatory context of this moment, including Governor Newsom’s Executive Order N-5-24 directing durable electric rate relief and prudent use of ratepayer funds and the California State Auditor’s 2023 Report finding that that California ratepayers are not receiving value commensurate with the costs of EE programs. SCE’s application is also consistent with the Commission’s broader policy direction to prioritize electrification and align ratepayer-funded incentives with California’s clean energy transition.

Reflecting these considerations, SCE’s Protest is centered on the increased budget requests in the RENs’ applications, as compared to the previous cycle. SCE is concerned with

the budget proposals of SoCalREN, BayREN, SDREN, NREN, I-REN, and 3C-REN because these RENs' applications do not adhere to the portfolio requirements applicable to IOU PAs, including but not limited to cost effectiveness.² The RENs' proposed budgets for 2028–2031 seek to significantly *expand* ratepayer-funded EE spending under an outdated framework that imposes no cost-effectiveness floor, no segment budget caps, and no consistent performance metrics, contrary to the Commission's affordability efforts. The proposed REN budgets present the Commission with a consequential choice: improve affordability by limiting the RENs' non-cost-effective EE spending or preserve the status quo where the RENs operate without oversight and accountability commensurate with their budget requests. Without Total Resource Costs (TRC) floors or segment caps aligned to IOU requirements, the REN proposals would exacerbate the problems highlighted in the 2025 State Auditor's Report.

SCE also opposes SoCalREN's policy proposal to establish a more permissive REN-specific accountability metric (referred to as "REN Total Benefit") and SoCalGas' proposal to subsidize fuel switching from non-regulated fuels to natural gas, which is inconsistent with the state's decarbonization goals. Finally, SCE supports the Commission reaffirming the DEER Bus Stop schedules and measure package review timelines, as proposed by SoCal Gas and Pacific Gas and Electric (PG&E), in furtherance of EE governance modernization.

The Commission should deny the above-referenced REN budget requests and SoCalREN's and SoCal Gas' proposals and adopt the regulatory reforms proposed in SCE's Application that are necessary to ensure that California's EE framework advances (rather than undermines) affordability and the State's decarbonization commitments, while maintaining consistent accountability across all PAs.

² SCE is not protesting CCRREN's EE application because, unlike the other RENs, CCRREN forecasts a well-balanced and cost-effective portfolio, with a 61% to 39% split between Resource Acquisition (RA) and Equity/Market Support segments, a TRC of 1.39 for the RA segment, and a total portfolio TRC of 1.08. CCRREN's overall requested budget of \$170 million is *less than half* of SoCalREN's requested budget of \$375 million, while SoCalREN's total portfolio TRC is only 0.75, and its RA to Equity segment split is the reverse of CCRREN's (only 39% cost-effective RA component to 61% non-cost-effective Equity and Market Support component).

II.
DISCUSSION

A. The Commission Should Not Approve REN Budget Proposals That Are Insulated From Cost-Effectiveness, Portfolio Composition, and Oversight Standards Applicable to All Other PAs

As addressed in SCE’s EE Application, when the Commission first authorized RENs to administer EE programs with ratepayer funds in 2012, it articulated a clear foundational principle: “it is fair to apply the same rules, if they are relevant and not specific to utilities, to all implementers of energy efficiency programs and/or portfolios.”³ The Commission further stated that the metrics used to evaluate cost-effectiveness, program implementation plan requirements, reporting requirements, and policy guidance “apply to *all* program implementers” including the RENs.⁴ The RENs’ EE applications subject to SCE’s Protest collectively seek over \$1,012 million in ratepayer funding for 2028–2031, with overall portfolio TRC ratios ranging from 0.03 to 0.75 and no cost-effectiveness floor of any kind on any segment of their respective portfolios. SCE also notes that, while SoCalREN projects a TRC of 1.23 for the Resource Acquisition segment of its portfolio, only 39% of the proposed spending in SoCalREN’s portfolio is forecasted to be cost-effective, while the remaining 61% (\$230 million) is allocated to non-cost-effective spending. By contrast, the Commission requires IOU PAs to limit to 30% the non-cost-effective equity/market support segment of their portfolios.

