

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



Application of SAN DIEGO GAS & ELECTRIC
COMPANY (U 902-E) for Approval of Low-
Income Assistance Programs and Budgets for
Bridge Funding for Program Year 2027

And related matters.

Application 25-06-022
(Filed June 27, 2025)

Application 25-06-023
Application 25-06-024
Application 25-06-025

FILED

06/23/26
02:46 PM
A2506022

**REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)
REGARDING DECISION AUTHORIZING 2027 BRIDGE FUNDING FOR
INVESTOR-OWNED UTILITIES' INCOME-QUALIFIED
ASSISTANCE PROGRAMS**

Cameron Biscay
8330 Century Park Court, CP32D
San Diego, CA 92123-1530
Telephone: (858) 239-6605
Email: cbiscay@sdge.com

Attorney for:
SAN DIEGO GAS & ELECTRIC COMPANY

June 23, 2026

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	THE COMMISSION SHOULD REJECT CAL ADVOCATES’ PROPOSED CHANGES TO THE PROPOSED DECISION.....	1
	A. The Commission Should Reject Cal Advocates’ Corrections in Items (q), (r), and (s) and Approve SDG&E’s Revised PY 2027 ESA Budget.....	1
	B. The PD’s Approval of ESA Budgets Does Not Constitute Legal Error	4
III.	CONCLUSION	5

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

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) for Approval of Low-Income Assistance Programs and Budgets for Bridge Funding for Program Year 2027

And related matters.

Application 25-06-022
(Filed June 27, 2025)

Application 25-06-023
Application 25-06-024
Application 25-06-025

**REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)
REGARDING DECISION AUTHORIZING 2027 BRIDGE FUNDING FOR
INVESTOR-OWNED UTILITIES' INCOME-QUALIFIED
ASSISTANCE PROGRAMS**

I. INTRODUCTION

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), San Diego Gas & Electric Company (SDG&E) submits these reply comments on the *Proposed Decision Authorizing 2027 Bridge Funding for the Investor-Owned Utilities' Income-Qualified Assistance Programs (IQP)*, issued on May 29, 2026 (PD). SDG&E's Reply Comments focus on the comments submitted by the Public Advocates Office at the California Public Utilities Commission (Cal Advocates).

II. THE COMMISSION SHOULD REJECT CAL ADVOCATES' PROPOSED CHANGES TO THE PROPOSED DECISION

Cal Advocates' comments to the Proposed Decision (PD) raise two issues regarding the Energy Savings Assistance (ESA) program: (1) that the PD incorrectly approves 2027 ESA budget figures that are higher than 2026 authorized ESA budgets and (2) that the PD's approval of ESA budget figures constitutes legal error.¹ Both contentions are without merit and should be rejected.

A. The Commission Should Reject Cal Advocates' Corrections in Items (q), (r), and (s) and Approve SDG&E's Revised PY 2027 ESA Budget

Cal Advocates claims that the PD incorrectly approves 2027 ESA budget figures that are higher than 2026 authorized budgets for ESA Southern Multifamily Whole Building (SMFWB),

¹ Opening Comments of Cal Advocates on PD (June 18, 2026) (Cal Advocates Opening Comments), pp. 1-2.

Inspections, and General Administration, and requests the PD reflect the applicable approved dollar figures, set to either the 2026 authorized levels or the IOUs' proposed 2027 budgets, whichever is lower.²

For item (q) SDG&E's ESA SMFWB, SDG&E disagrees with Cal Advocates' characterization of SDG&E's 2026 projected budget. SDG&E acknowledges that the PD authorized Energy Efficiency-Multifamily (EE-MF) budget of \$8,954,054 is higher than the 2026 projected EE-MF level of \$8,556,939 identified by Cal Advocates, however this comparison is misleading as it does not reflect the full scope of the ESA MFWB program funding.³ Specifically, the PD authorized EE-MF budget, which constitutes the entirety of the ESA MFWB budget authorized in the PD, remains lower than SDG&E's original projected 2026 ESA MFWB budget of \$10.1 million, which included funding for EE-MF, MFWB Administration, and SPOC. EE-MF funding supports direct installation activities, including treatments delivered by third-party implementers and subcontractors, which is separate from SDG&E's Administrative and SPOC costs necessary to support full ESA SMFWB program implementation.

In its Application, SDG&E requested approximately \$11.9 million in total program funding for PY 2027, inclusive of EE-MF, Administrative, and SPOC functions required to support full program delivery.⁴ As stated in its June 18, 2026 Opening Comments, SDG&E accepts the PD authorized EE-MF funding level of \$8,954,054 for 2027.⁵ However, SDG&E has requested that the proposed Administrative and SPOC costs be funded separately from the EE-MF budget. This proposal would result in an overall reduction of approximately \$1.9 million from SDG&E's original 2027 SMFWB request and a reduction of approximately \$72,258 relative to 2026 total projected SMFWB program funding levels included in its Application, as shown in the table below.

