

**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.

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

**REPLY OF BAY AREA REGIONAL ENERGY NETWORK AND TRI-COUNTY  
REGIONAL ENERGY NETWORK TO PROTESTS AND RESPONSES**

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May 18, 2026

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**REPLY OF BAY AREA REGIONAL ENERGY NETWORK AND TRI-COUNTY  
REGIONAL ENERGY NETWORK TO PROTESTS AND RESPONSES**

Pursuant to Rule 2.6(d) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”) and the April 15, 2026 *Administrative Law Judge’s Ruling Consolidating Proceedings and Confirming Final Dates to File Protests, Responses and Replies*, applicants Bay Area Regional Energy Network (“BayREN”) and Tri-County Regional Energy Network (“3C-REN,” and, collectively with BayREN, the “Joint RENs”) hereby jointly submit this reply (“Reply”) to the protests to their applications<sup>1</sup> filed by California

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<sup>1</sup> Application (“A.”) A.26-03-009, *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* (“BayREN Application”); A.26-03-011, *Application of County of Ventura (CPUC ID 220) for Approval of the Tri-County Regional Energy Network 2028-2031 Portfolio Plan and 2028-2035 Business Plan* (“3C-REN Application”).

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, “Joint Trades”),<sup>2</sup> the Public Advocates Office (“Cal Advocates”)<sup>3</sup> and Southern California Edison Company (“SCE”),<sup>4</sup> and to the response to applications filed by Natural Resources Defense Council (“NRDC”).<sup>5</sup>

In summary, the Joint RENs support the Joint Trades’ interests in development of both demand for high road jobs and programs to provide opportunities for workers to obtain such jobs in the energy efficiency (“EE”) space. Their applications demonstrate this ongoing work and hearings are unnecessary and would be an inefficient use of ratepayer resources. SCE’s and Cal Advocates’ proposals to end Regional Energy Network (“REN”) programming and reject REN budgets ignore longstanding Commission precedent circumscribing the role of RENs in the EE program landscape and developing a cost-effectiveness framework that reflects this specialized niche. The Joint RENs agree that changes to the Commission’s cost-effectiveness tests applicable to RENs are needed to better address this specialized role, but should be considered holistically in the rulemaking proceeding R.25-10-004, into which this issue has already expressly been scoped.

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<sup>2</sup> *Protest to Program Administrator Applications for Approval of Energy Efficiency Rolling Portfolio 2028–2031 Business Plans and Related Matters* (May 1, 2026) (“Joint Trades Protest”).

<sup>3</sup> *Protest of the Public Advocates Office* (May 1, 2026) (“Cal Advocates Protest”).

<sup>4</sup> *Southern California Edison Company’s (U 338-E) Protests and Responses to Parties’ Energy Efficiency Portfolio Applications* (May 1, 2026) (“SCE Protest”).

<sup>5</sup> *Response of the Natural Resources Defense Council (NRDC) to the Program Administrators’ 2028-2031 Portfolio Plans and 2028-2035 Business Plans* (May 1, 2026) (“NRDC Response”).

Finally, Cal Advocates' proposed schedule would result in insufficient time for BayREN and other PAs to enter into contracts necessary to implement EE programs for the next portfolio cycle.

## **I. REPLY TO PROTESTS AND RESPONSES**

### **A. RENs' Meaningful Advancement of High Road Jobs, Installation Quality and Installer Standards; Evidentiary Hearings are Unnecessary.**

The Joint RENs share Joint Trades' interest in ensuring that portfolio administrators' ("PA") Business Plans support installation quality and workforce standards and promote high road jobs.<sup>6</sup> As highlighted below, their applications demonstrate historic and future programming both to develop a qualified clean energy workforce *and* "demand-pull" strategies which create demand for sustained high road jobs. The interaction between policies to encourage such workforce standards for EE projects and affordability and cost-effectiveness should be considered in tandem in Rulemaking ("R.") 25-04-010, where these issues are already in scope. The Joint Trades are the only parties requesting evidentiary hearings, and the Joint RENs do not believe such expenditure of ratepayer resources is warranted in this proceeding.

#### **1. The Joint RENs are Expanding "Demand-Pull" Strategies to Develop High Road Jobs and Promote Installation Quality and Installer Standards.**

The Joint Trades critique the Business Plans for focusing solely on "supply-push" strategies through workforce education and training ("WE&T") programs, rather than generating demand for high road jobs through skills standard and certification requirements.<sup>7</sup> Joint Trades

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<sup>6</sup> See Joint Trades Protest at 7, 11, 15-16; *see also* Cal. Unemp. Ins. Code § 14005(r) (defining "high road" as a "set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity and a clean environment" including interventions that "(1) Improve job quality and job access, including for women and people from underserved and underrepresented populations. (2) Meet the skill and profitability needs of employers. (3) Meet the economic, social and environmental needs of the community.").