The REN applications starkly illustrate the serious affordability and accountability concerns SCE raised in its Application, which can be addressed by adopting SCE’s reform proposals: the Commission should require RENs to adhere to the same portfolio requirements as IOU PAs, including a cost-effectiveness requirement on the Resource Acquisition segment and a 30% budget cap on Equity and Market Support programs. Table 1 below, drawn directly from

³ D.12-11-015, p. 14.

⁴ *Id.*

the REN applications’ portfolio forecast summaries, provides an overview of the RENs’ budget proposals, portfolio composition and cost effectiveness:

Table 1: Summary of RENs Cost Effectiveness

REN	4-Year Budget Request	RA Segment TRC	Portfolio TRC	RA as % of Budget
SoCalREN ¹	\$375M	1.23	0.75	39%
BayREN	\$187M	0.25	0.22	14%
SDREN	\$175M	0.53	0.27	14%
3C-REN ¹	\$105M	N/A	0.23	0%
I-REN ¹	\$81M	N/A	0.03	0%
NREN	\$90M	N/A	0.48	0%
CCRREN ¹	\$170M	1.39	1.08	61%

¹ indicates the REN operates within SCE’s service territory

The data reveals three distinct patterns, all of which are problematic and reinforce the urgent need for structural reform advocated in SCE’s application. **First**, only CCRREN proposes an overall cost-effective portfolio with a TRC above 1.0 – the other six RENs do not come close to meeting the cost-effectiveness threshold. **Second**, with the exception of CCRREN, the RENs propose either no Resource Acquisition programs (e.g., 3C-REN), a non-cost-effective Resource Acquisition segment (e.g., BayREN), or a Resource Acquisition segment that comprises only a small portion of the overall portfolio (e.g., SoCalREN). The bulk of the RENs’ budgets consist of Equity, Market Support, and Codes and Standards spending, which carries no cost-effectiveness requirement of any kind. Based on the applications, SoCalREN, 3C-REN, and I-REN together propose nearly \$415 million in non-cost-effective Equity/Market Support spending, which when combined with SCE’s and CCRREN’s Equity/Market Support portfolio

segments, will far exceed the Commission’s established 30% cap for non-cost-effective EE.⁵ **Third**, the combined ratepayer funding request across the RENs’ portfolios for the 2028–2031 cycle (\$1,183 million including CCRREN) represents a **more than twenty-fold increase** on an annualized basis, from approximately \$13 million per year in 2013 to **nearly \$300 million per year** in the 2028-2031 cycle.

Notably, while the IOUs have materially reduced their requested EE budgets in direct response to the affordability crisis and the Governor’s EO N-5-24 direction, the RENs subject to this Protest are seeking higher budgets without a demonstrated commitment to cost effectiveness. On an annualized basis, the RENs’ 2028–2031 authorization request equates to an average of approximately \$296 million per year across all REN PAs, a scale far exceeding the Commission’s original intent for the RENs to serve a gap-filling role. The combined effect is that non-IOU share of the total ratepayer-funded EE budget has grown from approximately 3.4 percent at REN inception to approximately 18 percent in the 2024–2027 cycle, to a collective budget request of approximately 30 percent in the upcoming 2028-2031 cycle. Despite this substantial growth, there is currently no corresponding regulatory mechanism to ensure accountability or to assess whether this expansion is proportionate, cost-effective, or aligned with Commission policy goals.⁶ This is precisely the patchwork structure the State’s audit identified as a systemic problem. With the exception of CCRREN, the RENs’ EE budget proposals would exacerbate the problems identified in the State audit.

⁵ By contrast, EE applications filed by IOU PAs must include a Resource Acquisition segment that comprises at least 70% of their portfolio budgets, with a forecasted TRC of at least 1.0. The Commission also requires IOU PAs to limit the Equity/Market Support segment of their portfolios to 30% of the overall budget. The same regulatory requirements should apply to REN portfolios, given the size of their requested budgets and maturity of the REN framework. In the alternative, if the RENs in a given IOU’s service territory plan to offer only (or primarily) Equity programs, their budgets should be capped proportionally such that overall spending on non-cost-effective EE programs in that service territory (including the IOU’s Equity/Market Support programs) **does not exceed 30%**.

