

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.

Application 25-04-014
(Filed April 25, 2025)

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902 M)
NOTICE OF EX PARTE COMMUNICATION**

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Dated: June 19, 2026

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

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

Application 25-04-014
(Filed April 25, 2025)

**SAN DIEGO GAS & ELECTRIC COMPANY’S (U 902 M) NOTICE OF
EX PARTE COMMUNICATION**

Pursuant to Rule 8.4 of the California Public Utilities Commission’s Rules of Practice and Procedure, **SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E) (U 902 M)** hereby gives notice of an oral ex parte communication in the above captioned proceeding. The oral communication occurred via a meeting between SDG&E, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), and representatives from the offices of Commissioner Houck and Commissioner Douglas. SDG&E and Cal Advocates expressed their joint support for a proposed settlement in this proceeding between SDG&E and Cal Advocates (filed on May 1, 2026), which would support affordability for SDG&E customers by reducing spending on non-cost-effective programming. At the meeting, SDG&E provided a written summary of the proposed settlement, attached.

DATE AND TIME OF THE ORAL COMMUNICATION:

- Tuesday, June 16, 2026, from 3:00 p.m. to 3:32 p.m.

LOCATION:

- Virtual (Via Webex)

WHO INITIATED COMMUNICATION:

- SDG&E

NAMES AND TITLES OF ATTENDEES:

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- SDG&E
 - o Lily Backer, Regulatory Affairs Strategy Manager, SDG&E
 - o Hollie Bierman, Director - Environmental Services, SDG&E
 - o Alton Kwok, Manager – Project and Program Management, SDG&E
- Cal Advocates
 - o Stephen Castello, Supervisor
 - o David Gibbs, Attorney
- Commissioner Houck’s Office
 - o Erica Petrofsky, Energy Advisor
- Commissioner Douglas’ Office
 - o Sarah Lerhaupt, Advisor
 - o Cristina Lizarraga, Advisor

BRIEF SUMMARY OF ORAL COMMUNICATION:

SDG&E provided a summary of the proposed settlement between SDG&E and Cal Advocates (filed on May 1, 2026), which would support affordability for SDG&E customers by reducing spending on non-cost-effective programming. SDG&E respectfully requested that the Commission adopt the proposed Settlement Agreement and noted that A.25-04-014 provides an opportunity for the Commission to act on the findings of the State Auditor’s report on energy efficiency (published in March 2025).

SDG&E highlighted Term 2, in which Settling Parties agreed that SDG&E will withdraw from administration of its regional Codes & Standards program, saving customers \$17 million for the 2026 – 2031 program cycle in addition to the \$300 million in savings that would be realized from discontinuation of the rest of its regional programs. SDG&E explained that its service territory would still be served by statewide Codes & Standards programs, and that most of its service territory would also be served by a regional Codes & Standards program offered by another program administrator. Additionally, SDG&E provided greater detail on Term 3, which would help to preserve the customer savings anticipated from SDG&E’s discontinuation of regional program administration by requiring that any new or expanded programming in SDG&E’s service territory meet cost effectiveness standards applied to Investor-Owned Utilities (IOUs). SDG&E highlighted

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that Term 3 is directly responsive to Scoping Issue 16 in A.25-04-014, which contemplates the changes to Commission policy that may be needed if the Application request is granted and other portfolio administrators expand their role in the region.

The representatives for Cal Advocates expressed their support for the settlement and provided additional details on Term 3. Cal Advocates explained that Term 3 addresses Scoping Issue 16 in A.25-04-014, does not impact broader policy considerations being addressed outside A.25-04-014 and applies only to new incremental energy efficiency programs and spending within SDG&E's service territory. Additionally, Cal Advocates explained that Term 3 does not impact programs or program administrators outside SDG&E's service territory and does not apply to currently approved energy efficiency budget authorizations.

WRITTEN DOCUMENTS PROVIDED:

The written summary provided by SDG&E is attached as Attachment A.

Respectfully submitted,

By: /s/ Lily Backer

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Dated: June 19, 2026

cc: Commissioner Darcie Houck at Houck.Exparte@cpuc.ca.gov
Commissioner Karen Douglas at Douglas_Exparte@cpuc.ca.gov
Julie Fitch, ALJ at julie.fitch@cpuc.ca.gov
Valerie Kao, ALJ at valerie.kao@cpuc.ca.gov
All Parties on Service List A.25-04-014

ATTACHMENT A



**Discussion Regarding the Proposed
Settlement Agreement of Cal Advocates
and SDG&E in A.25-04-014**



Overview of SDG&E's Application

What it is:

- SDG&E seeks to discontinue regional EE program administration
- SDG&E is requesting the CPUC revise SDG&E's Potential & Goals targets

What it is NOT:

- A barrier to access to EE programs
 - Statewide Programs: If approved, SDG&E will remain a fiscal agent of statewide programs
 - Regional Programs: SDG&E will remain a fiscal agent for SDREN
- A request to transfer or reassign responsibilities to any other PA

Overview of Proposed Settlement Agreement Terms 1 & 2

Term 1

Term 1: Upon adoption of following terms, SDG&E's Application is reasonable in light of the whole record, consistent with law, in the public interest, and should be approved.

Term 2

Term 2: SDG&E shall, in addition to withdrawal from administration of its regional EE programs, also withdraw from administration of its regional Codes & Standards (C&S) programs

Term 3



SDG&E Application proposed to retain its regional C&S programs

Term 4



In its Opening Testimony, Cal Advocates recommended denial of this request due to duplication with SDREN's programs & continuing administration costs

Note: Key local stakeholders – SDREN, Clean Energy Alliance, the City of San Diego – do not oppose Terms 1 and 2.

