



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

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Application of San Diego Gas & Electric
Company (U 902 M) to Revise its 2024-2031
Energy Efficiency Rolling Portfolio Business
Plan.

A.25-04-014
(Filed April 25, 2025)

**COMMENTS OF THE NORTHERN CALIFORNIA RURAL REGIONAL ENERGY
NETWORK (NREN), INLAND EMPIRE REGIONAL ENERGY NETWORK (I-REN),
BAY AREA REGIONAL ENERGY NETWORK (BAYREN), AND TRI-COUNTY
REGIONAL ENERGY NETWORK (3C-REN) ON THE JOINT MOTION OF SAN
DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND THE PUBLIC ADVOCATES
OFFICE FOR ADOPTION OF SETTLEMENT AGREEMENT**

<p>Alejandra Tellez Deputy Executive Officer County Executive Office, County of Ventura 800 S. Victoria Avenue, L#1940 Ventura, CA 93009 Telephone: (805) 654-3835 E-mail: Alejandra.Tellez@venturacounty.gov <i>For the Tri-County Regional Energy Network (3C-REN)</i></p>	<p>Patricia Terry Portfolio Lead Redwood Coast Energy Authority 633 3rd Street Eureka, CA 95501 Telephone: (707) 269-1700 E-mail: pterry@redwoodenergy.com <i>For Northern California Rural Regional Energy Network (NREN) ID #U-1401-E</i></p>
<p>Jane Elias Director, Energy Programs Association of Bay Area Governments 375 Beale Street, Suite 700 San Francisco, CA 94105 Telephone: (415) 778-4428 E-mail: jelias@bayareametro.gov <i>For the Bay Area Regional Energy Network (BayREN)</i></p>	<p>Casey Dailey Director of Energy & Environmental Programs Western Riverside Council of Governments 1955 Chicago Ave., Suite 200 Riverside, CA 92507 Telephone: (951) 405-6720 E-mail: cdailey@wrcog.us <i>For Inland Empire Regional Energy Network (I-REN)</i></p>

Dated: June 1, 2026

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I. INTRODUCTION

Pursuant to Rule 6.2 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure (Rules), the Redwood Coast Energy Authority (RCEA) on behalf of the Northern California Rural Regional Energy Network (NREN), the Western Riverside Council of Governments on behalf of the Inland Empire Regional Energy Network (I-REN), the Association of Bay Area Governments on behalf of the Bay Area Regional Energy Network (BayREN), the County of Ventura on behalf of the Tri-County Regional Energy Network (3C-REN), collectively the “Joint RENs”, respectfully submit the following Comments on the Joint Motion of San Diego Gas & Electric (SDG&E) and the Public Advocates Office (Cal Advocates) (Settling Parties) for the Adoption of Settlement Agreement. Pursuant to the amended schedule as set forth in the Administrative Law Judge’s Ruling Amending Schedule, issued November 3, 2025, these Comments are timely filed.

II. COMMENTS

The Joint RENs respectfully urge the Commission to not approve the Settlement Agreement between SDG&E and Cal Advocates. The terms of the Settlement do not make SDG&E's Application "reasonable in light of the whole record, consistent with law, in the public interest," and it should not be adopted. As discussed further herein, there are several elements of the Settlement Agreement that the Joint RENs have concerns with, and that the Commission must further consider before approving SDG&E's Application or the proposed Settlement Agreement. The proposed Settlement Agreement is being brought by just two of the numerous parties to this proceeding, and none of the Joint RENs joined in the settlement because we do not believe that the terms of the Settlement Agreement meet the requirements for approval by the Commission.

1. The Settlement Agreement Is Not Reasonable, Nor in the Public Interest, and Should Not be Adopted

The Settling Parties claim that the Settlement Agreement is reasonable and should be adopted. They point to the "robust record" and note that the "Settlement Agreement is a product of substantial negotiation efforts and compromise on behalf of the Settling Parties." They also point to the settlement conference that several of the parties, including the Joint RENs, attended. (Motion, p. 13) However, the "substantial negotiation effort and compromise" did not include all of the non-settling parties and predated the settlement conference. Furthermore, it is important to note that mere attendance at a settlement conference is not the same as participating in "substantial negotiations." Settling Parties further state that the Settlement Agreement "constitutes a reasonable compromise of the positions of the Settling Parties and represents a compromise position between Cal Advocates' position and SDG&E's position. (Motion, p. 13) Again, however, it is not just Cal Advocates' and SDG&E's positions that the Commission must

take into account when approving a settlement. Per the Commission’s rules, “adoption of a settlement is binding on all parties to the proceeding in which the settlement is proposed” and not just the settling parties. (Rule 12.5) The Commission will not approve a settlement unless it is “reasonable in light of the whole record, consistent with law, and in the public interest.” (Rule 12.1(d)) The Commission’s standards for approval of a settlement are set thusly because of the magnitude of the impact that a settlement has on all the parties to a proceeding, and not just the settling parties. What the Settling Parties have proposed does not meet the standards of Rule 12.1, and thus should be not be approved as submitted.

