



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

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Order Instituting Rulemaking for Oversight
of Energy Efficiency Portfolios, Policies,
Programs, and Evaluation.

Rulemaking 25-04-010

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) SUBMISSION OF THE
SEMI-ANNUAL INDEPENDENT EVALUATOR REPORT ON THE THIRD-PARTY
SOLICITATION PROCESS**

PUBLIC VERSION

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Dated: **June 26, 2026**

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Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), and in compliance with Commission’s Decision D.18-01-004, Southern California Edison Company (SCE) submits, on behalf of the independent evaluators (IEs), this Semi-Annual Independent Evaluator Report on the Third-Party Solicitation Process of Southern California Edison Company. The Commission in D.18-01-004 required that the IEs, among other things, “shall also provide assessments of the overall third party solicitation process and progress, on at least semi-annual basis, to the Commission via reports filed in the relevant energy efficiency rulemaking (currently R.13-11-005).”¹

Because the IEs are not parties to the energy efficiency proceeding, SCE is filing this semi-annual report regarding SCE’s third-party solicitation progress (from October 2025 through

¹ D.18-01-004 at p. 38 and Ordering Paragraph 5(c). The Commission has since closed R.13-11-005 and opened a new energy efficiency rulemaking, R.25-04-010. Therefore, SCE is filing this and future reports in R.25-04-010, the “relevant energy efficiency rulemaking . . .”.

March 2026) on behalf of the IEs, who prepared the report. Concurrent with the submission of the public version of the IEs' semi-annual report, SCE is filing the confidential version of the same report to the Commission through a Motion to File Under Seal.

Respectfully submitted,

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Dated: June 26, 2026

Appendix A

Semi-Annual Independent Evaluator Report [PUBLIC VERSION]

Semiannual Report

SOUTHERN CALIFORNIA EDISON COMPANY

Third-Party Energy Efficiency Program Solicitations

Reporting Period: October 2025 through March 2026

Prepared by Independent Evaluators:

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Great Work Energy

Merrimack Energy

June 2026

Disclaimer: This report includes sensitive and confidential information.

INDEPENDENT EVALUATORS' SEMIANNUAL REPORT
SOUTHERN CALIFORNIA EDISON COMPANY

TABLE OF CONTENTS

I.	Overview	1
A.	Purpose	1
B.	Background	1
C.	Overview of Solicitations	4
D.	IE Assessment of Solicitations	8
E.	Effective Solicitation Practices.....	9
F.	PRG Feedback on Solicitations	11
G.	Stakeholder Feedback from CPUC Workshops	11
II.	Attachments: Individual IE Semiannual Solicitation Reports	16
	Statewide Midstream Plug Load Appliance Program Solicitation	18

I. Overview

A. Purpose

The Independent Evaluators' (IE) Semiannual Report (Semiannual Report or Report) provides an assessment of Southern California Edison Company's (SCE or the Company), third-party energy efficiency (EE) program solicitation process and progress by SCE's assigned IEs.

Each investor-owned utility (IOU) is required to select and utilize a pool of IEs with EE expertise to serve as consultants to the Procurement Review Group (PRG).¹ For the entire solicitation process, the IE serves as a consultant to the PRGs, participates in PRG meetings, and provides assessments of the overall third-party solicitation process and progress.² The IEs are privy to viewing all submissions, are invited to participate in the IOU's solicitation-related discussions, and are bound by confidentiality obligations.

In Decision 18-01-004, the California Public Utilities Commission (CPUC or Commission) directs that a semiannual report on the overall process and conduct of the third-party solicitations be filed in the relevant EE rulemaking proceeding.³ This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted during the period from October 1, 2025, through March 31, 2026, unless otherwise noted. This Report is intended to provide feedback to SCE, the PRG, and other stakeholders on the progress of SCE's EE program solicitations in compliance with this CPUC direction.

These Reports will be filed periodically throughout SCE's entire third-party solicitation process. This Report identifies areas for improvement and highlights effective practices noted by the IEs based on SCE's current program solicitations. The Report does not replace the required Final IE Solicitation Reports provided to SCE and its PRG by the assigned IE after each solicitation.

B. Background

In August 2016, the CPUC adopted Decision 16-08-019, which defined a "third-party program" as a program proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility Portfolio Administrator (PA).⁴

¹ Decision 18-01-004, OP 2.

² Id, p. 38.

³ Id, OP 5.c.

⁴ Decision 16-08-019, OP 10.

In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs, SCE, San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), and Southern California Gas Company (SoCalGas), to assemble an EE PRG.⁵ The IOU's PRG, a CPUC-endorsed entity, is composed of non-financially interested parties, including advocacy groups, utility-related labor unions, and other non-commercial, energy-related special interest groups. The PRG oversees the IOU's EE solicitation process (both local and statewide), reviewing procedural fairness and transparency. This oversight includes examining overall procurement prudence and providing feedback during all solicitation stages. Each IOU briefs its PRG periodically⁶ throughout the process on topics including Request for Information (RFI), Request for Abstracts (RFA), and/or Request for Proposals (RFP) language development, proposal evaluation, contract negotiations, and development of the program's Implementation Plan.

Minimum Threshold Requirement for Third-party Programs

The CPUC, in Decision 18-01-004, directed the IOUs to ensure their EE portfolios contain minimum percentages of third-party designed and implemented programs by predetermined dates.⁷ In November 2019, the CPUC granted IOUs various extension requests to meet the CPUC's initial 25% threshold requirement⁸ due to delays with the initial phases of the third-party solicitation efforts. Beginning December 31, 2022, the IOUs must maintain at least 60% of third-party programs within their EE portfolios. The IOUs are required to list their current third-party contracts, including an aggregate dollar value, in their Annual Energy Efficiency Reports on the CPUC's California Energy Data and Reporting System (CEDARS).⁹

Guidance Letter from the Energy Division

On March 11, 2020, the CPUC's Energy Division (ED) provided additional guidance to the IOUs in response to concerns raised during the Semiannual CPUC-hosted public workshops about solicitation delays:

Solicitation Schedules

- Allocate up to 12 weeks from RFA release to notification of bidders of invitation to respond to RFP.
- Allocate up to 15 weeks from RFP release to notification of bidders' invitation to contract negotiation.
- Execute the contract 12 weeks after the invitation to contract negotiation unless IOU is conducting multiple negotiations within the same solicitation, the program is complex, or the agreement addresses challenging contract elements.
- Update the solicitation schedules in the next quarterly update.

⁵ Decision 18-01-004, OP 3.

⁶ At monthly PRG meetings and off-cycle meetings as needed.

⁷ Decision 18-01-004, OP 1.

⁸ CPUC Letter to IOUs regarding the "Request for Extension of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041", November 25, 2019.

⁹ Decision 18-01-004, OP 8.