⁶ Pacific Gas and Electric Company, Energy Efficiency 2028–2035 Business Plan and 2028–2031 Portfolio Plan, Exh. PG&E-1, at p. 11-4.

The RENs in SCE’s service territory (excluding CCRREN) would require SCE to recover \$441 million in electric ratepayer funding, representing 37 percent of SCE’s total EE revenue requirement for 2028–2031, with overall REN portfolio TRCs ranging from 0.03 to 0.75. To justify this state of affairs, I-REN’s application cites D.19-12-021 for the proposition that RENs “are not required to meet a specific cost-effectiveness threshold”⁷ because their programs are “likely to be naturally less cost-effective.”⁸ SoCalREN clears the 1.0 TRC threshold for its Resource Acquisition programs, forecasting a four-year RA TRC of 1.23, but that segment constitutes only 39% of its total requested budget, while the remaining 61% (\$230 million) of SoCalREN’s \$374.6 million request carries no cost-effectiveness requirement and is subject to no Equity and Market Support segment cap. This is precisely why applying to REN portfolios the same 30% Equity and Market Support budget cap that governs IOU and CCA portfolios is essential. Without that cap, a REN has no structural constraint preventing it from allocating 100% of its ratepayer budget to activities that face no cost-effectiveness test.⁹

This structural disparity between REN and IOU portfolios compounds the RENs’ already troubling performance record. SCE’s Application notes that the most recently available 2024 CEDARS data shows that *some RENs spent between 200 and 500 percent more per dollar of TSB* for their Resource Acquisition programs than the average IOU costs per dollar of TSB in the respective Resource Acquisition portfolios.¹⁰ The RENs are receiving growing shares of ratepayer funds while delivering cost-per-TSB results that are much worse than IOU benchmarks and facing no requirement to narrow this gap before additional funding is authorized.

Importantly, the record in this proceeding demonstrates that serving hard-to-reach and disadvantaged (Equity) customers and cost-effective portfolio design are not mutually exclusive.

⁷ Inland Regional Energy Network (I-REN), 2028–2031 Portfolio Plan and 2032–2035 Business Plan, Exhibit I-REN-01, filed March 16, 2026, at p.15.

⁸ *Id.*

⁹ The problem is not limited to RENs operating in SCE’s service territory. BayREN, for example, proposes a Resource Acquisition segment representing only 14% of its total regional budget, with an RA segment TRC of just 0.25, well below the 1.0 standard required of IOUs.

¹⁰ Southern California Edison Company, Energy Efficiency 2028–2035 Business Plan and 2028–2031 Portfolio Plan, Exh. SCE-01, at p. 134.

CCR REN serves exclusively hard-to-reach, geographically isolated, underserved, and disadvantaged customers across three rural counties in Central California, among the most challenging service populations of any EE Program Administrator in the State. Yet CCR REN’s application forecasts a cost-effective portfolio with an overall portfolio TRC of 1.08 and a Resource Acquisition segment TRC of 1.39. CCR REN’s own testimony directly refutes the proposition that RENs’ equity-focused portfolios must sacrifice cost-effectiveness: “Delivering a cost-effective energy efficiency portfolio is not at odds with serving Equity customers. Rather, cost-effectiveness and TSB metrics provide the foundation for maximizing Equity outcomes.”¹¹ CCR REN further demonstrates, through its 2025 Commercial Energy Improvement Program results, that disciplined program design can achieve a TRC exceeding 1.65 while serving 100 percent Equity customers. Although CCR REN’s proposed Equity segment exceeds the 30% cap applicable to IOU PAs, its application demonstrates that meaningful equity outcomes and cost-effective delivery are achievable when cost-effectiveness is treated as a core design requirement rather than a secondary consideration.

Accordingly, the Commission should, as a condition of approving the RENs’ budgets in this consolidated application proceeding, adopt SCE’s reform proposals to require that RENs demonstrate cost-effectiveness consistent with the 1.0 TRC standard for the Resource Acquisition segment and also impose a reasonable budget cap on the Equity and Market Support segment of REN portfolios so that the RENs operate under the same regulatory standards that apply to IOU portfolios. In the alternative, SCE supports PG&E’s proposal to initiate a Commission-directed stakeholder process to develop an implementable REN cost control policy and to impose a moratorium on the approval of new RENs pending adoption of that policy.