2. The Limitation on Precedential Effect of the Settlement Does Not Save the Settlement Agreement from Failing to Meet the Standards of Rule 12.1.

Rule 12.5 provides that “[u]nless the Commission expressly provides otherwise, such adoption does not constitute approval of, or precedent regarding, any principle or issue in the proceeding or in any future proceeding.” The Settling Parties include a non-precedential clause in the Settlement Agreement. (Settlement Agreement, Section IV, C) However, given the nature of the matters addressed in the Settlement Agreement, and the fact that the settlement would be binding all parties to the proceeding and not just to the two settling parties, the practical effect of that provision is limited and does not adequately protect non-settling parties, including the Joint RENs. The clause primarily preserves the ability of SDG&E and Cal Advocates the Public Advocates Office to take different positions in future proceedings; such a clause however, does not preclude the Commission from relying on the findings, reasoning, or policy direction embedded in the Settlement if adopted. Critically, no RENs are parties to the agreement and did not assent to its terms, yet several provisions, including findings regarding cost-effectiveness, program value, and the reasonableness of withdrawal, could materially influence how REN portfolios and future applications are evaluated, even outside of SDG&E’s service territory. The

non-precedential clause protects the settling parties' litigation positions but does not mitigate the broader impacts that the Commission's adoption of the Settlement could have on other PAs. As written, the non-precedential clause does not alleviate concerns regarding the Settlement's potential to influence future Commission policy and decision-making.

3. The Rationale for Term 2 of the Agreement is Insufficient and its Adoption May Have Damaging Precedential Effects

Term 2 notes that "SDG&E shall, in addition to withdrawal from administration of its regional EE programs, also withdraw from administration of its regional EE Codes and Standards (C&S) programs." The Joint RENs disagree with the rationale used to justify SDG&E withdrawing from its regional C&S program. The settlement motion attempts to justify this withdrawal due to program overlap or duplication. Existing Commission processes are sufficient to address coordination and portfolio design concerns. Framing overlap as inefficiency oversimplifies the role of C&S, undermines multi-administrator program models, and may create unintended precedent affecting REN portfolios. Moreover, the Settlement does not demonstrate that withdrawal is driven by program optimization rather than budget reduction, nor does it establish a clear plan for ensuring continuity of critical C&S functions.

4. Term 3 Raises Both Procedural and Substantive Concerns and Should Not Be Adopted

Term 3 notes that "new, expanded, or incremental energy efficiency programs and budgets, authorized after adoption of this Settlement Agreement, within SDG&E's service territory shall meet the cost-effectiveness requirements applied to IOUs, as required in D.21-05-031 or a future Commission decision that supersedes D.21-05-031 relating to IOU energy efficiency cost-effectiveness requirements."

The Settlement Agreement would impose prescriptive requirements on the Joint RENs by imposing requirement for any “new, expanded, or incremental energy efficiency programs and budgets.” The Commission should not approve this term of the Settlement Agreement. As noted, the terms of a settlement are binding on all parties to a proceeding, not just the settling parties. (Rule 12.5) Term 3 of the Settlement Agreement would usurp the Commission’s deliberative process in developing cost-effectiveness rules, and violates the due process of all parties to this proceeding seeking to engage on this issue before the Commission. Cost-effectiveness policy is actively under consideration in other Commission proceedings and should be addressed comprehensively in those forums rather than in this individual application proceeding.

Furthermore, this requirement exceeds the scope of SDG&E’s application and attempts to impose policy changes with broad applicability through the Settlement Agreement. Adopting such a provision in this context would inappropriately bind the Commission’s future consideration of cost-effectiveness standards in subsequent Business Plan Applications (BPAs) and related proceedings. As a procedural matter, settlements should not resolve substantive policy issues that affect Program Administrators (PAs) that are not parties to the Settlement Agreement or even this proceeding. Rule 12.1 and established Commission practice state that settlements should not infringe upon the rights of non-settling parties or predetermine outcomes in future proceedings. The proposed requirement also implies that there is insufficient oversight of RENs, when the Commission already exercises review authority through BPA approvals and budget determinations. Accordingly, this term raises both procedural and substantive concerns and should not be adopted.