RFA Guidance

- Adhere to the intent of the RFA stage explained in Decision 18-01-004.
- Refrain from requesting excessive detail in the RFA stage.

IOU Communication to Bidders

- Notify bidders of the status of the solicitation throughout the entire process.
- Provide better feedback to bidders by delivering on commitments made in response to stakeholder requests.
- Provide non-advancing bidders with notification if their abstracts/proposals did not advance due to being incomplete or non-conforming, a violation, or an unmitigated conflict of interest.
- After the June 30 and September 30, 2020, deadlines were met, the Energy Division encouraged the IOUs to make feedback available to bidders notified prior to the date of this letter that they did not advance to the next stage of solicitations.

Energy Efficiency Portfolio Segments and Total System Benefit

In Decision 21-05-031, the CPUC approved significant changes to energy efficiency policy, most notably adopting a new metric for energy efficiency programs called Total System Benefit (TSB) and segmenting the energy efficiency portfolios into programs whose primary purpose is Resource Acquisition, Market Support, or Equity.¹⁰ PAs are required to apply the TSB metric to program years 2024 and beyond.¹¹ Generally, IOUs will conduct a solicitation for programs within one of these portfolio segments. A summary of the key objectives for each portfolio segment is presented below.¹²

- **Resource Acquisition** – Programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity system. Short-term is defined as during the approved budget period for the portfolio. This segment should make up the bulk of savings to achieve TSB goals.
- **Market Support** – Programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.
- **Equity** – Programs with a primary purpose of serving hard-to-reach or underserved customers and disadvantaged communities in the advancement of the Commission’s Environmental and Social Justice Action Plan; the objectives of such programs may include increasing customer safety, comfort, resiliency, and/or reducing customers’ energy bills.
- **Codes & Standards** – Programs with a primary purpose of advancing energy efficiency through codes and standards advocacy and compliance support.

¹⁰ Decision 21-05-031, OP 2.

¹¹ Id, OP 1.

¹² Decision 21-05-031, pp. 14-15.

Single or Two-Stage Solicitation Approaches

Effective February 3, 2023, the CPUC authorizes IOUs to use either a single-stage or a two-stage approach when soliciting third-party program design and implementation services for the energy efficiency portfolio. This flexibility allows each IOU to select the solicitation structure that best aligns with its portfolio needs. The IOU must provide its PRG with the rationale supporting its choice of a single- or two-stage solicitation. This requirement supports transparency and maintains PRG visibility into the IOU’s solicitation strategy.¹³

C. Overview of Solicitations

This Report compiles the individual IE assessments prepared for each of SCE’s active program solicitations. It also provides an overview of solicitation activities and a high-level summary of issues and potential recommendations drawn from these assessments. The Report does not address program solicitations that SCE has not yet released. Table C.1 presents the full listing of PG&E’s third-party solicitations, including the assigned IE and the current contract status.

Table C.1: Solicitations Overview		
Solicitations	Assigned IEs	Status
Local Residential, Commercial, Industrial	MCR Corporate Services	Complete
Statewide Lighting	Barakat Consulting, Inc.	Complete
Statewide Emerging Technologies (Electric)	Barakat Consulting, Inc.	Complete
Local Agricultural	Don Arambula Consulting	Complete
Local Public	Don Arambula Consulting	Complete
Statewide Higher Education	MCR Corporate Services	Complete
Statewide Water and Wastewater Pumping	MCR Corporate Services	Complete
Local Equity Residential	Barakat Consulting, Inc.	Complete
Local Equity Small Medium Business	Barakat Consulting, Inc.	Complete
Local Industrial and Agricultural SEM	Great Work Energy	Complete
Local Commercial SEM	Great Work Energy	Complete
Local Food Services	Don Arambula Consulting	Canceled
Local Commercial Grocery	Don Arambula Consulting	Canceled
Local Large Commercial	Merrimack Energy	Canceled
Local MultiFamily	EAJ Energy Advisors	Complete
Local Industrial	Barakat Consulting with transition to ET Lowe Consulting	Complete
Local Market Access Program	Great Work Energy	Complete
Local Residential Sector	Don Arambula Consulting	Complete
Local Comprehensive Commercial	Merrimack Energy	Complete
Statewide Midstream Plug Load & Appliance (SW PLA)	ET Lowe Consulting	Complete/ Program Shut Down

¹³ Decision 23-02-002, OP 7.

Table C.1: Solicitations Overview

Solicitations	Assigned IEs	Status
Legend Pre-RFA: Activities conducted prior to RFA release. RFA: Includes bid preparation and evaluation period. Pre-RFP: Activities conducted prior to RFP release. RFP: Includes bid preparation and evaluation period. Contracting: Contract negotiations are being held. Contract Executed: Parties signed the Contract. Complete: All solicitation activities have been concluded and reported on in this or prior Semiannual Reports. Suspended: Solicitation held until a later date. Canceled: Solicitation was withdrawn; scope may be included in a future solicitation.		

Since starting the third-party solicitation process in late 2018, SCE has executed the contracts listed in Table C.2. These executed contracts represent third-party programs that may be eligible towards SCE’s minimum third-party program threshold requirement, as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041.

Table C.2: Solicitations to Meet Portfolio Goals

Solicitation	Company	Program Name	Contract Agreement Signed	Contract ¹⁴ Amount	DBE ¹⁵ %
RCI – Residential	Enervee	Choice Engine	September 29, 2020	\$19,006,236	0%
RCI – Residential	ICF Resources, LLC (ICF)	Residential Behavioral	September 29, 2020	\$38,122,591	15%
RCI – Commercial	ICF	Commercial Behavioral	September 29, 2020	\$6,530,297	
RCI -Residential	Willdan	Multifamily	September 29, 2020	\$82,170,000	40%
RCI – Commercial	Willdan	Commercial	September 29, 2020	\$387,600,000	
RCI – Industrial	Willdan	Industrial	September 29, 2020	\$155,000,000	
Statewide Lighting	TRC Solutions	Statewide Lighting	September 29, 2020	\$36,000,000	21.5%
Statewide Emerging Technologies	Cohen Ventures, dba Energy Solutions	Statewide Emerging Energy Technology Program	September 14, 2021	\$67,553,849	5%
Public Sector	CLEAResult Consulting	Public Energy Performance Program	December 14, 2021	\$22,762,103	7.5%
Agricultural Sector	ICF	Agricultural EE Program	December 20, 2021	\$11,499,813	15%
Statewide Higher Education	CLEAResult Consulting	Higher Education Efficiency Program	February 9, 2022	\$12,571,286	9%
Statewide Water and Wastewater Pumping	Lincus, Inc.	Statewide WISE™ Program	May 2, 2022	\$15,481,218	100%. ¹⁶
Local Residential Equity	CLEAResult Consulting	Residential Energy Advisement (REA)	March 28 and 29, 2023	\$12,277,584	9%
Local Residential Equity	Global Energy Services	Disadvantaged Community Outreach Program	March 28, 2023	\$4,275,000	100%. ¹⁷
Local SMB Equity	Resource Innovations	Simplified Savings Program	May 9, 2023	\$14,551,739	17%
Local Industrial and Agricultural SEM	Cascade Energy	EnergyIMPRESS (Industrial and Agricultural)	January 26, 2024	\$23,401,983	3.5%

¹⁴ All contract values as of March 31, 2026; final values will be reflected in Advice Letter filings and IE Final Reports.