<sup>7</sup> Joint Trades Protest at 11-12.

also contend that BayREN does not incorporate the Bay Area Residential Decarbonization High Road Training Partnership (“HRTP”) into its “goals, strategies, metrics or tactics.”<sup>8</sup> A closer review of BayREN’s application demonstrates how it is, in fact, deploying such demand-pull strategies and doing meaningful and impactful work to develop high road jobs.

For example, EASE Home is BayREN’s single-family direct-install program that provides weatherization upgrades to families.<sup>9</sup> BayREN’s request for proposals for this program required the selected contractor to hire contractors that pay prevailing wages.<sup>10</sup> EASE Home incorporates high road job standards that were set in collaboration with the HRTP.<sup>11</sup> Participating contractors are required to meet prevailing wage requirements and be based in the region of work, and are incentivized to employ targeted hiring strategies, provide pre-apprenticeship opportunities, and have Minority, Women and Disadvantaged Business Enterprise (“MWDBE”) certifications.<sup>12</sup> None of the participants could have afforded the upgrades without EASE Home, representing a meaningful “demand-pull” strategy for high road jobs.<sup>13</sup>

## **2. The Joint RENs’ Workforce Education and Training Programs have Meaningfully Advanced the Development of High Road Jobs.**

The Joint Trades’ protest asserts that the “instant Business Plans do not include any meaningful programs to build clean energy high road job career pipelines and instead rely solely

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<sup>8</sup> *Id.* at 15.

<sup>9</sup> BayREN Application, *Exhibit 1: Testimony in Support of the Bay Area Regional Energy Network’s Application for Approval of the 2028-2031 Portfolio Plan and 2028-2035 Business Plan* (“BayREN-01”) at 57.

<sup>10</sup> Metro. Transp. Comm’n., *Energy-RFP-27261 - RFP for 2024 BayREN Single Family Program Design and Implementation Services* (Aug. 1, 2024) <https://mtc.bonfirehub.com/opportunities/148358>.

<sup>11</sup> BayREN-01 at 79; Rising Sun, *High Road Training Partnership: Bay Area Residential Building Decarbonization*, <https://risingsunopp.org/wp-content/uploads/Building-Decarb-HRTP-Summary-v3.pdf>.

<sup>12</sup> BayREN-01 at 79.

<sup>13</sup> *Id.* at 57.

on the conventional approach of simply promoting job training or skill acquisition.”<sup>14</sup> The Joint Trades’ protest fails to account for the Joint RENs’ meaningful, innovative and impactful programming to build high-quality clean energy jobs in the applications.

For example, BayREN Works is BayREN’s proposed expansion of its WE&T program in coordination with Rising Sun Energy Center, Climate Careers.<sup>15</sup> Rising Sun’s Climate Careers program is a “model for what holistic, high-road workforce development looks like.”<sup>16</sup> BayREN Works provides training in EE improvements, pays a living wage and provides both summer and ongoing employment opportunities for disadvantaged youth.<sup>17</sup> As BayREN highlighted in its testimony:

After the summer program is complete, graduates are eligible to continue into a paid energy-related externship. Because early work experience contributes to higher earnings as an adult and wealth accumulation over time, this program provides not only short-term job opportunities but can have a lasting impact on youth participants’ long-term careers.<sup>18</sup>

BayREN Works also mentors and trains contractors, provides in-field shadowing opportunities and focuses on recruitment of small, local, minority and women contractors.<sup>19</sup> BayREN is proud to state that 43 externs participated in Climate Careers, 88% of whom reported that their overall professional skills improved, and five externs were offered permanent jobs at their host sites in

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<sup>14</sup> Joint Trades Protest at 15 (internal quotations omitted).

<sup>15</sup> BayREN-01 at 220.

<sup>16</sup> Rising Sun, *Who We Are*, available at: <https://risingsunopp.org/who-we-are/>.

<sup>17</sup> BayREN-01 at 79, 83, 173.

<sup>18</sup> *Id.* at 79-80 (citing Martha Ross et al., *Pathways to High-Quality Jobs for Young Adults* (Washington, DC: Brookings Institution, October 2018), <https://www.brookings.edu/articles/pathways-to-high-quality-jobs-for-young-adults/>).