¹¹ Central California Rural Regional Energy Network, Energy Efficiency 2028–2035 Business Plan and 2028–2031 Portfolio Plan, Exh. CCR REN-1, at p.1-99.

B. The Commission Should Reject Proposals to Establish REN-Specific Accountability Metrics Separate from the Commission’s Avoided Cost Calculator

SoCalREN proposes that the Commission adopt a new “REN Total Benefit” (RTB) metric as a supplemental accountability framework for REN portfolios. The proposed RTB is designed to capture what SoCalREN characterizes as the full economic, social, and environmental value of REN programs beyond the existing Total System Benefit (TSB) metric, including bill savings, local economic impacts, public health improvements, resilience benefits, and greenhouse gas reductions.¹² This proposal attempts to create an entirely separate – and more permissive – accountability and performance framework that circumvents the Commission’s established methods for valuing energy efficiency and assessing cost-effectiveness. By designing its own tool, selecting its own valuation parameters, and proposing to lead its own stakeholder process, SoCalREN is effectively seeking to define and approve its own performance standard—without undergoing anything resembling the rigorous, Commission-directed process used to develop the Avoided Cost Calculator (ACC) that underpins the cost effectiveness test used across the State. The ACC was developed through formal proceedings, independent technical review, and broad stakeholder participation; by contrast, SoCalREN’s RTB calculator is an unvalidated, self-designed Excel model that has not been subjected to any comparable scrutiny. The Commission should reject any such efforts to establish a parallel, REN-specific performance metric outside the established framework for setting EE valuation and accountability tools.

Moreover, the benefits SoCalREN seeks to capture through its proposed RTB metric such as bill savings, local economic impacts, public health benefits, and resilience are not unique to REN programs. IOU-administered programs deliver these same outcomes yet remain subject to the Commission’s established TSB-based accountability framework. Even if the RTB metric were demonstrated to be superior to TSB, applying it only to REN programs operating in the

¹² Southern California Regional Energy Network, Energy Efficiency 2028–2035 Strategic Business Plan and 2028–2031 Portfolio Plan, Exh. SoCalREN-1, at p. 9.

same service territories as IOU programs would create inconsistent performance standards, exacerbate concerns regarding unfair competition, overlap and duplication among third-party implementers and RENS, and undermine fair, objective comparison across program administrators. If adopted, this proposal would perpetuate the patchwork EE regulatory environment in which IOU PAs and RENS operate under different rules even though both are using ratepayer funds for EE portfolios. The Commission should affirm that all ratepayer-funded energy efficiency programs are subject to the same Commission-approved cost-effectiveness accountability standards and reject SoCalREN's proposal to establish a separate RTB metric.

C. The Commission Should Reject Measures that Incentivize Fuel Switching of Non-Regulated Fuels to Natural Gas

In its application, SoCalGas proposes broadening the fuel switching policy to allow EE incentives for customers switching from unregulated fuels, specifically propane, wood-burning, and charcoal to more efficient natural gas appliances.¹³ While SCE supports fuel switching from unregulated fuels in principle, propane-to-natural gas transition is inconsistent with the State's decarbonization efforts and will entrench gas infrastructure and gas consumption in the building sector. The Commission should not authorize ratepayer-funded EE incentives that move customers from one fossil fuel to another when its stated policy goal is to move buildings off fossil fuels entirely. Every natural gas appliance incentivized today extends the operational life of gas infrastructure and increases the difficulty and cost of building decarbonization and future electrification. The customers SoCalGas proposes to target – propane users in rural and disadvantaged areas – are precisely the customers who stand to benefit most from electrification with high-efficiency electric heat pumps, heat pump water heaters, and induction cooking as

¹³ Southern California Gas Company, Energy Efficiency 2028–2035 Business Plan and 2028–2031 Portfolio Plan, Exh. SCG-1, at p. 241.

those technologies mature and as support programs expand.¹⁴ Incentivizing those customers to switch to gas now forecloses that pathway. The Commission should instead consider proposals advanced by SoCalREN, NREN, BayREN, 3C-REN, CCR REN, SDREN, and I-REN, which focus on allowing fuel switching from unregulated fuels to efficient electric measures.¹⁵