Table C.2: Solicitations to Meet Portfolio Goals

Solicitation	Company	Program Name	Contract Agreement Signed	Contract ¹⁴ Amount	DBE% ¹⁵
Local Industrial and Agricultural SEM	CLEAResult Consulting	Industrial and Agricultural Energy Management Program	January 24, 2024	\$29,949,001	4.6%
Local Commercial SEM	Cascade Energy	EnergyIMPRESS (Commercial)	January 26, 2024	\$10,446,411	3.5%
Local Commercial SEM	CLEAResult Consulting	Commercial Energy Manager	January 24, 2024	\$28,861,380	6.3%
Local Residential MultiFamily	Synergy Companies	Local Residential Multifamily	August 16, 2024	\$20,000,000	0%
Local Market Access Program	Alternative Energy Systems Consulting	Market Access Program	November 13, 2024	\$19,998,870	1%
Local Market Access Program	Mendota Group	Grid-enhanced Incentive Design	November 13, 2024	\$19,998,998	100%
Local Residential	Oracle	Customer Home Engagement for Energy Reduction	January 27, 2025	\$22,667,464	32%
Local Residential	Synergy Companies	Residential Energy Solutions	January 27, 2025	\$33,000,000	50%
Local Comprehensive Commercial	Cascade Energy	Comprehensive Refrigeration Energy Savings and Training	January 28, 2025	\$6,511,030	0%
Local Comprehensive Commercial	Resource Innovations	Commercial Energy Reduction Initiative	January 28, 2025	\$19,991,497	0%
Local Comprehensive Commercial	Redwood Energy Services, Inc.	Refrigeration Efficiency and Leak Management	May 19, 2025	\$4,999,900	0%
Local Industrial	Energy Solutions	Industrial Incentive Solutions	June 27, 2025	\$13,531,012	0%
Totals				\$1,112,256,735	30.9%

¹⁵ The Diverse Business Enterprise (DBE) spend is an estimate of the supplier-level pledge to show a percentage of the budget that is expected to be contracted and/or subcontracted with DBE firms that are CPUC Supplier Clearinghouse certified. DBE with a contract amount of 100% indicates the prime contractor (Company) is a certified DBE. Actual DBE spend will be reported by the IOU per General Order 156.

¹⁶ Lincus is a Tier 1 DBE.

¹⁷ Global Energy Services (GES) is a Tier 1 DBE.

D. IE Assessment of Solicitations

The following are key observations from the individual IE reports on specific solicitations during the reporting period, as presented in Attachment II. Corresponding details are provided in Table D.1, including a summary of IE recommendations and outcomes. Other IE recommendations are presented in the individual IE reports.

Table D.1: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
TRC (Total Resource Cost) Test Ratio Threshold Requirement at Bid Submission	With a focus on cost-effective programs, SCE required a 1.0 TRC ratio as a threshold for an offer to be evaluated in this solicitation. Any offer submitted with a TRC ratio below 1.0 will be dismissed during the complete and conforming review and will not be evaluated.	Requiring a TRC ratio of at least 1.0 at the offer stage seems unfair and prevents potentially viable offers from being evaluated. In addition, since the SCE Agreement was not provided with the RFP launch, bidders do not know the conditions that will be required in the final agreement. While the IE appreciates the need for some quantitative threshold at the complete and conforming stage, the IE proposed using a TRC ratio of 0.85 or higher as the threshold for moving offers into evaluation. In addition, it may be more effective to move the evaluation of a proposal's cost-effectiveness forecast to the scoring phase. In some instances, SCE	While the topic was discussed, the PRG did not take a position on the issue, and SCE rejected the IE recommendation. SCE has maintained that it does not contract for RA programs that cannot forecast a TRC ratio of at least 1.0. Allowing non-cost-effective programs in the RA portfolio could jeopardize meeting the CPUC's requirement for a portfolio-level TRC ratio of 1.0. In this case, SCE maintained that even a proposal with a score below 1.0 would not be considered. ¹⁸

¹⁸ SCE maintains that if a bidder is not able to submit a proposal with at least a 1.0 TRC ratio, it is unlikely that it will be able to develop a program with a higher TRC ratio. It is SCE's experience that most active programs have difficulty meeting their proposed TRC threshold, and therefore, in order to preserve resources and not waste Implementer's time, SCE does not deem it prudent to negotiate proposals if the implementer is not able to project at least a 1.0 TRC ratio for an RA program.

Table D.1: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
		could benefit from engaging with proposals that fall below the 1.0 ratio threshold during negotiations, as these programs might be refined and improved to meet cost-effectiveness standards.	

E. Effective Solicitation Practices

The effective practices reported in Table E.1 reflect the IE’s individual assessments of their assigned solicitations and do not represent consensus recommendations across all IEs. Some practices apply only to certain solicitation types; for example, cost-effectiveness requirements typically pertain only to resource acquisition solicitations. Other practices were effective because of the specific circumstances of a particular solicitation and may not translate universally. When a practice proves broadly applicable and is adopted by all IOUs, the PRG incorporates it into its Solicitation Guidelines. These Guidelines provide IOUs with a consolidated set of recommendations for conducting solicitations. They serve as a reference for practices the PRG expects IOUs to consider when designing and administering future solicitations. The adoption of widely accepted practices helps maintain consistency and improve solicitation quality across IOUs.

Table E.1: Effective Solicitation Practices		
Effective Practice	IE Analysis	First Reported
Collaborative Program Design	SCE has expanded collaborative discussions during contract negotiations. Such exchanges among parties will improve the final program design and delivery.	June 2025
Alternate IOU Scorer	SCE identified an alternative evaluator who served as a substitute if necessary. The IE regards SCE’s practice of engaging alternative evaluators as effective and recommends its continuation in future solicitations.	December 2024