5. Term 4 is Out of Scope and Inappropriate for Inclusion in a Settlement Agreement and Should Not Be Approved

Term 4 states that the “Settling Parties shall submit a joint filing outside the instant proceeding,[fn omitted] in which they mutually agree to propose that the Commission expedite consideration of cost-effectiveness standards statewide that should be applied to all portfolio administrators that administer energy efficiency programs with ratepayer funds.”

Term 4 would make just two parties – SDG&E and Cal Advocates – the sole decision-makers with regard to critical policy issues that impact a broad range of stakeholders, including the Joint RENs. The Joint RENs respectfully urge that the Commission should not approve this term of the Settlement Agreement, and reiterate that the issues referenced are already under active consideration in existing proceedings. The language of the provision effectively operates as an ordering paragraph, directing future advocacy and giving disproportionate weight to a particular policy perspective. Any party already retains the ability to propose policy changes in appropriate forums, and there is no basis for the Commission to require or “approve” such a filing in this context. Moreover, directing future compliance or action outside the record of this proceeding raises concerns regarding procedural clarity and enforceability, as Commission-approved settlements are expected to be clear, self-contained, and limited to matters within the scope of the case.

6. The Commission Should Retain the Ability to Modify the Terms of the Settlement Agreement to Ensure the Provisions are in the Public Interest

While the Commission has an interest in efficiencies that are served by settlement and a strong public policy favoring settlement, that policy must be weighed against the whole record in this proceeding and the extent to which the settlement itself is reflective of the compromises of all the parties to a proceeding. In the instant case, SDG&E and Cal Advocates seek adoption of

the Settlement Agreement without modification because the “various provisions of the Settlement Agreement reflect specific compromises between litigation positions and differing interests; in some instances, the proposed outcome reflects a party’s concession on one issue in consideration for the outcome provided on a different issue.” (Motion, pp. 18-19) This negotiated compromise, however, is only between two parties of a multi-party proceeding and any avoided “risks, burdens, and expense of further litigation,” do not apply to all the other parties to the proceeding that do face further risks and burdens in disputing the settlement, including additional expenses of further litigation. The value of the Settlement Agreement is not equal across all parties to this proceeding, and the Commission must retain its authority to modify it as necessary.

7. Hearings Are Needed

The Settling Parties seek to have the Settlement Agreement approved without evidentiary hearings, claiming that Under Rule 12.3, hearings are not a prerequisite to approving a settlement. They request that the Commission approve the Settlement Agreement without evidentiary hearings because Settling Parties “do not believe there are any issues of material fact to resolve that require a hearing.” (Motion, p. 20) The Joint RENs respectfully disagree. Given the scope of the proposed terms, including the Settling Parties’ attempt to be the sole determiners of elements of cost-effectiveness, for example, there may very well be issues of material fact to resolve that require a hearing.

III. CONCLUSION

For the reasons set forth herein, the Commission should not approve the Settlement Agreement. The Settlement Agreement settlement is reasonable in light of the whole record,

consistent with law, nor in the public interest, and therefore does not meet the standard for approval under Rule 12.1.

Respectfully submitted,

/s/ Patricia Terry

Patricia Terry

Senior Portfolio Manager, Redwood Coast Energy Authority on behalf of NREN¹

<p>Alejandra Tellez Deputy Executive Officer County Executive Office, County of Ventura 800 S. Victoria Avenue, L#1940 Ventura, CA 93009 Telephone: (805) 654-3835 E-mail: Alejandra.Tellez@venturacounty.gov <i>For the Tri-County Regional Energy Network (3C-REN)</i></p>	<p>Patricia Terry Portfolio Lead Redwood Coast Energy Authority 633 3rd Street Eureka, CA 95501 Telephone: (707) 269-1700 E-mail: pterry@redwoodenergy.com <i>For Northern California Rural Regional Energy Network (NREN) ID #U-1401-E</i></p>
<p>Jane Elias Director, Energy Programs Association of Bay Area Governments 375 Beale Street, Suite 700 San Francisco, CA 94105 Telephone: (415) 778-4428 E-mail: jelias@bayareametro.gov <i>For the Bay Area Regional Energy Network (BayREN)</i></p>	<p>Casey Dailey Director of Energy & Environmental Programs Western Riverside Council of Governments 1955 Chicago Ave., Suite 200 Riverside, CA 92507 Telephone: (951) 405-6720 E-mail: cdailey@wrcog.us <i>For Inland Empire Regional Energy Network (I-REN)</i></p>

Dated: June 1, 2026 in Eureka, California

¹ Pursuant to Rule 1.8(d), this certifies that the signer has been fully authorized by the indicated persons to sign and tender the document and to make the representations stated in Rule 1.8(b) on their behalf.