<sup>19</sup> *Id.* at 83.

2024.<sup>20</sup> Not only does BayREN promote job training and skill acquisition, but BayREN actively works to develop high road careers in the region it serves.

As another example, BayREN’s Refrigerant Replacement Program (“BRRR”) is planning to provide refrigeration contractors with training on low global warming potential refrigerants.<sup>21</sup> As BayREN’s testimony provides, BayREN intends to partner with the North American Sustainable Refrigerant Council, whose mission is to “lead the transition to natural refrigerants by collaborating across the refrigeration industry *to drive a sustainable workforce*, facilitate funding opportunities, and act as a catalyst for continuous improvement” to provide training.<sup>22</sup> As part of this effort, BayREN proposes to collaborate with local unions, connect contractors with community college graduates and provide stipends to encourage hiring graduates to complete measure installations under the BRRR program in order to develop technical capacity and create “pathways for new entrants into the clean energy workforce.”<sup>23</sup> By connecting recruitment, training, mentoring and qualification for participation in BayREN’s programs, and actively collaborating with local unions, as discussed above, BayREN is meaningfully developing high road jobs and integrating this goal into its programming.

Similarly, 3C-REN’s application describes how its WE&T program meaningfully addresses the specific demographic challenges of the Tri-County Region. Because the region is experiencing a large number of contractor retirements, 3C-REN’s WE&T program encourages

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<sup>20</sup> *Id.* at 220-221.

<sup>21</sup> *Id.* at 83.

<sup>22</sup> N. Am. Sustainable Refrigeration Council, *Who We Are*, <https://nasrc.org/who-we-are/> (emphasis added); BayREN-01 at 83.

<sup>23</sup> BayREN-01 at 83.

young people to enter the clean energy workforce.<sup>24</sup> For example, 3C-REN has worked with the Center for Employment Training (“CET”) in Oxnard and Santa Maria since 2022. To supplement existing HVAC trainings, 3C-REN brought in guest instructors to CET classes to provide heat pump and building envelope education to aspiring clean energy professionals. 3C-REN staff also coordinated with heat pump water heater manufacturers to facilitate equipment donations to the CET, where heat pump water heater education is now standard.<sup>25</sup> 3C-REN is mindful of the barriers that aspiring clean energy professionals face and offers in-person, virtual, on demand, and Spanish-language trainings.<sup>26</sup> As of 2025, 1,900 total participants have attended a 3C-REN training.<sup>27</sup>

3C-REN also operates hands-on building performance and heat pump training labs in partnership with community colleges and regional technical training providers. These labs offer practical, field-based instruction on HVAC system diagnostics, airflow measurement, envelope sealing, combustion safety, and heat pump commissioning skills that are directly tied to installation quality and customer safety. This competency-based model goes well beyond general education and reflects the type of rigorous, job-ready training that Joint Trades advocate for. By providing technicians, apprentices, and contractors with access to real equipment and supervised practice, 3C-REN’s training labs help ensure clean energy installations are performed to high-road standards.<sup>28</sup>

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<sup>24</sup> 3C-REN Application, *Direct Testimony Exhibit 1* (“3C-REN-01”) at 15.

<sup>25</sup> *Id.* at 51.

<sup>26</sup> *Id.* at 137.

<sup>27</sup> *Id.* at 52.

<sup>28</sup> See 3C-REN, Building Performance Training, available at: <https://www.3c-ren.org/building-performance-training/>.

And, while not part of its current application to the Commission for ratepayer-funded programming, 3C-REN also leverages grant funding to develop high road jobs. 3C-REN recently partnered with Sheet Metal Workers' Local Union 104 to administer a Contractor Incubator initiative that directly supports the development of high-road local contractors. This initiative provides emerging and small, locally owned HVAC and home-performance businesses with business development training, technical assistance, and connections to public and ratepayer-funded programs. Through these supports, participating contractors gain both the skills and the market access needed to deliver high-quality heat pump, water heating, and building envelope installations. By helping local contractors build capacity and compete for clean-energy projects, the Contractor Incubator strengthens the regional jobs base and creates a sustained demand-pull for high-road labor. This program also advances equity by reaching contractors who have historically lacked access to such resources.<sup>29</sup>

The Joint RENs acknowledge that developing impactful high road career opportunities takes time and resources to develop and implement. The Joint RENs look forward to continuing to support efforts to develop well-paid jobs that result in EE retrofit quality.