Table E.1: Effective Solicitation Practices		
Effective Practice	IE Analysis	First Reported
Increase the Solicitation Experience of IOU Staff	SCE included three shadow scorers to provide a training opportunity and enhance the professional development of less-experienced staff at SCE. These shadow scorers exclusively served as trainees, and their assessments did not factor into the evaluation process. This training initiative will equip SCE with a more extensive pool of potential evaluators for upcoming solicitations. The IE supports this innovative approach to familiarizing staff with SCE’s procurement practices. The IE views this as a best practice that should be implemented as SCE introduces new staff to its solicitation process.	December 2024
Implementation Plan (IP) Development Process	SCE program staff effectively coordinated the development of Implementation Plans by creating and managing schedules that incorporated multiple rounds of internal review, IE review of IP and Stakeholder Presentations, and all other steps required to meet the filing deadlines.	December 2024
Score Team Composition	Diversity in roles and backgrounds on the Score Team is a notable strength in bid evaluation. Calibration discussions can cover and balance a holistic view of all the elements necessary for program success: effective customer engagement, effective program delivery and management, and effective monitoring and verification (M&V).	December 2023
Enabling Hybrid Implementer Compensation Structures	SCE modified RFP and contract documents to invite and enable hybrid compensation structures to be proposed, allowing Implementer-proposed Deliverables-based payment to complement SCE’s preferred Pay for Performance. While useful in general, and especially critical for smaller Implementers, a hybrid structure is necessary for meter-based programs (Strategic Energy Management (SEM), Normalized Metered Energy Consumption (NMEC)) in which savings claims may be delayed more than a year after program launch and cash flow is needed to support program operations.	December 2023
Continuous Improvement through Evaluator Feedback	Soliciting feedback from evaluators after each stage of the solicitation process allows for changes in future solicitations.	December 2022
Pre-Recorded Bidders’ Conferences	SCE pre-recorded the presentations for the Statewide Higher Education Bidders’ Conference and used a moderator to introduce each presentation. The result was smooth and freed up SCE’s subject-matter experts during the conference to respond to bidder questions.	June 2021

Table E.1: Effective Solicitation Practices		
Effective Practice	IE Analysis	First Reported
Scorer Training	SCE developed a process for training the scoring team for each solicitation and held mock scoring sessions. This remains an effective way to ensure that all scorers share the same expectations and understanding of what they are scoring.	December 2020
Pre-Read of PRG Materials	SCE conducts an internal “pre-read” of all PRG materials one week before the PRG meeting. This allows IEs and utility staff to provide feedback and prepare materials for the SCE presentations.	December 2020
Real-Time Answers at Bidders’ Conference	The Bidders’ Conferences are being conducted on Microsoft Teams (MS Teams), with key subject matter experts (SMEs) available on another call simultaneously and behind the scenes to field questions and provide answers in real-time for bidders. The IOU provides all responses in writing or deferred until after the Conference.	December 2020
Transition Bidder Response Form to a Microsoft Word (MS Word)-based Forms	The RFA and RFP bidder responses use a combination of Workbooks (to capture data) and MS Word-based forms (to capture narratives), and a word or page count. Preparation is likely much more straightforward in these formats. Offer evaluation is much more efficient.	December 2020
Reduced Number of Bidder Questions at the RFA Stage	Reducing the number of bidder questions at the RFA stage minimizes the burden on the bidder and the IOU while capturing enough information to evaluate the proposal.	December 2020
Hold Open Office Hours During Contract Review	SCE established a new practice on a trial basis of setting “office hours” to provide the PRG with additional opportunities to ask questions during this contract review period. This approach was especially useful when the PRG reviewed multiple IOU contracts simultaneously.	December 2020
Multiple Rounds of Questions and Answers (Q&A)	SCE provides more than a single round of Q&A following bidders’ conferences, allowing bidders to ask follow-up questions and affording them more opportunities to do so.	December 2020

F. PRG Feedback on Solicitations

For a more detailed discussion of the specific PRG and IE recommendations for each solicitation and the IOU’s responses, refer to the individual IE solicitation reports in Attachment II.

G. Stakeholder Feedback from CPUC Workshops

2026 Annual Workshop¹⁹

The CPUC, in Decision 18-01-004, requires that the ED host semiannual workshops to “allow for information discussion and problem-solving among stakeholders about the progress of the third-party solicitations and for consideration of the Semiannual IE reports.”²⁰ Decision 23-02-002 later modified the requirement to at least once per year. The most recent stakeholder meeting was held on April 15, 2026, at SCE’s Irwindale offices as a hybrid in-person and virtual event, running from 9:30 a.m. to 3:45 p.m., with 53 in-person attendees and approximately 50 participating virtually.

The workshop provided an opportunity for stakeholders to ask questions, offer comments, and receive updates on past and future solicitations, as well as on IOU and CPUC plans. Participants included PRG members, IEs, CPUC ED staff, IOUs, program implementers, prospective bidders, and other stakeholders. The meeting materials, including presentations, agenda, and notes, are available on the California Energy Efficiency Coordinating Committee (CAEECC) website.²¹ The topics presented and workshop content are summarized below.

Energy Efficiency Policy Updates

ED staff provided an update on relevant EE policies and resources for Implementers. ED staff also provided an update on the recently filed 2028-2035 Business Plans, which included, among other requests, the following IOU policy proposals:

Third-Party Outsourcing Percentage

- SoCalGas: Change 60% requirement to 60% target
- PG&E: Reduce 60% requirement to 50% (soft target of 60%)
- SCE: Reduce 60% requirement to 20%

Third-Party Definition (currently “proposed, designed, implemented, and delivered”)

- PG&E: Change the definition of “third party” to be implemented and delivered by non-utility personnel
- SCE: Change the definition of “third party” to “third-party delivered” by third parties

Third-Party Solicitation Process Changes

- SoCalGas: Sunset PRGs and IE roles, replace with ED-led oversight with each IOU
- SCE: Solicitations valued under \$25 million should undergo a streamlined PRG review
- SCE: Adjust PRG scope, clarify IE roles, and reduce the frequency of semiannual IE reports to annual IE reports
- SCE: Modify the Tier 2 Advice Letter trigger so programs valued at \$25 million or more require an Advice Letter

¹⁹ Although this meeting occurred outside of the reporting period (April 2026), a summary is included here due to the timeliness and critical importance of the issues discussed by stakeholders.

²⁰ Decision 18-01-004, OP 26.

²¹ <https://www.caeecc.org/cpuc-third-party-public-meetings>

Statewide Outsourcing Percentage

- SCE: Eliminate the statewide percentage requirement

IE Presentation on the Semiannual Reports

An IE representative from the IE pool presented a set of effective practices identified in the most recent Semiannual Reports covering October 2024 through September 2025.

IOU Portfolio Updates and Upcoming Solicitations

Each of the four IOUs provided updates on solicitation schedules and outlined proposed changes to the third-party program process reflected in their recently filed Business Plans. They also highlighted innovative features emerging from executed third-party contracts and discussed the ongoing challenges of fostering innovation within Resource Acquisition programs, particularly those delivered by third-party implementers.

Program Implementer Panel

A panel of third-party program implementers used a stakeholder survey and their own experiences to discuss challenges, recommendations, and policies with the current solicitation process, as well as how implementers can have greater influence on policy development. Some stakeholders asked whether the IOUs remained committed to investing in energy efficiency given their proposed funding reductions for the future 2028-2031 funding cycle. Each IOU affirmed continued commitment. Several IOUs highlighted an ongoing focus on cost-effective energy efficiency investments. That focus was framed as a core obligation to ratepayers who invest in these programs.

