

Decision 24-08-003 August 1, 2024

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking
Concerning Energy Efficiency Rolling
Portfolios, Policies, Programs,
Evaluation, and Related Issues.

Rulemaking 13-11-005

**DECISION ADDRESSING MOTION FOR AUTHORIZATION OF
SAN DIEGO REGIONAL ENERGY NETWORK**

Summary

This decision approves the portfolio application of a new energy efficiency portfolio administrator, San Diego Regional Energy Network. Energy savings goals and funding for 2024 – 2027, and the 2024-2031 strategic business plan, are adopted. San Diego Community Power, which will serve as portfolio administrator on behalf of San Diego Regional Energy Network, must submit a joint cooperation memo with San Diego Gas & Electric Company.

This proceeding remains open.

1. Background and Threshold of Review

The California Public Utilities Commission's (Commission) energy efficiency framework consists of investor-owned utility (IOU), community choice aggregator (CCA), and regional energy network (REN) portfolio administrators. Decision (D.) 23-06-055 authorized the 2024-2027 portfolios and budgets of

Inland Regional Energy Network (I-REN), Tri-County Regional Energy Network (3C-REN), Bay Area Regional Energy Network (BayREN), and Southern California Regional Energy Network (SoCalREN). D.23-06-055 also approved the motion of Redwood Coast Energy Authority for approval of a new Rural Regional Energy Network (Rural REN).¹

In D.12-11-015 the Commission approved the first two REN portfolio administrators, BayREN and SoCalREN, by applying a threshold of review, commonly referred to as REN criteria,² which establish that REN activities must meet at least one of the following conditions:

- Activities that utilities or CCA program administrators cannot or do not intend to undertake.
- Pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful.
- Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap.³ REN programs that only meet this criterion (*i.e.*, serving hard-to-reach customers) must be designed to target and must market exclusively to hard-to-reach customers or specific hard-to-reach customer segments.⁴

¹ D.23-06-055 *Decision Authorizing Energy Efficiency Portfolios for 2024-2027 and Business Plans for 2024-2031*, issued July 3, 2023 (D.23-06-055) at Ordering Paragraphs 1 and 8.

² D.12-11-015 at 17 and Conclusion of Law 13.

³ D.19-12-021 *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation*, issued December 12, 2019 (D.19-12-021), at 30-32 and Ordering Paragraph 4. D.23-06-055 modified the definition of “hard-to-reach,” which includes California Native American Tribes and customers meeting specific criteria indicating barriers to their participation in energy efficiency programs, including language, business size, geographic, and lease (split incentive) barriers. (See D.23-06-055 at 52-53 and Conclusion of Law 33.)

⁴ D.23-06-055 at 88-89.

In addition to meeting the REN criteria, D.19-12-021 requires that new REN proposals be advanced via a motion in the open energy efficiency rulemaking. The motion must provide a description of the new REN's unique value to contribute to California's energy, climate and/or equity goals; and a detailed description of the new REN's proposed governance structure and demonstration that the REN represents more than one government entity. The motion must include specific supporting documentation, including a business plan proposal that has been presented to the California Energy Efficiency Coordinating Committee (CAEECC), and any feedback received from the CAEECC and other stakeholders;⁵ a letter of commitment from existing portfolio administrator(s) with whom the new REN's proposed activities may overlap; proposed energy savings targets, goals and metrics attributable to the new REN's work; and an estimate of benefits and costs according to the Total Resource Cost and Program Administrator Cost tests.⁶

On January 5, 2024, San Diego Community Power (SDCP) on behalf of San Diego Regional Energy Network (SDREN) filed a motion for approval of SDREN's Portfolio Application, consisting of a 2024-2031 strategic business plan and 2024-2027 portfolio plan and budget.⁷ SDCP contends that its motion satisfies

⁵ The California Energy Efficiency Coordinating Committee (CAEECC), authorized by D.15-10-028, provides a forum for stakeholder input to the development of portfolio administrators' energy efficiency business plans and other energy efficiency matters under the Commission's purview.

⁶ D.19-12-021 at 21-23 and Ordering Paragraph 2.