² Cal Advocates Opening Comments, p. 6.

³ A.25-06-022, ESA CARE Attachment A 2027 Bridge Funding, BF Table 7a SMFWB Budgets (SMFWB Budgets).

⁴ *Id.*

⁵ *Comments of SDG&E Regarding Decision Authorizing 2027 Bridge Funding for Investor-Owned Utilities' Income-Qualified Assistance Programs* (June 18, 2026).

Table 1: SDG&E SMFWB Funding Comparison

Category	2026 Projected	2027 Proposed ⁶	2027 PD Approved Budget ⁷	2027 Updated Proposed Budget	Reduction to the 2027 Proposed
EE-MF	\$8,556,939	\$10,726,978	\$8,954,054	\$8,954,054	\$(1,772,924)
General Administration	\$913,937	\$749,428	\$0	\$749,427	\$(1)
SPOC	\$651,613	\$462,333	\$0	\$346,750	\$(115,583)
Program Total	\$10,122,489	\$11,938,739	\$8,954,054	\$10,050,231	\$(1,888,508)

Importantly, as reflected in the table above, SDG&E’s proposal does not seek to increase the EE-MF funding level beyond what is adopted in the PD, nor does it seek a total ESA MFWB budget exceeding the 2026 projected funding level. Rather, SDG&E has requested that Administrative and SPOC costs be authorized separately consistent with reporting practice, to ensure that these necessary program functions do not further reduce the funding available for direct installation activities under the approved EE-MF budget.

SDG&E’s acceptance of this funding level reflects a reasonable and balanced approach, recognizing the PD’s intent to manage overall program budgets while also maintaining sufficient funding to support ongoing program delivery and an active project pipeline. Reducing the EE-MF budget further would reduce project installation funding, which directly supports treatment volumes, energy savings outcomes, and the continuity of work for subcontractors delivering projects in the field, as well as timely service to eligible customers.

For items (r) SDG&E’s Inspections and (s) SDG&E’s General Administration, Cal Advocates’ characterization fails to take into consideration SDG&E’s overall administrative budget request, which is in line with the 2026 overall administrative budget authorized in Decision (D.) 21-06-015, Table 11, of \$4.8 million. SDG&E’s overall administrative budget includes the following categories: Training Center, WE&T, Inspections, Marketing and Outreach, Studies, Regulatory Compliance, General Administrative and CPUC Energy Division. While the Inspections and General

⁶ SMFWB Budgets.

⁷ Table 12: ESA Approved Budgets by Category (\$) SDGE of the PD embeds Administrative and SPOC costs withing EE-MF funding.

Administration individual budget categories reflect increases for 2027, they are offset by reductions in Marketing and Outreach and Regulatory Compliance, resulting in an overall administrative budget for 2027 that reflects what has already been authorized in 2026 in D.21-06-015. SDG&E contends that the budget approved in Table 11 in the Proposed Decision is reasonable and should be approved. SDG&E's proposed budget modifications to these categories more accurately reflect actual spending. Additionally, such fund shifting of amounts between categories is allowed per D.21-06-015, Ordering Paragraph (OP) 181.

B. The PD's Approval of ESA Budgets Does Not Constitute Legal Error

After arguing that the PD should be revised to set 2027 ESA budgets according to either 2026 authorized budgets or proposed 2027 budgets, whichever is lower,⁸ Cal Advocates incomprehensibly argues that the PD's determination to set 2027 ESA budgets at 2026 authorized budgets constitutes legal error.⁹ Given the inherent inconsistency in these arguments, it is unclear what revisions to the PD Cal Advocates seeks on the basis of this purported legal error. Regardless, however, the PD commits no legal error and thus does not require revision based on Cal Advocates' arguments.

Cal Advocates claims that the PD commits legal error by failing to show how its approval of the IOUs' ESA budgets is consistent with ESA's cost effectiveness requirements,¹⁰ but the statutory provision that Cal Advocates cites does not require demonstration of any specific cost effectiveness threshold to approve ESA program budgets.¹¹ While cost effectiveness is a consideration of the ESA program, there is no legal requirement that the PD expressly tie its approved ESA budget levels to specific cost effectiveness thresholds. Cal Advocates' claims of legal error thus are unfounded.

⁸ Cal Advocates' Opening Comments at p. 6.

⁹ *Id.* at pp. 7-8.

¹⁰ *Id.* at p. 7.

¹¹ *Id.* p. 8.

III. CONCLUSION

SDG&E respectfully requests that the Commission reject the changes proposed in Cal Advocates' comments to the PD and instead make the revisions requested in SDG&E's Opening Comments.

Respectfully submitted,

/s/ Cameron Biscay _____

Cameron Biscay
8330 Century Park Court, CP32D
San Diego, CA 92123-1530
Telephone: (858) 239-6605
Email: cbiscay@sdge.com

Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY

June 23, 2026