Barriers described by the panel included the following:

- **High Program Implementer Risk** - Implementers face financial, performance, and timing risks due to delayed approvals and shifting policies beyond their control.
- **Inconsistent Policy Application** - Unpredictable policy interpretations and subjective reviews lead to conservative savings estimates, thereby reducing program impact.
- **Lengthy Review Timelines** - Extended review cycles delay implementation, disrupt cash flow, and increase financing costs without improving savings accuracy.
- **Contract Amendment Delays** - Slow contract amendments hinder responsiveness and stall programs, limiting effective management and adaptation.

Policy areas that the panel discussed could benefit from program implementer feedback, and insights included the following:

- **Feasibility and Risk Insights** - Implementers provide valuable insights on policy feasibility, risk, and real-world delivery challenges based on practical experience.
- **Cost-Effectiveness Feedback** - Implementers critically inform how policies affect market behavior, customer choices, and project viability through cost-effectiveness methodologies. Participants identified two significant barriers to advancing cost-effective programs: most IOUs apply a 1.0 TRC ratio threshold at the program level despite CPUC policy applying cost-effectiveness only at the Resource Acquisition portfolio level, and the TRC test itself is

imbalanced because it counts total customer project costs while excluding all customer project benefits.

- **Attribution and Verification** - Implementer feedback improves net-to-gross ratio attribution and measurement accuracy, reducing the barriers posed by blanket assumptions.
- **Contract and Equity Design** - Engaging implementers in contract structures and equity-focused program design ensures realistic incentives and better participation outcomes.

Areas of action recommended to improve program delivery included the following:

- **Rebalance Implementer Risk** - Improving review timelines, policy stability, and amendment responsiveness reduces uncertainty, lowers costs, and encourages innovation.
- **Reform Cost-Effectiveness Frameworks** - Updating frameworks to reflect full customer savings, infrastructure benefits, and long-term value expands program offerings.
- **Implement Feedback Channels** - Creating safe, continuous channels for candid implementer feedback fosters early issue resolution and constructive improvements.
- **Enhance Policy Alignment** - Aligning energy efficiency policy with practical realities improves savings, equity, and grid reliability.

Cross-Cutting Panel

As recommended in the 2025 survey responses, the meeting convened a cross-cutting panel consisting of two IOU representatives, two implementers, and one IE (with an IE moderator). The panel was asked to address Balancing Trade-offs and Barriers to Achieve a Successful EE Portfolio. The panel focused on the following:

- Trade-offs among affordability, equity, innovation, and meeting CPUC requirements, such as cost-effective TSB or equity metrics
- Effects, alternatives, and proposed solutions

The discussion was robust, identifying barriers and potential solutions. The post-workshop survey indicated that respondents were interested in diving deeper into the issues and potential solutions in a follow-up workshop.

Custom Process Review Update

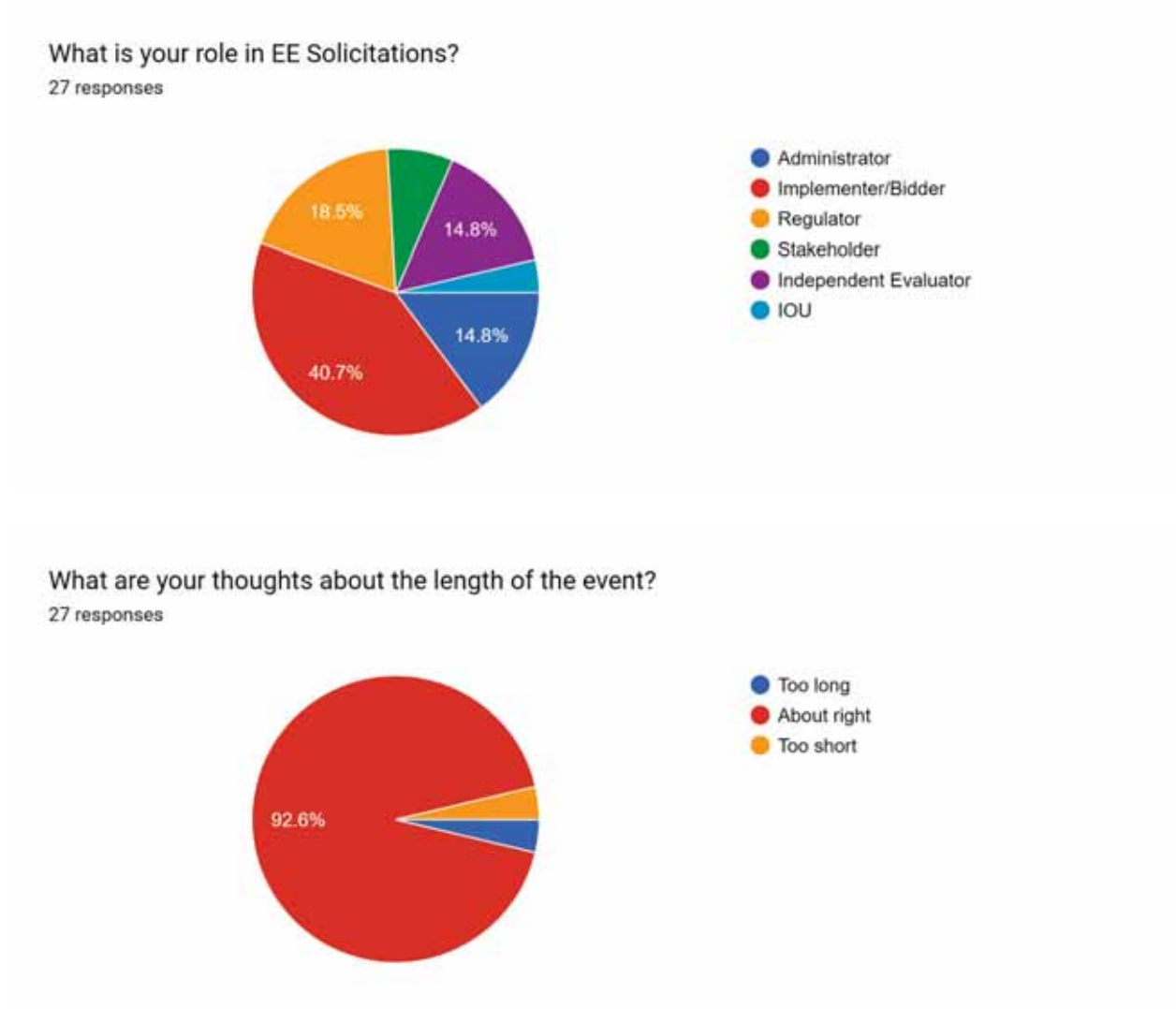
ED staff presented on the Custom Project Review Continuous Improvement Initiative, which is intended to streamline the process overall. The majority of the session focused on gathering stakeholder feedback, with implementers and IOUs sharing past experiences with the current review structure. Participants were generally encouraged by the updates, though concerns remained about the time and cost of the process or the need for it. A follow-up Initiative workshop is scheduled for June 16, 2026.