### **3. Joint Trades' Interests are Best Addressed in the Existing EE Rulemaking Proceeding, R.25-04-010.**

The Joint RENs are open to collaborating with Joint Trades on advancing workforce priorities. Yet, those priorities are better addressed in the existing rulemaking proceeding, R.25-04-010, into which such issues have already been scoped.

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<sup>29</sup> See Recommendation to County of Ventura Board of Supervisors (Mar. 24, 2026), available at <https://ventura.primegov.com/viewer/preview?id=0&type=8&uid=53a2ef8f-8e53-4b8f-836f-3e2482600e54>.

Rulemaking 25-04-010 is the current venue for “all issues relating to the energy efficiency policies, programs, and evaluation efforts for oversight of the portfolio administrators conducting and implementing energy efficiency programs under the Commission’s jurisdiction.”<sup>30</sup> Within the scope of this rulemaking is “continued attention to workforce issues, including the potential development of additional standards to ensure quality energy efficiency installations.”<sup>31</sup> A rulemaking proceeding is better suited to address Joint Trades’ concerns because rulemakings allow for a broader set of stakeholders to engage with complex interactions between the priorities of promoting high-quality jobs and installations and those of energy affordability and EE program cost-effectiveness. Rulemaking proceedings allow parties to address these principles holistically and arrive at a comprehensive balance.

Rulemaking 25-04-010 is the appropriate venue because the policy and methodological work needed to give effect to the Joint Trades’ workforce priorities is already underway in the form of a Non-Energy Benefits (“NEB”) study. Embedding workforce concerns related to increased job access at the participant and societal levels are included in the draft study circulated to program administrators. Litigating these issues at the portfolio oversight level as a policy matter, rather than on a program-by-program or application level would produce systematic and lasting impacts consistent with the Joint Trades’ claims. Consideration of these arguments at a rulemaking proceeding could help the Commission understand stakeholders’ integrated positions on workforce training, cost-effectiveness, EE, and other important priorities, and will allow for a more comprehensive approach to these complex and intertwined issues.

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<sup>30</sup> R.25-04-010, *Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation* (Apr. 24, 2025) at 1.

<sup>31</sup> R.25-04-010, *Assigned Commissioner’s Scoping Memo and Ruling* (July 23, 2025) at 7.

#### 4. Joint Trades' Request for Evidentiary Hearings Should be Denied

The Joint Trades requested an evidentiary hearing to present evidence in support of several assertions in their protest.<sup>32</sup> The Joint Trades were the only parties to affirmatively request hearings in this proceeding. The expense of Commission, PA and stakeholder resources in an extended, litigated process is unnecessary in this proceeding. In the interest of expediency and cost-effectiveness of ratepayer-funded EE programming, the Commission should decline to schedule hearings at this time.

##### **B. Calls to Reject REN Applications Based on TRC Values and Portfolio Composition Ignore Commission Precedent to Not Penalize RENs for their Limited Role and Would Reduce Opportunities for Hard-to-Reach Customers to Achieve Energy Bill Savings.**

In their protests, Cal Advocates and SCE both present comparisons of PAs on the basis of measures the Commission has made explicitly inapplicable to REN EE portfolios.<sup>33</sup> Cal Advocates recommends the Commission include within the scope of this proceeding policy changes to “end” non-cost-effective programs.<sup>34</sup> SCE urges the Commission to deny the RENs’ portfolio budget requests in these 2028-2031 Portfolio Plan and 2028-2035 Business Plan applications and apply the same portfolio requirements and cost-effectiveness thresholds to RENs that apply to investor-owned utilities (“IOUs”), apparently retroactively.<sup>35</sup> These proposals should be denied. While electricity costs are undoubtedly one of the most pressing affordability issues in California – one

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<sup>32</sup> Joint Trades Protest at 16-17.

<sup>33</sup> See Cal Advocates Protest at 7, Table 2; SCE Protest at 5, Table 1; compare D.21-05-031, *Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process* (May 20, 2021) at 22 (excluding RENs from TRC ratio requirement for Resource Acquisition segment programs); D.19-12-021, *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation* (Dec. 5, 2019) at 37 (same); D.18-05-041, *Decision Addressing Energy Efficiency Business Plans* (May 31, 2018) at 95 (same).

<sup>34</sup> Cal Advocates Protest at 7, 10.

<sup>35</sup> SCE Protest at 3-4, 8.

that absolutely should be addressed by the Commission – attacking RENs would harm and undermine the work of local public agencies providing the very pathways to save on such energy costs to the most economically vulnerable and historically marginalized ratepayers. The Commission should recognize this disingenuous attempt by utilities to shift blame for the energy affordability crisis,<sup>36</sup> and instead focus on the near-term policy recommendations of BayREN, 3C-REN and other RENs in this proceeding that seek to enable the least-served customers to achieve energy savings.