Overview of Proposed Settlement Agreement Term 3

Term 1

Term 2

Term 3

Term 4

Term 3: New, expanded, or incremental EE 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



In Opening Testimony, SDG&E responded that no further protections should be needed if the Commission grants SDG&E's application request



In Opening Testimony, Cal Advocates raised that non-IOU PAs could undertake activities no longer fulfilled by SDG&E and are not held to cost-effectiveness requirements. As a result, this may result in greater non-cost-effective spending

Overview of Proposed Settlement Agreement Term 4

Term 1

Term 4: The Settling Parties shall submit a joint filing outside the instant proceeding, to expedite Commission consideration of cost-effectiveness standards for all administrators of EE programs with ratepayer funds

Term 2



SDG&E's Application proposed the scope of the proceeding be limited to its own portfolio in the 2024 – 2031 budget cycle

Term 3



In Opening Testimony, Cal Advocates noted that the Commission has authority to “modify, revise, or update its policies” as needed to address barriers to achieving its EE goals, which includes the Commission’s policies towards RENs or other non-IOU PAs that receive ratepayer funding

Term 4

The Settlement is in the Best Interest of Ratepayers

SDG&E's Regional Portfolio is Generally Not Cost Effective

- In most years, the portions of SDG&E's regional portfolio held to cost effectiveness standards failed to achieve a Total Resource Cost (TRC) of 1.0.

The Settlement Will Save Ratepayers Approximately \$300M over 6 Years

- Existing regional programs from other PAs and statewide programs provide sufficient EE programming.
- Statewide programs generally more cost-effective.

The Settlement Addresses Concerns from the State Auditor

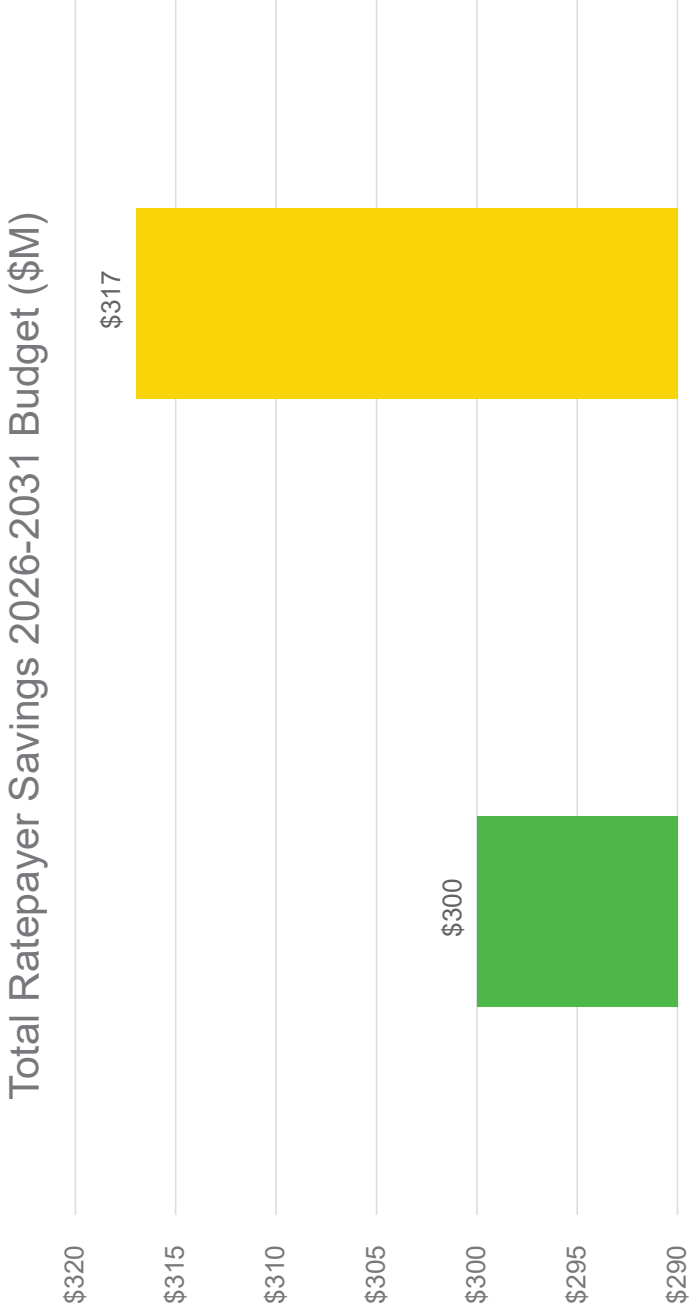
- State Auditor urged Commission to re-evaluate non-cost-effective programs.

SDG&E Regional Programming TRC

Year*	Cost Effective	Not Cost Effective
2019		X
2020		X
2021		X
2022		X
2023		X
2024		X
2025	X	

*Starting in 2022, source data and listed TRC metrics apply only to the Resource Acquisition segment. 2021 and prior, source data includes regional portfolio without Codes & Standards. SDG&E's 2025 regional Resource Acquisition TRC was 1.05.

SDG&E's Application and Settlement Represent Significant Ratepayer Savings (2026-2031)



\$300 million represents the budget reduction for 2026-2031, which was the approximate reduction as of the filing date of SDG&E's Application.

\$317 million represents the new budget reduction, as compared to SDG&E's Application request, including the removal of regional C&S program funding, pursuant to the proposed settlement.