Post-Workshop Survey

Twenty-seven individuals completed the post-event survey, and responses were highly supportive of both the event and the information shared (See Figure 1.1). Participants expressed strong support for each session, the overall timing, and the pre-event networking opportunity. Survey feedback also

indicated interest in continued discussions on the role of Integrated Demand Side Management (IDSMS) and energy efficiency, along with other topics raised during the Implementer Panel and Cross-Cutting Panel. The next Stakeholder meeting has not yet been scheduled, but it is expected to occur in early 2027.

Figure G.1: Sample of Survey Results



II. Attachments: Individual IE Semiannual Solicitation Reports

Energy Efficiency Independent Evaluators' Semiannual Report on the

Statewide Midstream Plug Load Appliance Program Solicitation

Reporting Period: October 2025 – March 2026

Prepared by:
ET Lowe Consulting, LLC



Disclaimer: This report includes sensitive and confidential information.

Statewide Midstream Plug Load Appliance Program Solicitation

1. Solicitation Overview

1.1 Overview

a. Scope

In this Solicitation, SCE, on behalf of itself, SDG&E, PG&E, and SoCalGas, (individually referred to as an “IOU”, and collectively the “IOUs”) sought proposals from third-party program implementers that would serve the IOUs’ residential customers (residential sector customer accounts classified as single-family, multifamily or manufactured homes) through a Statewide Midstream Plug Load and Appliance Program (SW PLA or PLA).

b. Objectives

The primary objective of the solicitation was to identify innovative midstream programs to increase the development of midstream market actors and promote residential customer adoption of plug load EE technologies. The program could include resource (e.g., realization of claimable Total System Benefit (TSB), non-resource (e.g., training participants, enhancing EE awareness, promoting underutilized EE technologies and products), or combined resource and non-resource activities. Implementers could propose promoting EE with other Demand-Side Management (DSM) offerings consistent with CPUC policies, including EE/Demand Response (EE/DR) technology integration strategies.

The budget for this solicitation was capped at forty million dollars (\$40 million) for a four-year program.

1.2 Timing

SCE’s initial schedule for this solicitation allowed for a Request for Information (RFI) stage to inform the Request for Proposal (RFP) stage. The initial schedule (subject to change) with modifications following review and analysis of information from the RFI Stage is shown in Table 1.1.

Milestones	Planned Start and Completion Dates	Revised Dates
RFI Launch	February 25, 2025 at 12:00 p.m.	February 25, 2025 at 12:00 p.m.
Deadline to Submit Written Questions	March 11, 2025 at 5:00 p.m.	March 11, 2025 at 5:00 p.m.

Table 1.1: Statewide Midstream Plug Load Appliance Solicitation Schedule		
Milestones	Planned Start and Completion Dates	Revised Dates
SCE Responses to Participant Questions Due	March 13, 2025	March 13, 2025
Response Submittal Deadline	March 19, 2025 at 2:00 p.m.	March 19, 2025 at 2:00 p.m.
RFP Launch	April 23, 2025 at 12:00 p.m.	July 23, 2025
Bidders' Conference	April 30, 2025 at 9:30 a.m.	July 30, 2025
Offer Submittal Deadline	June 17, 2025 at 2:00 p.m.	September 9, 2025
RFP Shortlist Notification	August 6, 2025	November 26, 2025
Non-advancing Bidder Debriefs	Upon request, by August 20, 2025	October 2025
Contract Execution	December 17, 2025	N/A
Offeror Debriefing Session	Upon request, by December 29, 2025	January 2026
Tier 2 Advice Letter Submission, if applicable	January 2026	N/A
Final Implementation Plan	Q1 2026	N/A
Program Launch (pending Advice Letter and Implementation Plan approvals, if applicable)	Q1-Q2 2026	N/A

1.3 Key Observations

Key observations reported by the assigned IE, ET Lowe Consulting, LLC, to SCE and the PRG during the reporting period are captured in Table 1.2.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
TRC Ratio Threshold Requirement at Bid Submission	With a focus on cost-effective programs, SCE required a 1.0 TRC ratio as a threshold for an offer to be evaluated in this solicitation. Any offer submitted with a TRC ratio below 1.0 will be dismissed during the complete and	Requiring a TRC ratio of at least 1.0 at the offer stage seems unfair and prevents potentially viable offers from being evaluated. In addition, since the SCE Agreement was not provided with the RFP launch, bidders do not know the conditions that will be required in the	While the topic was discussed, the PRG did not take a position on the issue, and SCE rejected the IE recommendation. SCE has maintained that it does not contract for Resource Acquisition (RA) programs that cannot forecast a TRC ratio of at least 1.0.

Table 1.2: Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
	<p>conforming review and will not be evaluated.</p>	<p>final agreement. While the IE appreciates the need for some kind of quantitative threshold at the complete and conforming stage, the IE proposed allowing 0.85 TRC ratio and above as the threshold for moving offers into evaluation. In addition, it may be more effective to move the evaluation of a proposal's cost-effectiveness forecast to the scoring phase. In some instances, SCE could benefit from engaging with proposals that fall below the 1.0 ratio threshold during negotiations, as these programs might be refined and improved to meet cost-effectiveness standards.</p>	<p>Allowing non-cost-effective programs in the RA portfolio could jeopardize meeting the CPUC's requirement for a portfolio-level TRC ratio of 1.0. In this case, SCE maintained that even a proposal with a score lower than 1.0 will not be considered.²²</p>
<p>Definition of Plug Load Appliance</p>	<p>It was evident from the detailed nature of some of the questions by bidders that there are concerns and questions about what measures qualify as plug load appliances. While the current program was expanded to allow heat pump water heaters in the</p>	<p>Regardless of the participation level in this solicitation, the IE expects that measure requirements will be a topic of discussion with stakeholders to determine whether or not an expansion of the definition of plug load is appropriate to allow for additional cost-effective measures.</p>	<p>SCE indicated they chose to apply the CEC's Title 24 definition of Plug Loads. The PRG discussed whether that particular definition is the most appropriate to apply for this solicitation. This is a topic for further discussion between the IOUs, PRG, and CPUC.</p>

²² SCE maintains that if a bidder is not able to submit a proposal with at least a 1.0 TRC ratio, it is unlikely that it will be able to develop a program with a higher TRC ratio. It is SCE's experience that most active programs have difficulty meeting their proposed TRC threshold, and therefore, in order to preserve resources and not waste implementer's time, SCE does not deem it prudent to negotiate proposals if the implementer is not able to project at least a 1.0 TRC ratio for an RA program.