**1. The Energy Affordability Niche Served By RENs and the Commission’s Determination Not to Penalize RENs for Providing Such Services.**

While Governor Newsom’s Executive Order N-5-24 cited by Cal Advocates requires the Commission to modify or sunset “underperforming or underutilized programs or orders whose costs exceed the value and benefits to electric ratepayers,”<sup>37</sup> the Joint RENs programs are neither underperforming nor underutilized, and the measure of whether program costs exceed the value and benefits to ratepayers is different when evaluating the specialized and challenging programming RENs are required to provide.

BayREN and 3C-REN’s applications were developed and filed under the Commission’s established regulatory framework for RENs in effect in March 16, 2026, in which RENs have a limited and highly specialized role: to provide underserved, disadvantaged and hard-to-reach ratepayers with opportunities to reduce their energy costs by switching to more energy efficient appliances and infrastructure, to “fill gaps” in terms of programming not being provided by the

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<sup>36</sup> See, e.g., Little Hoover Commission, *The High Cost of Electricity in California* (Oct. 2025) at 4-9 (analyzing the primary causes of California’s high utility rates); compare *id.* at 3 (noting that strong incentives for EE help to reduce overall energy bills in California relative to other states).

<sup>37</sup> Executive Department of the State of California, Executive Order N-5-24 (Oct. 30, 2024), order no. 3.

incumbent IOUs, and to pilot EE program approaches with significant potential to scale to a broader geographic reach.<sup>38</sup>

The Commission has expressly and repeatedly recognized that it simply costs more to provide effective programming to the limited populations and programs RENS are authorized to serve: “Because RENS are designed to fill gaps and serve hard-to-reach customers, and because their portfolios are smaller, their program offerings are likely to be naturally less cost-effective than the larger portfolios of the utilities.”<sup>39</sup> Recognizing this reality, the Commission has consistently reasoned that it would be unfair to hold RENS to the minimum cost-effectiveness thresholds applicable to IOUs that are not limited to such more challenging and expensive programming.<sup>40</sup> On this basis, the Commission has determined not to apply a cost-effectiveness requirement to REN portfolios, reasoning:

With our renewed emphasis that RENS should focus on filling gaps, piloting different or unique approaches that have potential to scale, and/or targeting hard-to-reach customers, we do not find it reasonable to impose a minimum cost-effectiveness threshold for REN proposals. As we have maintained in the past, the more limited scope of activities we authorize RENS to undertake, which results in a much lower ability to diversify their portfolios (relative to the IOUs), argues against holding them to a particular cost-effectiveness standard.<sup>41</sup>

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<sup>38</sup> D.12-11-015, *Decision Approving 2013-2014 Energy Efficiency Programs and Budgets* (Nov. 8, 2012), Conclusion of Law (“COL”) 13; D.16-08-019, *Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings* (Aug. 18, 2016) at 11; D.19-12-021, OP 4.

<sup>39</sup> D.19-12-021, Finding of Fact (“FOF”) 10; D.12-11-015, COL 14; *see also* 3C-REN-01 at 213:9-16 (describing higher costs of EE programs serving customers that “[r]equire deeper technical assistance; [h]ave limited capital access; [f]ace language or informational barriers; and [l]ive in regions with higher installation costs or workforce constraints.”).

<sup>40</sup> Decision (“D.”) 12-11-015 at 19 (“Many of the REN program plans address hard to reach market segments that are generally more expensive than average to deliver. REN proposals should not be punished for that, because, if successful, their pilot approaches could lead to breakthroughs for more cost-effective solutions in the future.”) (emphasis added).

<sup>41</sup> D.18-05-041 at 95; *see also* D.19-12-021 at 37.

SCE's and PG&E's proposals to apply a TRC of 1.0 requirement to RENs' RA segment programming<sup>42</sup> fails to recognize the narrow, specialized nature of the REN criteria, that applies across all REN programming and segments.

