



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

**FILED**

05/18/26

04:59 PM

A2603009

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.

A.26-03-009  
(Filed March 16, 2026)

And Related Matters:

A.26-03-010  
A.26-03-011  
A.26-03-012  
A.26-03-013  
A.26-03-014  
A.26-03-015  
A.26-03-017  
A.26-03-018  
A.26-03-019  
A.26-03-020  
A.26-03-021  
A.26-03-028

CONSOLIDATED

**REPLY OF THE NORTHERN CALIFORNIA RURAL REGIONAL ENERGY  
NETWORK (NREN) ID # U-1401-E**

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May 18, 2026

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**I. INTRODUCTION**

Pursuant to Rule 2.6 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure (Rules), the Northern California Rural Regional Energy Network (NREN) respectfully submits this Reply to Protests and Responses (Reply) filed on May 1, 2026 in the consolidated proceedings. On April 15, 2026, ALJ Kao issued a *Ruling Consolidating Proceedings and Confirming Final Dates to File Protests, Responses, and Replies* (April 15 ALJ Ruling). This reply is therefore appropriately submitted to the consolidated docket. Further, in

accordance with the April 15 ALJ Ruling setting May 18, 2026 as the deadline for filing protests and responses, this Reply is timely filed.

## **II. REPLY TO PROTEST OF SCE**

The Commission should reject SCE’s mischaracterization of regional energy network (REN) portfolio requirements.<sup>1</sup> In its protest, SCE reiterates its position that REN budgets proposals should be subject to the same cost-effectiveness, portfolio composition, and oversight standards applicable to the investor-owned utility (IOU) Portfolio Administrators (PAs).<sup>2</sup> However, NREN highlights that RENs are not required to follow the same cost-effectiveness rules as the IOUs,<sup>3</sup> since RENs were authorized to address persistent service gaps in hard-to-reach, rural, and underserved communities, and operate in regions where baseline participation is low, and the cost to serve is high. SCE falsely claims that RENs operate without Commission oversight, alleging that this undermines the accountability and oversight processes already in place by the Commission.<sup>4</sup> This statement is simply incorrect; RENs continue to report cost-effectiveness of their offerings for the Commission and stakeholders to be able to monitor those portfolios.<sup>5</sup> Continued development of these accountability frameworks demonstrates the Commission’s active oversight in ensuring responsible use of ratepayer funds.

SCE seeks REN Total Resource Cost (TRC) floors and segment caps aligned to IOU requirements, asking that the Commission “require that RENs demonstrate cost-effectiveness consistent with the 1.0 TRC standard for the Resource Acquisition segment ...”<sup>6</sup> This overly

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<sup>1</sup> A.26-03-009, Protest of Southern California Edison (SCE), p. 4.

<sup>2</sup> Id.

<sup>3</sup> D.19-12-021, pp.37-39.

<sup>4</sup> Protest of Southern California Edison, p. 3.

<sup>5</sup> D.19-12-021 p.37

<sup>6</sup> Protest of Southern California Edison , pp. 4-8.

broad characterization seeks to inappropriately impose a one-size-fits-all portfolio of programs for each PA. The Commission's current framework, as established in D.21-05-031, no longer relies on portfolio-wide TRC as an approval threshold, but instead applies cost-effectiveness considerations primarily to Resource Acquisition segments where applicable.<sup>7</sup> Presenting portfolio TRC in this manner may unintentionally create the impression that RENs are being held to a higher standard than other program administrators. Furthermore, some REN portfolios intentionally focus on Equity, Market Support, and Codes & Standards segments, which serve different purposes than Resource Acquisition and are not designed to be evaluated solely through traditional cost-effectiveness lenses.

NREN developed its proposed portfolio and corresponding budget in full compliance with the Commission's current requirements and direction for RENs, including guidance established in prior decisions that recognized the need for flexible portfolio design to serve hard-to-reach populations. NREN therefore recommends that the Commission evaluate REN budget requests in alignment with existing rules and in the context of their role in addressing geographic and equity service gaps.

SCE's proposal to impose a 30% cap on the Equity and Market Support segment of REN portfolios...."<sup>8</sup> would be misaligned with the Commission's established framework for RENs. The Commission has explicitly recognized that REN portfolios serve a distinct and complementary role, particularly in addressing service gaps in hard-to-reach, rural, and underserved communities where market barriers must be addressed before Resource Acquisition activities can occur at scale. In rural regions like NREN's service territory, a higher proportion

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<sup>7</sup> D.21-05-031, p. 22.

<sup>8</sup> Protest of Southern California Edison, pp. 4-8.

of Equity and Market Support investment is necessary to build the foundational conditions required for future cost-effective program participation. NREN's proposed portfolio reflects this reality and is aligned with Commission decisions that allow RENS flexibility in portfolio design to meet these objectives. For these reasons, NREN recommends that the Commission continue to evaluate REN portfolios within the context of their specific service mandates rather than apply a uniform cap that may not reflect the needs of the communities served.

### **III. REPLY TO PROTEST OF CAL ADVOCATES**

NREN fully agrees with the objective of Executive Order (EO) N-5-24 and in the need to address the state's electricity affordability crisis. However, in its protest, The Public Advocates Office questions the reasonableness of the PAs and impacts on energy affordability, claiming that collectively, over 60% of the total PA budget would be allocated for programs which are not cost-effective.<sup>9</sup> However, as noted above, cost-effectiveness cannot be defined the same across different geographic regions and customer types, and applying a single standard as Public Advocates suggests would actually harm the very customers most in need of energy rate relief and the benefits to be derived from EE programs.