D. The Commission Should Reaffirm the DEER Bus Stop Schedule and Measure Package Review Timelines

SCE supports the proposals advanced by PG&E and SoCalGas to reaffirm the Commission’s commitment to the DEER “bus stop” schedule and the 35-calendar-day interim approval protocol for measure package re-submittals (or updates) established in D.21-05-031 and Resolution E-5152.¹⁶ Adherence to these timelines is essential to the planning certainty that the “bus stop” construct was designed to provide. When measure package review timelines slip, PAs are forced to develop portfolio cost-effectiveness forecasts using measure assumptions that may differ from the parameters ultimately approved, creating a gap between the anticipated savings and costs used for planning purposes and the values that govern actual project claims. This

¹⁴ SCE acknowledges that a limited “emergency” exception can be made for “[c]ustomers in High Fire Risk Areas and customers with disabilities enrolled in the medical baseline program [who] have heightened vulnerability to power outages” *Id.* at p. 46.

¹⁵ See, e.g., Northern California Rural Regional Energy Network (NREN), Exhibit 1: 2028–2031 Portfolio Plan and 2032–2035 Business Plan, Tables 1–2 and accompanying text (describing portfolio-wide fuel substitution expenditures that are allocated 100 percent to electric, reflecting proposed electrification and propane fuel-switching activities); San Diego Regional Energy Network (SDREN), Exhibit 1: 2028–2031 Portfolio Plan and 2028–2035 Business Plan, Chapter 3 (Portfolio Strategies) and Chapter 6 (Segmentation and Sector Strategy) (describing equity and market support programs focused on electrification and building decarbonization); and Tri-County Regional Energy Network (3C-REN), Exhibit 1: 2028–2031 Portfolio Plan and 2028–2035 Business Plan, Chapter 3 (Portfolio Strategies) and Chapter 4 (Forecast Methodology) (describing fuel substitution measures and allocation of fuel-switching costs to the electric utility consistent with electrification-focused program design).

¹⁶ Southern California Gas Company, Energy Efficiency 2028–2035 Business Plan and 2028–2031 Portfolio Plan, Exh. SCG-1, at p. 252 (“SoCalGas requests for the Commission to reaffirm its commitment to the interim approval protocol outline in Resolution E-5152, so that measure packages submitted with complete documentation receive timely disposition or default to interim approval within the established 35-calendar-day review window.”); *see also* PG&E Exhibit 1, P. 11-20 (“PG&E requests the Commission reaffirm its commitment to ex ante regulatory schedules for DEER updates, measure packages reviews and custom project reviews to ensure ex ante accuracy, consistency, and timelines”).

divergence undermines TRC accuracy, distorts forecasting and ultimately falls on ratepayers through degraded portfolio performance.

SCE further supports PG&E's companion proposal to bifurcate the DEER Resolution into a Guidance and Update Resolution and a separate Locking Resolution.¹⁷ The current single-resolution structure creates procedural ambiguity by simultaneously governing measure package updates and locking those same versions for planning, forecasting, and claims purposes. Separating these functions would reduce compliance uncertainty, improve version control, and provide clearer regulatory signals to PAs and third-party implementers – reforms that are consistent with and complementary to the broader EE governance modernization proposals in SCE's own Application.

III.

RULE 2.6 REQUIREMENTS

A. Proposed Categorization and Need for Hearing

SCE notes that this proceeding should be categorized as ratesetting. At this time, SCE does not believe evidentiary hearings will be necessary.

¹⁷ Pacific Gas and Electric Company, Energy Efficiency 2028–2035 Business Plan and 2028–2031 Portfolio Plan, Exh. PG&E-1, at pp. 11-22 (“PG&E requests the Commission bifurcate the DEER Resolution into a two-step structure: a Guidance and Update Resolution and a Locking Resolution.”).

IV.

CONCLUSION

SCE appreciates the opportunity to submit its Protest to the 2028-2031 Portfolio Plan and 2032-2035 Business Plan Applications and looks forward to working with the Commission and stakeholders in the course of this proceeding.

Respectfully submitted,

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Dated: May 1, 2026