



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



FILED
06/19/26
02:58 PM
A2504014



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)