⁷ The SDREN 2024-2031 Strategic Business Plan (Exhibit 1) outlines SDREN's vision, goals and desired outcomes, governance structure and planning and collaboration framework, and strategies and annual budgets to achieve outcomes and goals. The 2024-2027 Portfolio Plan and associated budget (Exhibit 2) summarizes how SDREN proposes to implement energy efficiency programs to achieve its identified goals, from 2024 through 2027.

the Commission's requirements and criteria for approval of the proposed new SDREN.⁸

The proposed SDREN portfolio consists of one Resource Acquisition program, five Equity programs, three Market Support programs, and one Codes and Standards program.⁹

- Commercial Sector:
 - Market Access Program (Resource Acquisition) – provide performance-based incentives to project developers (aggregators) who deliver peak demand reductions and verified energy savings. This program will utilize a population-level normalized metered energy consumption methodology to verify savings while paying incentives based on Total System Benefit achieved. This program will focus on filling the needs of commercial customers unmet by other utility and statewide programs and will deliver direct-to-customer rebates for energy efficiency and electrification upgrades and some direct installation options.
 - Efficient Refrigeration Program (Equity) – provide energy efficiency education and no-cost, direct installation of efficient refrigeration equipment to small businesses to support energy cost savings and stocking of healthy, fresh, affordable food products.
 - SMB Energy Coach (Equity) – local trusted partners will engage with small and medium-sized businesses to

⁸ Motion of San Diego Community Power on Behalf of the San Diego Regional Energy Network for Approval of Energy Efficiency Portfolio Application, filed January 5, 2024 (Motion) at 2-3.

⁹ D.21-05-031 defined “Resource Acquisition” as programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity and natural gas systems; “Market Support” as 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; and “Equity” as programs with a primary purpose of providing energy efficiency to hard-to-reach or underserved customers and disadvantaged communities in advancement of the Commission’s Environmental and Social Justice Action Plan. (See D.21-05-031 at 14-15.)

determine eligibility and interest in program offerings. Program implementer staff and energy coaches will guide program participants through the SDREN commercial program and other applicable offerings and services. Licensed local contractors, electricians, and equipment manufacturers will support the direct installation of energy efficiency measures. Engineering consultants will provide technical assistance as needed.

- Residential Sector: Both residential sector programs will be aimed at providing energy efficiency services to hard-to-reach customers and/or disadvantaged communities in alignment with the Commission's Environmental and Social Justice Action Plan.
 - Residential Equity Program (Equity) – a home energy advisor that will serve as a personal concierge-style service to connect residents to program information, funding, and financing opportunities. The energy advisor will refer and connect residents to all eligible program resources and coordinate with SDREN-supported contractors and contractors supporting other external programs.
 - Multifamily Residential (Equity) – target multifamily property owners/managers and tenants to address facility upgrades that impact both common area measures and renter-specific in-unit utility bill savings.
- Public Sector:
 - Tribal Engagement (Equity) – create a pathway for Tribes and Tribal organizations in the San Diego region to develop, propose, and implement energy-related initiatives to address their unique needs and contribute to sustainability, resilience, and economic development in Tribal communities.
 - Climate Resilience Leadership (Market Support) – dedicated project managers will act as an extension of public agency staff to provide customized and unbiased start-to-finish guidance and coordinate delivery of technical services to identify and implement energy

efficiency projects. This program will also promote integrated demand-side management technologies and programs. The program will build capacity for public agency participants through education, training, and technical services and instill energy efficiency as a best practice.

