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

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| Application of Association of Bay Area Governments (CPUC ID 941) for Approval of the Bay Area Regional Energy Network 2028-2031 Portfolio Plan and 2028-2035 Business Plan. | Application 26-03-009 |
| And Related Matters. | Application 26-03-010<br>Application 26-03-011<br>Application 26-03-012<br>Application 26-03-013<br>Application 26-03-014<br>Application 26-03-015<br>Application 26-03-017<br>Application 26-03-018<br>Application 26-03-019<br>Application 26-03-020<br>Application 26-03-021<br>Application 26-03-028 |

## ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

### 1. Procedural Background

This proceeding was initiated by the filing of energy efficiency portfolio plans for 2028-2031 and business plans for 2028-2035 by twelve existing portfolio administrators and one proposed new portfolio administrator.

Decision (D.) 21-05-031 directed all energy efficiency portfolio administrators to file portfolio applications every four years on February 15, beginning in 2022. An extension was granted for these applications by the Executive Director on December 15, 2025, to allow for the filing of portfolio applications by March 16, 2026. On that date, the instant thirteen applications were filed. The applications were consolidated by an Administrative Law Judge (ALJ) Ruling on April 15, 2026.

On May 1, 2026, responses were filed by the following parties: Bay Area Regional Energy Network (BayREN); California Choice Energy Authority (CalChoice); California Efficiency and Demand Management Council (CEDMC); Central California Rural Regional Energy Network (CCREN); County of Yolo (Yolo); Natural Resources Defense Council (NRDC); Northern California Rural Regional Energy Network (NREN); Peninsula Clean Energy (PCE); Rising Sun Center for Opportunity (Rising Sun); San Diego Gas & Electric Company (SDG&E); Small Business Utility Advocates (SBUA); Southern California Gas Company (SoCalGas); Tri-County Regional Energy Network (3CREN); and Western Riverside Council of Governments on behalf of the Inland Regional Energy Network (IREN).

Protests were filed by California State Labor Management Cooperation Committee for the International Brotherhood of Electrical Workers and the National Electrical Contractors Association, Joint Committee on Energy and Environmental Policy, California State Pipe Trades Council, California State Association of Electrical Workers, and Western States Council of Sheet Metal, Air, Rail, and Transportation Workers, jointly (Joint Labor Parties); Public Advocates Office at the California Public Utilities Commission (Cal Advocates);

San Diego Community Power (SDCP) on behalf of San Diego Regional Energy Network (SDREN); and Southern California Edison Company (SCE).

On May 18, 2026, the following parties filed replies to the responses or protests to the applications: BayREN and 3CREN, jointly; CCREN; Marin Clean Energy (MCE); Pacific Gas and Electric Company (PG&E); NREN; PCE; SCE; SDCP on behalf of SDREN; SDG&E; SoCalGas; Southern California Regional Energy Network (SoCalREN); and WRCOG on behalf of IREN.

Then, on June 8, 2026, the following parties filed PHC statements: BayREN and 3CREN, jointly; CCREN; Joint Labor Parties; PCE; Rising Sun; SCE; and SDCP on behalf of SDREN.

A prehearing conference was held on June 19, 2026 to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.  After considering the applications, responses, protests, and replies, as well as the discussion at the prehearing conference, I have determined the issues and schedule of the proceeding, as set forth in this scoping memo.

## 2. Issues

The issues to be determined or otherwise considered in the scope of this proceeding are given in questions 1-22 below. Below the questions determined to be in the scope of this proceeding, there is also a list of those items that are not in scope for this proceeding.

<u>Budget</u>

1. Are the portfolio administrators' budgets, individually and collectively, just and reasonable, appropriate, and will they accomplish the Commission-adopted Total System Benefit (TSB) goals and energy savings objectives?
2. Do the proposed budgets and forecasts provide sufficient flexibility to accommodate changes to TSB goals that may

result from anticipated revisions to the California Air Resources Board's rules on fossil fuel space heating and water heating? If not, what processes should the Commission consider to adjust budgets accordingly, if needed?

Goals and Accountability

3. Are portfolio administrator forecasts of energy savings, greenhouse gas reductions, TSB, and cost effectiveness reasonable and should they be approved?
4. Are the budgets and goals of all administrators for the four portfolio segments (resource acquisition, equity, market support, and codes and standards) appropriate and reasonable? Does each portfolio administrator's portfolio segmentation comply with the requirements of D.21-05-031 and D.23-06-055?
5. Should the Commission adopt the TSB metric for codes and standards programs with savings claims?

Program Proposals

6. Should the individual program proposals from each portfolio administrator be approved by the Commission?
7. Are the proposed programs and portfolios sufficiently aligned with Commission policy objectives for affordability and equity, as articulated in the Commission's Environmental and Social Justice Action Plan?[1] If not, how should they be modified?
8. Should the portfolios consolidate program delivery types in new ways, such as customer-based and sales-based?
9. Can programs with similar features be consolidated into unified delivery structures to reduce administrative complexity? Which ones and how?

