2026-2027 Joint Cooperation Memorandum:

California Choice Energy Authority (CalChoice)

and

Southern California Gas (SCG)

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Introduction

For their 2026-2027 energy efficiency portfolios, California Choice Energy Authority (CalChoice) and Southern California Gas (SCG) will collaborate with each other to support program adoption. This Joint Cooperation Memorandum (JCM) documents areas of potential program overlap by sector, with details about collaboration methods that can be used to mitigate customer confusion, streamline customer referrals, and avoid duplication.

Background/Regulatory Guidance

The California Public Utilities Commission's (CPUC) Decision (D.)18-05-041 requires Energy Efficiency (EE) Program Administrators (PAs) with overlapping service areas to submit a JCM to coordinate program activities. Specifically, the directive states:

> *We will require the PAs (RENs, IOUs, and CCA) to develop a joint cooperation memo to demonstrate how they will avoid or minimize duplication for programs that address a common sector (e.g., residential or commercial) but pursue different activities, pilots that are intended to test new or different delivery models for scalability, and/or programs that otherwise exhibit a high likelihood of overlap or duplication and are not targeted at hard-to-reach customers. For such programs, each PA must explicitly identify and discuss how its activities are complementary and not duplicative of other PAs' planned activities.*[1]

Furthermore, CPUC D.23-06-055 establishes additional requirements for PAs submitting JCMs. The decision states in ordering paragraph (OP) 35:

> *This decision supersedes D. 18-05-041 and D.21-05-031 with respect to the timing and submission of Joint Cooperation Memoranda (JCM). Portfolio administrators must submit JCMs every two years, within 60 days after Commission approval of the last of each JCM's portfolio administrator's true-up advice letters and mid-cycle advice letters (as applicable), to the California Energy Data and Reporting System, with notice to the service list of Rulemaking (R.) 13-11-005 or a successor proceeding.*

Additionally, CPUC Resolution E-5464 (July 2, 2026) OP 4 states:

> *California Choice Energy Authority shall engage in Joint Cooperation Memorandums with Southern California Edison, Southern California Gas Company, Inland Regional Energy Network, and Southern California Regional Network within 90 days of the issuance of this Resolution. The Joint Cooperation Memorandums shall include a plan to avoid customer confusion between similar EE offerings.*

Program Administrators (PA) Commercial Sector

Program Comparison

CalChoice does not expect program overlap with SCG, subject to further review in 2027, as detailed below.

CalChoice's Perform and Save program primarily targets commercial customers through a population-based Normalized Metered Energy Consumption (NMEC) framework that is technology- and measure-agnostic and focused on measured energy reductions. SoCalGas is a natural gas-only utility and does not administer electric energy efficiency programs. SoCalGas is participating in this JCM pursuant to Ordering Paragraph 4 of Resolution E-5464. Based on the information currently available to SoCalGas, CalChoice's Perform and Save Program is expected to include energy efficiency measures that may include HVAC retrofits. Because the specific measures and associated program requirements have not yet been finalized or sufficiently provided to SoCalGas, SoCalGas is unable to make a final determination at this time regarding whether any such measures may result in natural gas savings or otherwise overlap with existing or future SoCalGas energy efficiency programs or measures. As such, SCG and CalChoice will revisit this JCM in the second quarter of 2027 when the final measure list established for CalChoice's program to ensure that no overlap exists with regard to the programs.

Table 1 below describes the similarities and differences between the PAs' programs.

Table 1: PAs Program Preliminary Comparison

Category	CalChoice Perform & Save	SCG Commercial Programs
Customer Type	Commercial Customers	Commercial and Industrial customers
Primary Fuel	Electric	Gas
NMEC Approach	Pop NMEC	Gas efficiency programs
Sector	Commercial (small business)	Commercial and Industrial
Expected Overlap with CalChoice	N/A	No overlap expected due to CalChoice only using electric measures

Program Differentiation:

CalChoice Commercial Sector

Program Summary:

The Perform and Save Program will provide cost-effective energy efficiency retrofits, using a population-based normalized metered energy consumption (NMEC) approach to serve CalChoice's customers. As an alternative to the traditional "custom" or "deemed" programs, the population NMEC program approach enables program administrators to provide incentives for energy efficiency retrofits using an overall reduction in metered consumption. CalChoice's program will largely target small commercial customers. Targeting may be done for administrative considerations, such as ensuring there is no overlap with other programs in the territory.

Customers and/or service providers can participate in the Program with a range of measures that generate verifiable energy savings. The Program offers a payment for energy reductions that values a range of resources equally to ensure that incentives flow to projects with verifiable

impacts and allow for different behind-the-meter solutions to work together in a coordinated way.

The Program is technology and measure agnostic by design. It can integrate a wide range of measures including traditional efficiency such as lighting and HVAC retrofits. Other solutions that generate verifiable results can also be accommodated without administrative requirements.

By offering payment for energy impacts that value technologies and strategies equally, the Program ensures that incentives are directed towards the technologies and providers that can deliver energy impacts most effectively, thereby minimizing performance risk to the program and optimizing the deployment of demand flexibility solutions.

SCG Commercial Sector

Because the specific measures and associated program requirements have not yet been finalized or sufficiently provided to SoCalGas, SoCalGas is unable to make a final determination at this time regarding whether any such measures may result in natural gas savings or otherwise overlap with existing or future SoCalGas energy efficiency programs or measures.

General Portfolio Coordination

SoCalGas requests that CalChoice provide reasonable notice of significant program developments or modifications that may affect potential program or measure overlap, including reasonably sufficient information regarding applicable measures, customer eligibility, implementation, and treatment of any natural gas impacts or savings. SoCalGas may further evaluate potential overlap as such information becomes available.

If that evaluation identifies actual or potential overlap, the parties will confer regarding reasonable coordination measures to minimize duplication, customer confusion, and the potential for duplicative incentives or savings claims.

Execution of this JCM does not constitute a determination or agreement by SoCalGas that no program or measure overlap exists, or regarding the existence, amount, attribution, allocation, or treatment of any natural gas savings or other natural gas impacts associated with a CalChoice program or measure. Nothing in this JCM modifies or supersedes any applicable CPUC decision, resolution, tariff, program rule, or other regulatory requirement applicable to either party..

Appendix

Appendix A: CalChoice Summary of Programs Offered:

Program Name	Sector	Annual Budget	Eligible Measures
Perform and Save	Commercial	2026: $270,300 2027: $1,621,800 2028: $810,900 Total: $2,703,000	Lighting HVAC retrofit