- Cross-Cutting – Workforce, Education and Training (WE&T)
 - Workforce Training and Capacity Building (Market Support) – focus on skill development for new and incumbent workers. The program is aimed at boosting employee skills and employer capacity to work on electrification and decarbonization (*e.g.*, fuel substitution) projects, and ultimately to build accessible pathways for individuals to enter the green workforce, build long-lasting careers, and form a robust professional network.
 - Energy Pathways Program (Market Support) – provide high school students in the San Diego region with a standards-aligned curriculum focused on career technical education. This program is aimed at connecting participants to local employers in the energy efficiency, electrification, and decarbonization sectors by working directly with employers to increase opportunities for education, training, certifications, mentorship, and job connections for energy job acquisition.
 - Codes and Standards (C&S) Program -- engage and support local government permitting agencies to help them enhance energy code compliance and embrace advanced energy codes, standards, and policies (*e.g.*, to reduce energy consumption). This program will complement existing statewide and regional investor-owned utility programs and fill gaps in services for local governments and the C&S community.¹⁰

¹⁰ Motion at 11-14; Exhibit 2 at 46-59 (Commercial Sector), 60- 69 (Cross-Cutting Sector – Codes & Standards), 69-84 (Cross-Cutting Sector – Workforce, Education & Training), 84-99 (Public Sector), 99-113 (Residential Sector); and Exhibit 3 Appendix H – SDREN and SDG&E Comparison Matrix (at 138-151).

According to the motion, each proposed program meets at least one of the REN criteria.¹¹

SDREN's proposed budget is shown in Table 1.¹²

Table 1. SDREN Portfolio Budget Request

Sector	2024	2025	2026	2027	Total
Resource Acquisition Segment					
Commercial	\$2,102,000	\$4,343,600	\$4,777,960	\$5,255,756	\$16,479,316
Equity Segment					
Commercial	\$2,336,000	\$4,826,200	\$5,308,820	\$5,839,702	\$18,310,722
Residential	\$4,453,000	\$9,200,000	\$10,120,000	\$11,132,000	\$34,905,000
Public	\$234,000	\$482,600	\$530,860	\$583,946	\$1,831,406
Market Support Segment					
Public	\$2,732,000	\$5,645,500	\$6,210,050	\$6,831,055	\$21,418,605
WE&T	\$2,452,000	\$5,067,500	\$5,574,250	\$6,131,675	\$19,225,425
Codes and Standards					
Codes and Standards	\$934,000	\$1,930,500	\$2,123,550	\$2,335,905	\$7,323,955
Evaluation, Measurement and Verification (EM&V)					
EM&V	\$609,720	\$1,259,836	\$1,385,820	\$1,524,402	\$4,779,778
Total	\$15,852,720	\$32,755,736	\$36,031,310	\$39,634,441	\$124,274,207

The Public Advocate's Office at the Public Utilities Commission (Cal Advocates); Western Riverside Council of Governments on behalf of I-REN, Association of Bay Area Governments on behalf of BayREN, County of Ventura on behalf of 3C-REN, and County of Los Angeles on behalf of SoCalREN (Joint RENs); San Diego Gas & Electric Company (SDG&E); and Small Business Utility Advocates (SBUA) timely filed responses to SDCP's motion. With the exception of Cal Advocates, responding parties express support for Commission approval of SDCP's motion.

Cal Advocates asserts certain proposed SDREN programs depart from Commission guidance or REN approval criteria, and should therefore be rejected or modified, and recommends specific modifications for those programs.

¹¹ Motion at 10.

¹² Motion at Exhibit 2 Tables 5, 6, 10, 13, 16, and 19.

Cal Advocates recommends rejecting the Market Access Program on the basis that the proposed expenditures exceed forecasted Total System Benefit. Cal Advocates recommends rejecting the Workforce Training and Capacity Building program, suggesting it would duplicate or overlap with both the statewide WE&T program administered by PG&E and an SDG&E advice letter proposing a Learning Energy and Resource Nexus (LEARN) program to provide education and training to the current workforce. Cal Advocates further urges requiring SDREN to prioritize decarbonization, suggesting the proposed portfolio lacks detail on specific implementation measures; to quantify the Integrated Demand-Side Management funding for specific programs; and to include additional meter-based savings programs for accurate measurement and reporting of energy savings.¹³ Cal Advocates also urges rejection of SDCP's proposed modification to the REN criterion of activities serving hard-to-reach markets, to include underserved customers in the third REN approval criterion, which SDCP included in the SDREN strategic plan.¹⁴

SBUA, which supports approval of the motion, recommends a focus on providing electrification support to small and hard-to-reach restaurant owners, and requests that reporting on energy savings include breakout by customer size and business type to assist in future targeting.¹⁵

¹³ *Response of the Public Advocates Office in Opposition to the Motion of San Diego Community Power on Behalf of the San Diego Regional Energy Network for Approval of Energy Efficiency Portfolio Application*, filed February 5, 2024 at 3-23.