Table 1.2: Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
	program, SCE is maintaining that if the measure requires permitting, wiring and/or plumbing modifications, then it is not truly a “plug load.”		
Measurement of Cost Effectiveness – TRC vs Program Administrator Cost (PAC) Tests.²³	It is the IE’s opinion that there are programs not being considered and proposals not being submitted or reviewed due to SCE’s requirement of a cost-effectiveness of TRC ratio of 1.0 at the program level. This is further impacted by the CPUC’s TRC ratio requirement at the portfolio level, which utilizes the CET rather than other tools.	While TRC has been the main focus in recent years, the IE would like to understand from the CPUC how the PAC test is being considered when assessing cost-effectiveness. Does it make sense for SCE to consider PAC and TRC tests in its cost-effectiveness evaluation?	No action to date. SCE is required to follow current CPUC orders, rules, and directions, which include maintaining a TRC ratio of at least 1.0 for its RA portfolio. This is a topic for further discussions between the IOUs, PRG, and CPUC and further CPUC action, if warranted.. ²⁴

2. RFI Development, Solicitation Outreach, and Bidder Response

RFI Development, Outreach, and Bidder Response were addressed in prior Semiannual Reports.

3. RFP Development and Bidder Response

Development of the RFP was addressed in the last Semiannual Report.

3.1 RFP Development

Development of the RFP was addressed in the last Semiannual Report.

²³ A PRG member also asked SCE to explain the extent to which they consider the PAC test in making cost-effectiveness assessments.

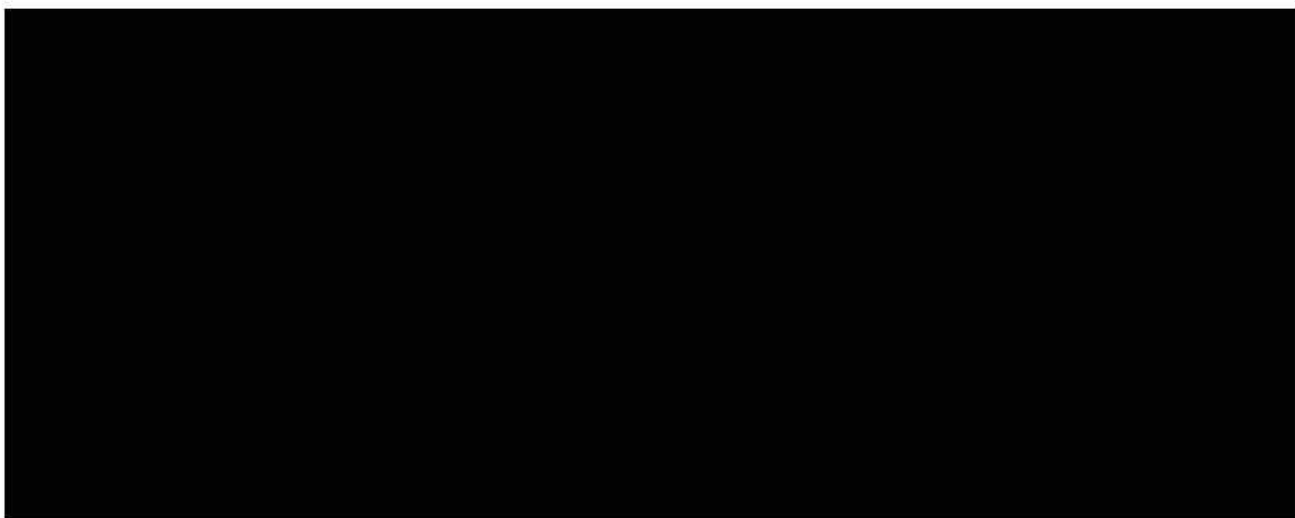
²⁴ One PRG member noted that Decision 19-05-019 orders that starting July 1, 2019, all Commission activities that require cost-effectiveness analysis of DERs “shall also review and consider the results of the PAC test and the Ratepayer Impact Measure test.”

Table 3.2: Scoring Rubric			
Category	Weight	Sub-Category	Weight
Program Design & Customer Experience			
Innovation			
Mitigation of Program Risks			
Offeror Experience			

b. Proposal Evaluation Process and Scoring Calibration

Evaluation of the proposal took place from September 29, 2025 through October 10, 2025. Calibration took place on October 24, 2025. [redacted] evaluators were in attendance and were very much aligned in their scores. [redacted]

[redacted] During the RFP stage, SCE’s bid evaluation methods, evaluation criteria, and scoring process were consistent with CPUC direction. Following the calibration meeting, the scores lined up as shown in Figure 3.1.



While the overall score [redacted] [redacted] proposal forward to negotiations. Potential interview questions were discussed by the team during the calibration meeting and again at the October 29, 2025, working session.

c. Bidder Debriefs and Surveys to Non-Participating Bidders

SCE sent a request to non-participating bidders to get feedback about the solicitation. Two companies provided feedback about non-participation. [REDACTED] comprehensive feedback, which we suggest that the PRG note as consistent with past comments on the PLA solicitation overall:

- TRC ratio of 1.0 could not be met at the \$40 million scale, given the current measure packages
- Fewer than 10% of permutations are cost-effective prior to any administrative costs
- 5 measure packages have no cost-effective permutations
- The cost-effective permutations have limited scope or are low-volume
- Would have participated if one or more of the following were options:
 - Measures beyond the given PLA definition could be included
 - Program allowed for <1.0 TRC ratio or was non-resource
 - Measure packages in the PLA classification were updated for a more lucrative TSB or TRC ratio

SCE also sent a notice to bidders not meeting the complete and conforming requirements and to offer them Bidder Debrief sessions. [REDACTED]

[REDACTED] focused on the same general feedback as follows:

- The offers were not evaluated because they did not pass the complete and conforming test that requires TSB and CET file inputs and outputs
- [REDACTED] more information on those opportunities

When asked for feedback, [REDACTED] SCE was and how much they enjoyed working with SCE and hoped to do more in the future.

d. Interviews

A working session was held on October 29, 2025 to consolidate questions [REDACTED]

- [REDACTED] overview of the program, including responses to SCE's specific questions in the following areas:
 - Budget (including cost and incentive allocations)
 - Program Size/Scope
 - Forecasting Assumptions
 - IDSM
 - Risk Mitigation for measures and partnerships
 - Coordination with non-EE programs
- Additional questions were posed by the SCE team

The IE recommended that SCE follow existing effective practices by other IOUs. [REDACTED]

[REDACTED]

e. Decision Not to Move Forward to Negotiations

The evaluation team met on November 24, 2025 and [REDACTED] that the potential risks to program viability were not resolved during the interview. In particular, the team made the following observations:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