Instead, the primary metric used to evaluate REN portfolios is Total System Benefit ("TSB").<sup>43</sup> The Commission found that this metric ties EE program goals to the avoided cost of EE savings and is "consistent with achieving all cost-effective energy, as required by PU Code Section 454.5."<sup>44</sup> Yet, even TSB is a limited measure of REN program effectiveness because it does not fully capture the role RENs play.<sup>45</sup> The Commission currently assesses how well Equity segment programs are reaching customers and the depth of their impact based on indicators adopted in D.23-06-055 and as refined by Resolution E-5351, including bill savings, greenhouse gas reductions, kWh savings and therm savings, but also the degree to which the portfolio serves equity segment customers, HTR participants, multifamily participants, and disadvantaged community participants.<sup>46</sup> Market Support segment portfolios are evaluated based on indicators such as participation of disadvantaged workers and partners, employment of participants in WE&T trainings, development of emerging technologies, changes to the cost-effectiveness of technology

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<sup>42</sup> PG&E Application, Prepared Testimony Exh. PG&E-1 ("PG&E-1") at 11-10; SCE Application, Exhibit 01 – *Direct Testimony of Southern California Edison Company in Support of its Application for Approval of its Energy Efficiency 2028-2031 Portfolio Plan and 2032-2035 Business Plan* ("SCE-01") at 132, 135-36.

<sup>43</sup> D.21-05-031, Ordering Paragraph ("OP") 1; *compare id.*, OP 3; D.25-08-034, *Decision Adopting Energy Efficiency Goals for 2026-2037* (Aug. 28, 2025) (setting TSB targets).

<sup>44</sup> D.21-05-031 at 9, COL 3.

<sup>45</sup> 3C-REN-01 at 102:11-12; *see also, e.g.*, R.25-04-010, *Comments of Association of Bay Area Governments and County of Ventura on Potential and Goals Study Ruling* (May 23, 2025) at 9.

<sup>46</sup> D.23-06-055, *Decision Authorizing Energy Efficiency Portfolios for 2024-2027 and Business Plans for 2024-2031* (June 29, 2023) at 60-61, COL 36; Resolution E-5351 (Jun. 12, 2025), OP 2.

served by the program, leverage of non-ratepayer funding, awareness, knowledge, attitude, and behavior (“AKAB”), and other measures.<sup>47</sup>

In addition, RENs have for years reported on a separate suite of REN-specific unique value metrics (“UVMs”), which are long-standing, Commission-recognized measures of REN performance that operate alongside, and independent of, TSB. These UVMs are designed to capture outcomes that TSB was never built to measure, including participant-level affordability, durable cost reductions for hard-to-reach and disadvantaged customers, and the bill-reduction value of measures delivered to households that the IOUs are not effectively reaching. UVMs provide another measure of accountability with respect to REN programs and budgets.

The RENs’ applications in this proceeding were developed under the Commission’s cost-effectiveness related decisions and framework described above. While the Commission should assert its regulatory authority to make energy more affordable for California ratepayers, it should not establish new EE portfolio measures or thresholds retroactively to RENs in a manner that could leave the most economically vulnerable and hardest-to-reach customers without means to reduce energy costs. As the Joint RENs and numerous other parties have responded and as further noted below, there is the need for the development of more equitable cost-effectiveness metrics that account for the structural barriers to EE retrofits for the customers RENs serve, non-energy benefits of EE retrofits, particularly as they relate to disadvantaged customers, and measures that take the ratepayer perspective, not the utility’s or the system’s.<sup>48</sup>

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<sup>47</sup> D.23-06-055 at 61-65, COL 36; Resolution E-5351, OP 3.

<sup>48</sup> See, e.g., *Response of Tri-County Regional Energy Network* (May 1, 2026) at 11-12; *Response of Bay Area Regional Energy Network* (May 1, 2026) (“BayREN Response”) at 22-23; *Application of Marin Clean Energy for Approval of 2028-2031 Energy Efficiency Portfolio Plan and 2032-2035 Energy Efficiency Portfolio Plan* (Mar. 16, 2026), *Marin Clean Energy Exhibit 1* (“MCE-01”) at 193-196.

**2. SCE’s Proposal to Cap REN Equity and Market Support Segments Fails to Address the Specialized Nature of the Customers RENs are Limited to Serving.**

SCE argues that RENs should be subject to the 30% cap on the combined Equity and Market Support segments which the Commission has applied to utilities and community choice aggregators (“CCAs”).<sup>49</sup> SCE also criticizes 3C-REN for not providing Resource Acquisition segment programs.<sup>50</sup> NRDC’s response criticizes REN programming outside the caps that apply only to the IOUs and CCAs, calling out BayREN’s application where it addresses affordability and compliance with REN criteria, without providing an explanation as to how this “creates confusion, weakens transparency, limits program assessment” and implies BayREN’s portfolio is being “simply shifted into categories with fewer constraints.”<sup>51</sup> These allegations are not supported, and SCE and NRDC’s proposals should not be included within the scope of this proceeding.