NREN does not dispute that the scope of this proceeding should include "whether the Applicants' 2028-2031 portfolio proposals and the 2028-2035 business plan proposals are reasonable" and "whether the Applicants' proposed budgets are just and reasonable."<sup>10</sup> NREN emphasizes that evaluation of portfolio reasonableness should reflect the distinct role of RENS and the conditions under which they operate. Many of the programs identified as "non-cost-effective" under traditional TRC screening provide essential enabling functions that

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<sup>9</sup> Public Advocates Office Protest, p. 6.

<sup>10</sup> *Id.* at p. 9.

are central to achieving long-term energy savings in underserved regions. As the Commission has previously recognized, RENs were established precisely because traditional cost-effectiveness frameworks excluded large segments of customers from participating in energy efficiency programs. NREN's portfolio therefore includes significant investments in Equity, Market Support, workforce development, and customer engagement to create the conditions necessary for sustained participation and future Resource Acquisition savings. These investments deliver immediate benefits, including bill reduction opportunities, increased access to financing, and improved comfort, while also supporting long-term decarbonization outcomes.

Cal Advocates' protest also notes the potential of overlapping programs.<sup>11</sup> NREN shares this concern and notes that its portfolio is already designed to avoid duplicative efforts and ensure efficient use of ratepayer funds. NREN has designed its programs to complement existing IOU, CCA, and statewide offerings, and to focus on regions and customer segments where alternative programs are limited or absent. In much of NREN's service territory, these programs represent the primary pathway for customers to access energy efficiency services, reinforcing the importance of maintaining adequate funding and flexibility in program design. The topics suggested for inclusion within the scope are appropriate but must be assessed in light of the objectives of the programs and the role of the specific PAs in administering them.

NREN is mindful of affordability and efficient use of ratepayer funds; while cognizant of the impact that energy efficiency program funding has on all ratepayers, it is important to keep in mind that these programs provide one of the most direct pathways for customers to reduce their energy bills. NREN therefore recommends that the Commission evaluate portfolio performance

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<sup>11</sup> *Id.*

in a way that reflects regional conditions, long-term benefits, and the full value of enabling investments, ensuring that rural and underserved communities are not inadvertently disadvantaged by evaluation approaches that do not capture these realities.

#### **IV. REPLY TO JOINT LABOR PARTIES PROTEST**

NREN agrees that the success of energy efficiency and electrification programs depends on a skilled and well-trained workforce and recognizes that proper installation is essential to achieving the energy savings, reliability, and customer benefits that these programs are intended to deliver. NREN also supports the broader goal of promoting high-quality job opportunities and workforce development pathways, particularly within the communities served by its programs.

NREN does not agree with the Joint Labor Parties that all of the BPAs are devoid in addressing the very important workforce and labor concerns that have been highlighted by the Governor, the Legislature, and this Commission.<sup>12</sup> For example, NREN's Application incorporates many of the principles identified by the Joint Labor Parties, particularly through its Workforce, Education, and Training (WE&T) program and its approach to working with locally based contractors and community partners. In rural northern California, one of the most significant barriers to program delivery is not an oversupply of untrained contractors, but rather a limited availability of qualified local workforce. NREN's strategy is therefore focused on building and expanding local contractor capacity, providing access to training, certification pathways, and ongoing support to ensure that contractors are able to deliver high-quality

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<sup>12</sup> California State Association of Electrical Workers; Western States Council of Sheet Metal, Air, Rail, and Transportation Workers; California State Labor Management Cooperation Committee for the International Brotherhood of Electrical Workers and the National Electrical Contractors Association; Joint Committee on Energy and Environmental Policy; and California State Pipe Trades Council (collectively referred to as Joint Labor Parties), pp. 8-16

installations in geographically dispersed and hard-to-reach areas. This approach reflects the reality that workforce development in rural regions must balance both access and quality, particularly where contractor scarcity and long travel distances already constrain participation.

**V. REPLY TO NRDC RESPONSE**

NREN appreciates NRDC's interest in improving clarity, transparency, and coordination across energy efficiency program categories and agrees that avoiding duplication and ensuring strategic allocation of funds are important goals.<sup>13</sup> NREN notes, however, that mechanisms to address overlap already exist and are actively used, most notably through the Joint Cooperation Memo (JCM) process, which requires RENs to coordinate with IOUs, CCAs, and other program administrators to clearly define roles, customer pathways, and program boundaries. Through this process, NREN regularly documents coordination, referral protocols, and measures taken to prevent duplicative spending, ensuring that programs are complementary rather than overlapping.

NREN also emphasizes that RENs were intentionally created by the Commission to serve as gap-filling administrators, particularly in regions and communities where traditional program structures have not effectively delivered services. In rural and hard-to-reach areas such as NREN's territory, Equity, Market Support, and HTR activities are often inseparable from Resource Acquisition, because foundational investments in outreach, workforce, financing access, and customer education are necessary before savings-oriented programs can operate at scale. NREN therefore views existing coordination tools, combined with the REN framework, as

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<sup>13</sup> Response of the Natural Resources Defense Council (NRDC), p. 4.

effective mechanisms for addressing overlap while still allowing equity-focused programs to reach customers who would otherwise remain unserved.

**VI. CONCLUSION**

NREN appreciates the opportunity to provide this reply, and thanks the Commission for their consideration.

Respectfully submitted,

*/s/ Patricia Terry*

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May 18, 2026, in Eureka, California