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[1] The most recent information on the Commission's Environmental and Social Justice Action Plan can be found on the Commission's website at the following link: https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan

Portfolio Mechanics

10. Whether to revise timelines for the True-Up and Mid-Cycle advice letters and business plan applications.
11. Whether to amend the "pilot" program requirements in D.09-09-047.

Statewide Programs

12. Potential revisions to statewide program rules, including:
    a. counting of non-investor-owned-utility (IOU)- led statewide budgets and TSB toward IOU portfolio budget requirements and goals;
    b. funding process for statewide programs led by non-IOUs;
    c. IOU statewide budget percentage requirement;
    d. process for adding or removing a program from the statewide portfolio and selecting an administrator; and
    e. inclusion of measures from terminated statewide programs in local midstream and upstream programs.

Third Party Procurement

13. Potential modifications to the IOUs' third-party program procurement requirements, including:
    a. budget percentage minimums;
    b. definition of a third-party program; and
    c. trigger thresholds for solicitation review by procurement review groups, independent evaluators, and advice letter submissions.

Equity Segment

14. Potential changes to the definition of Equity and Hard to Reach customers.

Market Support Segment

15. Whether to increase the loan cap on the on-bill-financing loan programs.

<u>Integrated Demand-Side Management (IDSM) Issues</u>

16. Should the IDSM approach outlined in D.23-06-055 and Resolution E-5387 be continued in the next four-year cycle? If so, at what funding levels?

17. With newer IDSM policy adopted in D.23-06-055 and proposed in this proceeding, should the previously-adopted D.18-05-041 policies supporting integration of energy efficiency and demand response be continued, modified, or ended?

18. Other general updates to IDSM definitions and policy framework, if continued.

<u>Building Decarbonization Issues</u>

19. Should energy efficiency funding be allowed to be used to encourage fuel switching from non-regulated fuels to regulated fuels? If so, should this be allowed for switches to natural gas or electricity or both? What segment(s) do these measures qualify for, if allowed?

20. Whether to allow TSB claims for stand-alone (non-energy-savings) low-global-warming-potential refrigerant measures and, if allowed, stand-alone fuel-switching measures.

21. Whether to adopt guiding principles for the treatment of infrastructure costs at the customer site to facilitate electrification "right-sizing" of efficiency measures (avoiding redundant or oversized equipment or infrastructure).

<u>Workforce Issues</u>

22. Do the portfolio applications meet the Commission's existing requirements related to workforce development in D.18-10-008 and D.16-08-019?

There are also several threshold issues that are being addressed in other proceedings, but that could impact this proceeding overall and its proposed portfolios. First is the Commission policy determination on incentives for natural gas energy efficiency measures, including the definition of viable electric alternatives, which is within the scope of the energy efficiency rulemaking (R.25-04-010). Second is the SDG&E application to amend its previous business plan and withdraw from administering regional energy efficiency programs (A.25-04-014). Should decisions in either of those proceedings be adopted that have an impact on the portfolios filed in the applications under consideration in this proceeding, the schedule may need to be adjusted to accommodate the need for portfolio administrators to modify their portfolios to conform to the Commission's decisions on the above two issues.

In addition, several other policy issues were included in the original applications in this proceeding or in the responses filed by interested parties, that are relevant to the energy efficiency portfolios overall, but are more appropriate for the energy efficiency rulemaking proceeding (R.25-04-010) to address, in a more holistic fashion than can be accomplished in response to the applications. These issues, which are out of scope for this proceeding, but appropriate for adjustments to the scope and/or schedule in R.25-04-010 (to be determined in that proceeding and addressed via an Amended Scoping Memo, as necessary) are as follows:

- Application and implementation of cost-effectiveness requirements within the energy efficiency portfolio. This includes, but is not limited to, issues related to:
    - Application of cost-effectiveness test issues that are specific to energy efficiency;
    - Net-to-gross issues, including default assumptions for certain types of programs; and
    - Energy efficiency test symmetry, including treatment of participant costs and corresponding benefits in calculation of cost-effectiveness overall, with an

alternative focus specifically on normalized metered energy consumption programs.

- Regional Energy Network (REN) policies and oversight tools, including appropriateness of potentially applying some form of cost-effectiveness requirements to REN portfolios or programs.
- Whether the Commission should address Workforce Quality Standards and/or High Road Job Creation in the context of energy efficiency, beyond the current requirements.
- Updating of the Energy Efficiency Policy Manual to capture policy changes and reflect differences among portfolio administrator types.
- Changes/clarifications to the role of the California Energy Efficiency Coordinating Committee and its operations and/or structure.
- Potential changes to evaluation, measurement and verification activities, including fiscal oversight, annual statewide studies, streamlining of the CEDARS database, and modernizing reporting requirements and existing data systems.
- Potential revisions to the Database for Energy Efficiency Resources resolution process and "bus stop" schedule.
- Considerations for revising the treatment of multi-family projects.[2]
- Any custom project review process changes.