¹⁴ Motion, Exhibit 1 at 54-55.

¹⁵ *Response of Small Business Utility Advocates to the Motion of San Diego Community Power on Behalf of San Diego Regional Energy Network for Approval of Energy Efficiency Portfolio Application*, filed February 5, 2024 at 3.

SDG&E, which supports approval of the motion and confirms it will serve as the fiscal agent for SDREN, also states it seeks to withdraw from its role as an energy efficiency portfolio administrator.¹⁶ SDG&E's stated intent to withdraw from energy efficiency portfolio administration is inappropriately placed in response to a motion for approval of a new REN and therefore does not warrant consideration in this decision.

SDCP timely filed a reply to parties' responses. SDCP's reply disagrees with Cal Advocates' arguments for why specific programs should be rejected or modified, addressing each argument with details from the proposed strategic plan and portfolio, and reiterates that all proposed programs and the proposed portfolio as a whole satisfy applicable Commission requirements and guidance.¹⁷ SDCP acknowledges the proposed Market Access Program's expenditures exceed forecasted benefits, but asserts it complies with applicable Commission guidance for market access programs and REN activities. Regarding the Workforce Training and Capacity Building program, SDCP confirms that the services to be delivered will meet the gap-filling requirements outlined in D.19-12-021 through a targeted focus on employers and their policies. SDCP further confirms SDREN will monitor the market and coordinate with other programs to leverage complementary offerings and supplement program services. Regarding prioritization of decarbonization (including efficient fuel substitution), SDCP argues that the level of detail Cal Advocates calls for is more appropriate for implementation plans, which SDCP confirms it will include. Regarding its proposed modification to the

¹⁶ *Response of San Diego Gas & Electric Company (U 902 M) on San Diego Community Power's Motion for Approval of the San Diego Regional Energy Network*, filed February 5, 2024 at 7-11.

¹⁷ *Reply to Responses to the Motion of San Diego Community Power on Behalf of the San Diego Regional Energy Network for Approval of Energy Efficiency Portfolio Application*, filed February 15, 2024 (SDCP reply) at 7-24.

REN criterion of serving hard-to-reach markets, SDCP confirms SDREN's proposed activities comply with the REN criteria, and that the staff template for all business plan filings instructs proponents to include any recommendations for new or modified energy efficiency policy. In response to SBUA's recommendation to support restaurant owners, SDCP confirms the SMB Energy Coach Program will provide targeted support to help restaurants and similar facilities electrify their cooking equipment.¹⁸ In response to SDG&E's stated intent to withdraw from energy efficiency portfolio administration, SDCP asserts "such a major shift will require additional scrutiny," and emphasizes that the SDREN motion should be considered on its own merits. SDCP identifies several applicable authorities, including Public Utilities Code sections 454.5 and 454.55, and Commission decisions establishing SDG&E as a portfolio administrator that must be addressed and likely require a petition for modification.¹⁹

2. The SDREN Proposal Complies with Commission Guidance for New RENs

The Commission has reviewed the proposed SDREN strategic plan, portfolio plan and budget and finds that SDCP's motion satisfies the REN criteria and D.19-12-021's requirements for a new REN proposal. The proposal will satisfy the first criterion, activities that utility or CCA program administrators cannot or do not intend to undertake, by coordinating with SDG&E on a joint cooperation memo to avoid overlap and duplication of programs and services. SDREN's portfolio will include piloting support programs for Integrated Demand-Side Management, particularly for small and medium-sized businesses, which aligns with the criterion to pilot activities where there is no current utility or CCA program offering.

¹⁸ SDCP reply at 22.

¹⁹ SDCP reply at 5-7.

