Mendota Group
The Power of Bright Ideas

San Diego Gas & Electric Grid-Responsive Incentive Design Market Access Program (GRID-MAP)

Implementation Plan

Version 1.0

May 2025

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Program Overview

The Grid - Responsive Incentive Design Market Access Program ("GRID-MAP" or "the Program") is a resource acquisition energy efficiency (EE) program available to the select subsectors of the commercial and residential sectors in the San Diego Gas & Electric (SDG&E) service territory. The Program uses a market access (MAP) approach that works with Aggregators to offer various services that best fit with what customers require to advance energy efficiency projects. GRID-MAP aligns incentives with grid needs using a rate structure based on Total System Benefit (TSB). Incentives are paid only for savings that are delivered to the grid as determined by the population-based Normalized Metered Energy Consumption (NMEC) measurement approach and supplemented by site-based NMEC, as appropriate. [1]

Program Budget and Savings

Table 1: Program Budget and Savings		
1	Program Name	Grid-Responsive Incentive Design Market Access Program (GRID-MAP)
2	Program ID number	SDGE4202[1] SDGE4201
3	Program Implementer	Mendota Group, LLC ("Mendota Group")
4	Portfolio Administrator	San Diego Gas & Electric
5	Program Implementer Type (IOU Core, Third-Party Solicited, REN/CCA)	Third-Party Solicited
6	Portfolio Segment (Resource Acquisition, Equity, Market Support, or Codes and Standards)[2]	Resource Acquisition
7	Total Program Budget	$6,000,581.80
8	Program Budget by Year	2025 - $1,687,658 2026 - $2,117,365 2027 - $2,145,559 2028 - $50,000* *Demand Response enrollment incentive invoiced after SDG&E has confirmed participation for a full year

[1] Commercial and Residential Implementation Plans for the Market Access program have been bifurcated for tracking purposes only. Please refer to program ID 4201. All other sections within the Implementation Plan are identical.
[2] D.21-05-031 Ordering Paragraph 2

Table 1: Program Budget and Savings		
9	Program Duration (Start Date - End Date)	04/11/25 → 12/31/28 Implementation activities are expected to end by December 31, 2027. Program shutdown activities shall continue through, and be completed by May 31, 2029, to allow for M&V activities and NMEC performance monitoring to conclude
10	Total System Benefit (TSB) (Total Program TSB and TSB by Program Year)	2025 - $1,793,873 2026 - $2,553,195 2027 - $2,526,901 Total - $6,873,969
11	CO_2 (Lifecycle, First Year, Net, Gross)	Lifecycle (Net)- 25,500 Tons (CO_2) Lifecycle (Gross) - 25,492 Tons (CO_2) First Year (Net) - 2,374 Tons (CO_2) First Year (Gross) - 2,373 Tons (CO_2)
12	KW (First Year, Net, Gross)	Net - 1,746 Gross - 1,748
12	kWh (Lifecycle, First Year, Net, Gross)	Lifecycle (Net) - 88,872,187 Lifecycle (Gross) - 89,006,252 First Year (Net) - 6,693,348 First Year (Gross) - 6,706,605
13	Therms (Lifecycle, First Year, Net, Gross)	Lifecycle (Net) - 474,200 Lifecycle (Gross) - 464,879 First Year (Net) - 33,766 First Year (Gross) - 32,829
14	Program Cost Effectiveness: Total Resource Cost (TRC): (Total TRC and TRC by Year)	2025 - 1.06 2026 - 1.09 2027 - 1.13 Total - 1.09
15	Program Cost Effectiveness: Program Administrator Cost (PAC): (Total PAC and PAC by Year)	2025 - 1.09 2026 - 1.24 2027 - 1.24 Total - 1.20
16	Market Sector(s) (i.e., commercial, residential, industrial, agricultural, public or cross-cutting) If multi-sector, provide estimated % of the total budget for each sector)	Commercial (86%) & Residential (14%)