Rulemaking 21-05-013 limited the market support and equity portion of IOU and CCA PA portfolios to 30% of their overall budget, but made an express exception for RENs “because of the nature of their portfolios, which is already different from the other program administrators.”<sup>52</sup> As the Commission reasoned, “RENs, by their nature and primary purposes, are more likely to have a greater share of their portfolio devoted to market support and/or equity programs.”<sup>53</sup> SCE’s protest and NRDC’s critique fail to recognize and appreciate the specialized niche RENs are

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<sup>49</sup> SCE Protest at 4.

<sup>50</sup> *See id.* at 5.

<sup>51</sup> *See* NRDC Response at 4, note 4.

<sup>52</sup> D.21-05-031 at 23.

<sup>53</sup> *Id.*

expressly limited to serving, as well as the importance of serving hard-to-reach customers and filling gaps in IOU and CCA programming.

**3. Consideration of Changes to Foundational Rules on Cost-Effectiveness Should Occur in a Rulemaking Proceeding, and the Commission Has Already Determined to Address Cost-Effectiveness and Affordability of EE Programming in R.25-04-010.**

As Cal Advocates acknowledges, the issue of EE program cost-effectiveness was expressly scoped into R.25-04-010, where the Assigned Commissioner’s Scoping Memo provided:

This proceeding will provide a venue for the Commission to review energy efficiency portfolios for consistency with policy objectives, including affordability, decarbonization, and reliability, and to establish processes for continued Commission oversight. The proceeding is consistent with the March 2025 California State Auditor report, which included recommendations on how the Commission can improve its oversight of energy efficiency portfolios. In addition, this proceeding aligns with the Commission’s response to Governor Newsom’s Executive Order N-5-24 regarding electricity affordability, which notes plans to “open a new rulemaking on energy efficiency in 2025” with “a focus on cost-effectiveness.”

...  
The scope of this proceeding will include any cost-effectiveness issues that are specific to the energy efficiency programs, such as energy efficiency costs, or the applicability of cost-effectiveness requirements to different administrators or segments of the energy efficiency portfolio.<sup>54</sup>

This Assigned Commissioner ruling is clear, and Cal Advocates and SCE’s protests, as well as PG&E’s policy recommendation to apply the TRC to RENs, are inapt here. The gap between the current cost-effectiveness measures and indicators and the lifecycle bill savings flowing to equity and hard-to-reach customers is precisely the kind of measurement deficiency the Commission intends to address in R.25-04-010.

This is consistent with past practice, where the Commission found that questions regarding EE program cost-effectiveness policy and RENs’ place within it should be fully explored and

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<sup>54</sup> R.25-04-010, *Assigned Commissioner’s Scoping Memo and Ruling* (July 23, 2025) at 4 (citations omitted); Cal Advocates Protest at 5.

vetted within a rulemaking.<sup>55</sup> Decision 19-12-021 also found that uncertainty regarding the future and stability of RENS can impede customer participation and program success.<sup>56</sup> The same reasoning applies here, and the Commission should continue with its plan to address larger cost-effectiveness issues in the rulemaking docket as opposed to applying new metrics or portfolio composition requirements retroactively to applications carefully developed in accordance with current law.

Addressing such proposals within a broader stakeholder process would also enable consideration of numerous PA policy proposals to reform the Commission’s EE cost-effectiveness framework in a more equitable manner. Proposals supported by the Joint RENS included incorporation of NEBs, Equity and Market Support indicators and AKAB metrics, coordination with the California Energy Commission on its OII Proceeding on Non-energy Benefits and Social Costs,<sup>57</sup> adoption of the Portfolio Administrator Cost Test as the primary cost-effectiveness test, or removal of participant costs not funded by ratepayers for NMEC programs and from the TRC more generally.<sup>58</sup> San Diego Regional Energy Network (“SDREN”) proposed a workshop in R.25-04-010 on cost-effectiveness tests and reform, and the Joint RENS agree that a broader stakeholder

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<sup>55</sup> D.19-12-021 at 38 (“With respect to Cal Advocates’ arguments about the cost-effectiveness of the energy efficiency portfolio overall and the RENS’ place in it, we find that these raise larger questions about cost-effectiveness policy in general in the energy efficiency arena. While the proposed decision put forth an interpretation of the relevant statutory requirements, we find that this topic deserves further exploration and vetting within the rulemaking. Therefore, we will undertake consideration of cost-effectiveness policy in this proceeding, or its successor, in the near future.”).