Programs that may overlap will be marketed exclusively to hard-to-reach customers, which satisfies the third REN criterion, activities serving hard-to-reach markets whether or not there is another utility or CCA program that may overlap. We find value in the proposed SDREN's focus on underserved communities and hard-to-reach customers, as detailed in the strategic business plan. The motion acknowledges the region's history as unceded territory on which 18 Tribal communities endured displacement, persecution and systemic oppression, and pledges to find opportunities to provide custom services to San Diego's Tribal communities to bolster their access to resources to support their efforts at environmental stewardship.²⁰

According to the motion, a growing proportion of the San Diego County region population is aging and/or with a disability; the region is ethnically diverse, including a significant percentage (22) of immigrants who speak 100 different languages. Approximately 56 percent of the region's population lives in an underserved community, with significant racial wealth disparities. The region is expected to face significant climate change impacts, including increasingly severe heat waves, air pollution, increased wildfire risks, declining water supplies, and sea level rise, among others. These factors will contribute to increasing electric consumption and peak loads, which the motion states will both increase by more than 50 percent by 2050.²¹

We have reviewed the proposed scope of each program and do not find evidence that SDREN's plans duplicate the offerings of SDG&E or any statewide program. SDCP and SDG&E both confirm that SDCP coordinated with SDG&E in

²⁰ Motion, Exhibit 1 at 23.

²¹ Motion, Exhibit 1 at 27-30.

the course of preparing the SDREN portfolio.²² SDCP confirms that SDREN will coordinate with SDG&E on a joint cooperation memo to avoid overlap and duplication of programs and services; and programs that may overlap will be marketed exclusively to hard-to-reach customers, in compliance with D.23-06-055.²³

In accordance with D.19-12-021, the motion describes how the proposed SDREN will provide unique value and contribute meaningfully to efforts to achieve the state's energy, climate and equity goals. Specifically, SDCP proposes to focus on community-driven program planning with in-language support and compensation to community-based organizations for capacity building.²⁴ The motion describes SDREN's strategies for market intervention and energy efficiency adoption, including equitable and inclusive in-person education and outreach, comprehensive concierge services, direct install of energy efficiency measures, partnering with community-based organizations, direct funding for Tribes, skill development, certifications, career coaching for disadvantaged workers, and connecting employers with energy efficiency workforce development programs.²⁵ The proposed governance structure will be led by SDCP, which is a CCA formed via a Joint Powers Authority by San Diego, Encinitas, La Mesa, Chula Vista, Imperial Beach, National City and the County of San Diego; and the County of San Diego. SDCP will serve as the portfolio administrator. An advisory committee, consisting in part of community-based organizations, will provide input to the oversight and administration team.²⁶ The oversight and administration team will

²² Motion, Exhibit 1 at 17-18; and SDG&E response, at 4-5.

²³ Motion, Exhibit 1 at 47-48.

²⁴ Motion at 4-5.

²⁵ Motion, Exhibit 1 at 36-38.

²⁶ Motion, Exhibit 1 at 38-39.

make important decisions through a consensus process and will utilize a mediator in situations where consensus is not timely achieved. SDCP and the County of San Diego commit to proactively identify potential non-consensus issues early and work with impacted parties constructively.²⁷

The motion states the SDREN portfolio application was presented to the CAEECC during the CAEECC's November 29, 2023 meeting, and summarizes feedback received and any changes made to the proposal in response to stakeholder feedback.²⁸ Feedback from CAEECC participants consisted largely of questions on specific aspects of the SDREN business plan, and SDCP included relevant information in response to these questions.²⁹

The motion includes a letter of commitment to cooperate between SDCP, the County of San Diego and SDG&E, and details of similar programs between SDG&E and SDREN to demonstrate compliance with Commission criteria for the scope of activities/programs that RENs may undertake.³⁰

The portfolio plan includes clearly articulated goals and outcomes, and indicators and metrics mapped to each outcome.³¹

SDCP provides forecasted Total Resource Cost and Program Administrator Cost test estimates, showing a portfolio Total Resource Cost of 0.51 and a Program Administrator Cost of 0.48 (without administrative costs).³²

²⁷ Motion at 6-7.

²⁸ Motion at 7-8 and Exhibit 3 Appendices C and E.

²⁹ Motion Exhibit 3, Appendix E.