Finally, some issues raised by parties will be entirely out of scope both for this proceeding and the energy efficiency rulemaking, for various reasons, including that many of these issues are being addressed in other venues already or may already have been resolved. These out-of-scope items are the following:

[2] *See* Section 2.1.5, "Treatment of Multifamily Buildings and Programs," Scoping Memo and Ruling in R. 25-04-010, July 23, 2025.

- Proposed moratorium on new RENs.
- Changes to the Commission-adopted avoided costs, and generally to the cost-effectiveness tests that are used for demand-side resources beyond energy efficiency.
- Changes in the applicability of cost-effectiveness requirements for different segments of the portfolio.
- Approach to crediting of TSB generated by non-IOUs toward IOU TSB goals.
- Elimination of individual programs solely on the basis of cost-effectiveness, in isolation from consideration of their role in the overall portfolio.
- Whether energy efficiency funding should be allowed to be used for event-based demand response.
- Development of general non-energy benefits.

## 3. Need for Evidentiary Hearing

No issues of disputed material fact have yet been identified for this proceeding. However, it is possible that disputed facts could come to light during the course of this proceeding. Therefore, there is a provision in the schedule below to allow parties to file a motion for evidentiary hearings by identifying material disputed facts in the future.  Accordingly, this ruling determines that evidentiary hearings may be needed.

## 4. Schedule

The following schedule is adopted here and may be modified by the Administrative Law Judges (ALJs) as required to promote the efficient and fair resolution of the application.

| EVENT | DATE |
|---|---|
| Prehearing Conference | June 19, 2026 |
| Notices of Intent to Claim Intervenor Compensation Due | July 20, 2026 |
| Ruling asking parties to respond to specific questions in prepared testimony | August 2026 |

| EVENT | DATE |
|---|---|
| Workshops (if needed) | August 2026 or September 2026 |
| Opening testimony served[3] | October 30, 2026 |
| Rebuttal testimony served | December 3, 2026 |
| Meet and confer session among parties | December 9, 2026 |
| Deadline to file motion to request evidentiary hearings | December 14, 2026 |
| ALJ ruling determining status of evidentiary hearings | December 21, 2026 |
| ***Remaining schedule assuming no evidentiary hearings*** | |
| Opening Briefs | January 22, 2027 |
| Reply Briefs (matter submitted) | February 12, 2027 |
| Proposed decision issued for comment | 2nd Quarter 2027 |
| Proposed decision on Commission agenda | 2nd Quarter 2027 |
| ***Remaining schedule if evidentiary hearings are held*** | |
| Evidentiary hearings | January 25-29, 2027 |
| Opening briefs | February 26, 2027 |
| Reply briefs (matter submitted) | March 19, 2027 |
| Proposed decision issued for comment | 2nd Quarter 2027 |
| Proposed decision on Commission agenda | 3rd Quarter 2027 |

The proceeding will stand submitted upon the filing of Reply Briefs, unless the ALJs require further evidence or argument. Based on this schedule, the proceeding will be resolved within 18 months as required by Public Utilities Code Section 1701.5.

## 5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who

[3] Applicants may also submit opening testimony in response to other administrators' and/or potential administrators' applications. The applications themselves contain the testimony of the applicants on behalf of their own applications.

have been trained as neutrals.  At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator.  Additional ADR information is available on the Commission's website.[4]

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest.  The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

## 6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination[5] that this is a ratesetting proceeding.  Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

## 7. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

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[4] https://www.cpuc.ca.gov/PUC/adr/

[5] *See* Resolution ALJ-176-3579 at 2.

## 8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by July 19, 2026, 30 days after the prehearing conference.

## 9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

## 10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

## 11. Filing, Service, and Service List

The official service list has been created and is on the Commission's website.  Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ.  Persons may become a party pursuant to Rule 1.4.[6]

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

[6] The form to request additions and changes to the Service list may be found at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents. However, the ALJs in this case prefer electronic service only. Paper copies are not requested.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

### 12. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add "@cpuc.ca.gov" to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

## 13. Assignment of Proceeding

Karen Douglas is the assigned commissioner and Julie A. Fitch and Valerie U. Kao are the assigned ALJs and presiding officers for the proceeding.

**IT IS RULED** that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearings may be needed.
4. The presiding officers are Administrative Law Judges Julie A. Fitch and Valerie U. Kao.
5. The category of the proceeding is ratesetting.

Dated July 24, 2026, at San Francisco, California.

/s/  KAREN DOUGLAS
Karen Douglas
Assigned Commissioner