<sup>56</sup> *Id.* at FOF 3.

<sup>57</sup> 3C-REN-01 at 214:2-12; BayREN Response at 22-23; *Protest of San Diego Community Power on Behalf of the San Diego Regional Energy Network* (May 1, 2026) (“SDREN Protest”) at 7.

<sup>58</sup> *Response of Small Business Utility Advocates on Program Administrators’ Energy Efficiency Business Plans* (May 1, 2026) at 7-9; BayREN Response at 21 (citing *Application of Peninsula Clean Energy for Approval of 2028-2031 Energy Efficiency Portfolio Plan and 2028-2035 Business Plan* (Mar. 16, 2026), *Peninsula Clean Energy Exhibit 1* (“PCE-01”) at 10-1, 10-2, 10-7 to 10-9).

process, that can include “level-setting” on the National Standard Practice Manual and learnings from other states, is sound and aligned with the scope of R.25-04-010.<sup>59</sup>

**C. Cal Advocates’ Proposed Schedule Is Unreasonably Long and Would Impinge on Portfolio Administrators’ Ability to Enter into Contracts Necessary to Implement EE Programs by January 1, 2028.**

Cal Advocates proposes a schedule for this proceeding would result in a final decision on the Applications in August of 2027.<sup>60</sup> Most other parties proposed that intervenor testimony be due by September 2026 and would result in a final decision by Spring or early Summer 2027. Cal Advocates is an outlier, in that it would like to have until November of 2026 to file intervenor testimony (seven and a half months after Applications were filed and direct testimony was served).<sup>61</sup> This would result in a very late final decision that would harm BayREN’s and other PA’s ability to contract for the next portfolio cycle.

As stated in BayREN’s Response, having a final decision in effect any later than July of 2027 would not provide it with sufficient time to enter into the numerous contracts that are needed to be in place by January 1, 2028.<sup>62</sup> This timeframe constraint impacts all PAs, and it is especially concerning for BayREN. BayREN is a coalition of nine counties and the Association of Bay Area Governments (“ABAG”), which means that contracting involves ten government agency processes. In addition, BayREN runs the Commission-authorized statewide residential Market

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<sup>59</sup> SDREN Protest at 10; *see also Response of the California Efficiency + Demand Management Council on the Consolidated Applications for Approval of 2028-2031 Energy Efficiency Portfolio Plans and 2032-2035 Business Plans* (May 1, 2026) at 16-17 (citing *Application of San Diego Community Power for Approval of the San Diego Regional Energy Network (CPUC ID U-4001-E) 2028-2031 Portfolio Plan and 2028-2035 Business Plan* (Mar. 16, 2026), *San Diego Regional Energy Network Exhibit 1 2028-2031 Portfolio Plan and 2028-2035 Business Plan Testimony* (“SDREN-01”) at 214).

<sup>60</sup> Cal Advocates Protest at 12-13.

<sup>61</sup> *See id.* at 13.

<sup>62</sup> BayREN Response at 24.

Support program, Home Energy Score California.<sup>63</sup> Contracting for this statewide program involves a Co-Funding Agreement that needs to be executed by the four IOUs as well as ABAG. The process for executing the original Co-Funding Agreement for this program took approximately eleven months.

The Joint RENs recommend that Assigned Commissioner Douglas instead adopt the schedule proposed in each of the Joint RENs’ Responses, which would result in a final decision by April 2027. This schedule allows time to address policy proposals appropriate for the scope of this docket while also allowing a degree of breathing space for PA contracting needs, as follows:

<b>ACTION</b>	<b>DATE</b>
Applications Filed	March 16, 2026
Protests / Responses Due	May 1, 2026
Reply to Protests / Responses Due	May 18, 2026
Prehearing Conference Statements	June 1, 2026
Prehearing Conference	June 3, 2026
Scoping Memo	June 2026
Workshops, Policy Rulings/Comments	June-September 2026
Intervenor Testimony	September 2026
Rebuttal Testimony	November 2026
Opening Briefs	January 2027
Reply Briefs	February 2027
Proposed Decision	March 2027
Final Decision	April 2027

## **II. CONCLUSION**

For the foregoing reasons, the Commission should deny the proposals set forth in the protests of the Joint Trades, Cal Advocates and SCE discussed herein, find that it is not necessary

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<sup>63</sup> BayREN Application at 20 (citing D.23-06-055 at 120, OP 3 and BayREN’s Advice letter 28-E).

to set hearings in this proceeding at this time, and adopt a schedule in alignment with the information provided above.

Respectfully submitted,

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May 18, 2026