³⁰ Motion at 10-14 and Exhibit 3 Appendices G and H.

³¹ Motion at 5; Exhibit 2 at 5-9; and Exhibit 4.

³² Motion, Exhibit 2 at 20.

Having found that the motion satisfies our requirements for a new REN proposal and that the proposed activities satisfy the REN criteria, we find the proposal to launch SDREN justified and reasonable. SDREN shall submit a joint cooperation memo with SDG&E within 90 days after the issue date of this decision.

We approve the proposed 2024-2027 portfolio and budget and the 2024-2031 strategic business plan for SDREN. As a portfolio administrator, SDREN will be required to file an application in 2026 to propose an appropriate budget for its 2028-2031 portfolio with consideration for associated program performance, strategies, and rate impacts. This decision does not consider SDCP's proposed modification to the REN criterion of activities serving hard-to-reach markets, which would include underserved customers in that criterion. Such consideration warrants a more robust record than was afforded in response to the motion.

Also, we find merit in certain of the points raised in Cal Advocates' response. First, and as SDCP indicates it will do, we direct SDREN to include details on specific fuel substitution measures (such as electric panel upgrades) and any other decarbonization efforts in its implementation plans. Second, while we approve the proposed Market Access Program, we have an interest in seeing potentially improved benefit-cost estimates for this program in light of recent updates to the Cost Effectiveness Tool and with the benefit of lessons learned from other portfolio administrators. Therefore, we direct SDREN to provide an updated forecast of Total Resource Cost and Total System Benefit for the Market Access Program.

3. Approved Savings Goals and Budget for 2024-2027

SDCP provides forecasted Total System Benefit savings of \$18,194,415 and net first year savings of 14,246,780 kilowatt-hours, 684 kilowatts, and

711,169 therms; and 8,561 tons of avoided carbon dioxide emissions.³³ This decision adopts SDCP's proposed energy savings goals.

SDCP proposes a 2024-2027 portfolio with a budget of \$124,274,206, as shown in Table 1 of this decision.³⁴ This decision authorizes the following amounts for collection by SDG&E, as the fiscal agent for SDREN, in Table 2 below:

Table 2. Collections by SDG&E to Support SDREN Budget

Year	SDREN Budget	Electric (60%)	Gas (40%)
2024	\$15,852,720	\$9,511,632	\$6,341,088
2025	\$32,755,736	\$19,653,441	\$13,102,294
2026	\$36,031,310	\$21,618,786	\$14,412,524
2027	\$39,634,441	\$23,780,665	\$15,853,777
Total	\$124,274,207	\$74,564,524	\$49,709,683

We acknowledge, as Cal Advocates notes, that SDG&E submitted an advice letter on January 12, 2024 requesting approval of a local third-party WE&T contract to launch the LEARN program.³⁵ This advice letter was approved via staff disposition with an effective date of February 11, 2024. SDCP must address how the Workforce Training and Capacity Building program will coordinate with and not duplicate the LEARN and other overlapping programs in its implementation plan, and adjust the program's budget if and as warranted.

4. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that

³³ Motion, Exhibit 2 at 20-21.

³⁴ Motion, Exhibit 2 at 18 (Table 1 of this decision reproduces the figures shown in Tables 5 and 6 of the 2024-2027 portfolio plan).

³⁵ SDG&E Advice Letter 4355-E, *San Diego Gas & Electric Company's Energy Efficiency (EE) Third-Party Solicitation Advice Letter for the Workforce Education and training (WE&T) Third-Party Contract with Richard Heath and Associates (RHA) Inc.*, submitted January 12, 2024.

relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

The Commission did not receive any public comment, submitted in this proceeding, addressing this matter as of the issue date of the proposed decision.

5. Comments on Proposed Decision

The proposed decision of Administrative Law Judge (ALJ) Julie A. Fitch and ALJ Valerie U. Kao in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were timely filed by SDCP, SDG&E, and BayREN and 3C-REN (jointly), and reply comments were timely filed by Western Riverside Council of Governments on behalf of I-REN, Sonoma Clean Power Authority, SDCP, Cal Advocates, and BayREN and 3C-REN (jointly).