During the December 2025 PRG meeting, SCE shared with the PRG that it was their recommendation not to move forward with negotiations [REDACTED]. [REDACTED] ED indicated they had no additional feedback on the recommendation and requested to be informed about SCE’s next steps.

f. Bidder Debrief and Communications

In early January 2026, SCE invited [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED] shared the following points related to SCE’s feedback and the challenges of the program:

- Cost-effectiveness of PLA measures was a great challenge to overcome, stating “[it is] doubtful there is any measure mix out there aside from what we offered that could be cost-effective.”
- [REDACTED]
- [REDACTED]
- Ensuring all programs (vs portfolio) achieve a TRC of over 1.0 may alienate customers or strand savings from an EE portfolio.
- [REDACTED] a “seismic shift” from the current PLA program’s measure mix and requirements, which also added challenges to responding to the RFP and designing the program.
- Given the shift in allowable measures, [REDACTED] when launching RFPs intended to replace existing programs, SCE either:
 - Communicate scope changes 2-4 weeks prior to the launch, or
 - Provide additional response time for proposals to be submitted
- [REDACTED] in hearing more about the successful bidder’s program at a later date.

Given that during the meeting, SCE did [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.6 IE and PRG Feedback to Proposal Process and Selections

There was generally positive response to PRG and IE feedback on the proposal process and final decision to close out the program.

a. Adherence to PRG Guidance and Feedback

There was no PRG feedback on the RFP materials. In follow-up communications to the December 2025 PRG meeting, where SCE shared their proposal to close the program, the Energy Division indicated they had no additional feedback on the recommendation and requested to be informed about SCE’s next steps to formalize this solicitation and program closure, including advice letter filing and notification of the public.

b. Response to IE Feedback

There were various iterations of the RFP materials provided to the IE to review – from Resource Acquisition (RA) to Market Support and then back to Resource Acquisition. During this time, the SCE team was focused on assessments of the cost-effectiveness of the program and potential measures associated with the program. For instance, at one point, heat pump water heaters were expected to be accepted as a measure, but then they were ultimately rejected because they did not fit the CEC’s Title 24 definition of Plug Load.

IE concerns shared during the solicitation were as follows:

1. While SCE is focused on cost-effective programs, its plan was to require a 1.0 TRC ratio as a threshold for an offer to be evaluated. Any offer submitted with a ratio below the 1.0 threshold will be dismissed during the complete and conforming review and will not be evaluated. The IE reiterated the following:
 - For RA programs, cost-effectiveness needs to be considered at the portfolio level, and since this is a statewide program, a potential low TRC ratio would be shared and absorbed into the statewide IOU portfolios.
 - Requiring above a 1.0 TRC ratio at the offer stage seems unfair and does not allow for potentially viable offers to be evaluated. In addition, since the SCE Agreement will not be provided with the RFP launch, companies are in the dark on the conditions that will be required in the final agreement. While the IE appreciated the need for some kind of quantitative threshold at the complete and conforming stage, the IE proposed allowing a TRC ratio of 0.85 or above as the threshold for moving offers into evaluation.
2. SCE spent a lot of time assessing the viability and cost-effectiveness of existing measures and is also looking to narrow the scope of the solicitation. The IE expressed concerns that a lot of time has been taken on program design efforts instead of letting the market address that in their offers. These efforts don’t take into consideration emerging technologies that could be incorporated into the program in the future or other unknowns. The IE believes that it is the role of the third-party implementers to propose the initial design of the program, not the IOU(s). Further refinements can be made during contract negotiations based on agreed-upon conditions in the final agreement.
3. With concerns about affordability, it is important to consider overall affordability for customers and how their utility bills can be reduced if they have more efficient appliances and are educated by distributors about these options.
4. This triggers a broader discussion about the roles of IOUs as leads for statewide solicitations. While SCE is proposing a narrow scope for this solicitation, other IOUs prefer a broader scope. At one point, SCE considered a market support approach, and we understand that PG&E was considering moving forward with the Statewide HVAC solicitation as a market support rather than as an RA program at one time. In any case, how do the other IOUs, and the PRG, weigh in on or have influence over statewide solicitations, including the scope, that they are funding and expected benefits from, but are being administered by a lead IOU?

5. This also draws into question the best way to evaluate cost-effectiveness. While the TRC test has been the main focus in recent years, the IE would like to understand from the CPUC how the PAC test is being considered in cost-effectiveness assessments. Does it make sense to consider PAC and TRC tests in the cost-effectiveness evaluation of SCE's solicitations?

4. Contracting Process

Since SCE decided not to move forward with negotiations, this section is not applicable to this Solicitation.

5. Assessment of Final Contract

Since SCE decided not to move forward with contracting, this section is not applicable to this solicitation.

6. Program Close Out

On January 23, 2026, SCE sent out a notification to the service list regarding program close-out. The close-out Stakeholder webinar was held on February 18, 2026. There were 43 stakeholders in attendance, primarily representing IOUs and the PRG, including about four implementers.

The close-out presentation was made by SCE, and then questions were posed by stakeholders. Questions focused primarily on the PLA definition that SCE presented, allowable measures, and the future of measures like heat pump water heaters.

A question was asked of the IE about IE observations and recommendations, and the IE reiterated the following opinions shared in this and previous reports:

- There is a need for broader discussion on:
 - Midstream vs. local delivery.
 - Constraints of statewide midstream programs.
 - Importance of revisiting plug load definitions and cost-effectiveness frameworks.
- The IE encourages continued stakeholder engagement to shape future offerings.

SCE acknowledged and agreed that downstream/local channels may be more suitable for many EE measures.

SCE concluded the meeting and confirmed that the slide deck would be uploaded and available on the CAEECC website. Both the revised deck and responses to questions were emailed to the service list on February 23, 2026.

An advice letter (Advice 5765-E) addressing the closure of the program was filed by SCE on March 10, 2026.²⁵

7. Overall Assessment of Solicitation

The process throughout the Statewide PLA solicitation has been challenging. The lack of bidder participation and the low number of measures were not surprising given SCE’s new definition of plug load; strict cost-effectiveness requirements; potential issues with PLA as a statewide midstream offering (versus local); and possibly the success of past Statewide PLA programs.

However, rather than giving up on midstream offerings for residential customers altogether, the IE invites a conversation to consider other options, including the following:

- Expanded definition of “Plug Load” – is it “Residential Appliances”, for instance?
- Consideration of local midstream or downstream offerings by PAs
- Consideration of the PAC test instead of the TRC test as the measure of cost-effectiveness

Rather than looking at the work to date in this solicitation as a waste of time and resources, the IE hopes that the information gained from going through this process will be leveraged to modify and to improve programs and offerings going forward. The IE hopes that there can be further discussions and action undertaken to ensure that there are viable midstream offerings to residential customers to assist them in their affordability challenges.

²⁵ The Advice Letter was approved on April 9, 2026.