We modify the proposed decision in response to party comments to confirm that the decision approves the 2024-2031 strategic business plan, but also make clear that SDREN must file an application in 2026 for its 2028-2031 portfolio and budget; and to permit SDG&E to establish subaccounts to track SDREN's costs separately from SDG&E's costs. We do not make other modifications recommended by parties, as detailed and explained here:

- SDG&E recommends including a finding that "SDG&E and SDREN should seek to consolidate or close ineffective or overlapping programs to benefit customers." The Commission has a mechanism (joint cooperation memos) to ensure coordination and prevent overlap between and among portfolio administrators; such a finding as what SDG&E suggests is otherwise beyond the scope of our consideration of the SDREN motion.
- SDG&E recommends modifications to Ordering Paragraph 1 to enable adjusted payment to SDREN if the reforecasting

of the MAP's cost-effectiveness results in budget changes. The decision is limited to directing SDCP/SDREN to provide an updated cost-effectiveness forecast of the Market Access Program.

- BayREN and 3C-REN recommend new findings, conclusions and orders to direct IOUs to serve as a sole fiscal agent for a statewide program of a REN or CCA, if requested. We agree with Cal Advocates that this recommendation, having only been raised in comments to a proposed decision and proposing a rule change that would impact all portfolio administrators, is not appropriate to consider here.

6. Assignment of Proceeding

Alice Reynolds is the assigned Commissioner and Julie A. Fitch and Valerie U. Kao are the assigned ALJs in this proceeding.

Findings of Fact

1. The communities that SDCP proposes for the SDREN to serve face significant equity and climate change challenges.
2. The proposed SDREN is designed to serve communities that have been historically underserved.
3. SDCP confirms that SDREN will include additional details on specific fuel substitution measures in its implementation plans.
4. The proposed market access program includes proposed expenditures that exceed the forecasted Total System Benefit.

Conclusions of Law

1. SDCP's proposal for SDREN meets the criteria outlined in D.12-11-015 and D.19-12-021 and should be approved. SDREN's program proposals, strategic business plan, budgets, and funding authorizations in Table 1 are reasonable, in the public interest, and make a unique contribution to the state's energy efficiency goals.

2. It is reasonable to direct SDREN to include details on specific fuel substitution measures and any other decarbonization efforts in its implementation plans.

3. It is reasonable to direct SDREN to provide an updated cost-effectiveness forecast for the proposed market access program.

O R D E R

IT IS ORDERED that:

1. The proposal for a San Diego Regional Energy Network filed by San Diego Community Power is approved and funded as detailed in Tables 1 and 2 of this decision.

2. San Diego Gas & Electric Company (SDG&E) may serve as the fiscal agent for San Diego Regional Energy Network. SDG&E is authorized to create a subaccount within its Post-1997 Electric Energy Efficiency Balancing Account and Post-2005 Gas Energy Efficiency Balancing Account to track San Diego Regional Energy Network costs separately from SDG&E's costs. To facilitate this authorization, SDG&E shall submit a Tier 1 advice letter detailing the subaccounts and revising the respective preliminary statements within 60 days of the issuance date of this decision.

3. San Diego Regional Energy Network must submit a joint cooperation memo with San Diego Gas & Electric Company to the California Energy Data and Reporting System, with notice to the service list, within 90 days of the issuance date of this decision.

4. San Diego Regional Energy Network must post implementation plans associated with the portfolio adopted in this decision to the California Energy Data and Reporting System within 120 days of the issuance date of this decision. San Diego Regional Energy Network must include details on specific fuel

substitution measures and any other decarbonization efforts in its implementation plans.

5. Within 30 days of the issuance date of this decision, San Diego Regional Energy Network must provide an updated cost-effectiveness forecast for the proposed Market Access Program via a Tier 1 advice letter and submission of this same information to the California Energy Data and Reporting System.

6. Rulemaking 13-11-005 remains open.

This order is effective today.

Dated August 1, 2024, at San Francisco, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

Commissioners

Commissioner Matthew Baker recused himself from this agenda item and was not part of the quorum in its consideration.