Table 1: Program Budget and Savings		
17	Program Type (i.e., Non-resource, Resource)	Resource
18	Delivery Type(s) (i.e., Upstream-Manufactured, Midstream-Distributor, Midstream-Retail, Downstream, Downstream - Direct Install,[3] Codes & Standards)[4]	Downstream
19	Intervention Strategies (e.g., Strategic Energy Management (SEM), Market Access Program (MAP), Direct Install, Incentive, Finance, Audit, Technical Assistance, Advocacy, Training, Marketing and Outreach, etc.)	Market Access Program (MAP), Incentive, and Finance
20	M&V Methods (e.g., Deemed, Custom, NMEC – Population, NMEC – Site, SEM M&V, Randomized Controlled Trial (RCT), Other (if applicable, describe Other M&V method))	NMEC - Population NMEC - Site

Implementation Plan Narrative

1. Program Description

The Grid - Responsive Incentive Design Market Access Program (GRID-MAP) is a resource acquisition energy efficiency program that provides commercial Retail, Office, and Wholesale customers and Residential Single Family and Multi-Family customers with technical assistance and opportunities to increase the efficiency of the buildings in which they live and work. To achieve the TSB, energy savings, and demand reduction targets, the Program provides open access to qualified aggregators to facilitate wider contractor and customer and incorporates an incentive structure that is aligned with the value to SDG&E's grid and based on NMEC savings methodologies, thus expanding the measures available for implementation. The Program also leverages a customized software platform to improve the Program's efficiency and effectiveness by allowing aggregators to scope projects, evaluate scenarios, submit applications and documents, and retrieve information online.

2. Performance Tracking

The Primary Performance Metrics, as specified in Table 1 above, are:

- Total System Benefit (TSB) ($)
- TRC ratio

The following Indicators are used to track program progress:

- Actual/Forecasted TSB ($)
- Actual/Forecasted peak demand savings (kW)
- Actual/Forecasted energy savings (kWh/Therms)
- Quarterly California Energy Data and Reporting System (CEDARS) Cost Effectiveness Tool (CET) results

[3] https://cedars.sound-data.com/deer-resources/deemed-measure-packages/guidance/
[4] Database for Energy Efficiency Resources (DEER) 2026 Delivery Types

- Total incentive budget reserved ($)
- Payments to Aggregators to date ($)
- Marketing campaign efficiency
- Customer satisfaction & survey feedback
- Hard to Reach (HTR) and Disadvantaged Communities (DAC) TSB penetration
- Inspection results

3. Program Delivery and Customer Services

The Program will be open to participation to San Diego Gas & Electric commercial Retail, Office, and Wholesale and Residential Single Family and Multi-Family customers. The Program will enroll any aggregator that meets the Program requirements and enters into a Aggregator Participation Agreement with Mendota Group. This open market will allow a wide range of solutions to identify energy efficiency projects that deliver measurable Total System Benefits. Incentives offered will be most valuable during summer peak and net peak hours.

Population-level NMEC rules will be used to verify savings, and a pay-for-performance payment structure based on those verified savings will be used to incentivize participation. In addition, the Program will offer an installation payment based on the estimated incentive determined at project installation. If a site's usage pattern makes it ineligible for population-based NMEC measurement, the aggregator may be offered a site-based NMEC alternative if they meet all of the site-based NMEC eligibility criteria.

GRID-MAP leverages a market access model, which provides an opportunity for projects that incorporate a broad array of measures and services that successfully demonstrate Total System Benefit (TSB) based on normalized, metered energy use during the performance period. Primary program participants are termed Aggregators because they aggregate multiple energy saving projects as a means of diversifying their risk since projects receive payments based on TSB produced. This performance-based approach both encourages novel approaches to saving energy and promotes whole building energy solutions.

Aggregators employ a variety of strategies to encourage customer participation, with few limits on the mechanisms that can be used to advance projects. These mechanisms can include external financing, using incentives to reduce measure first cost, combining with other Distributed Energy Resources (DERs) such as energy storage, demand response, and transportation electrification opportunities. Customers can also opt to self-aggregate, bearing the risks of underperformance themselves.

The Program design, based on the concept of aligning incentives with TSB, creates symmetry between contractor/customer incentives and the TSB each project produces. Incentives are directly tied to TSB and measures that produce more TSB receive higher incentives. This incentive design approach is consistent with the CPUC's Decision 23-06-055, Section 8.1 because it provides uniform payment terms for aggregators, incentive rates are based upon the TSB savings value, and the savings are measured using population-level NMEC methods.

The Program is open to participation by SDG&E's commercial Retail, Office, and

Wholesale and Residential Single Family and Multi-Family -customers. GRID-MAP will enroll any Aggregator that meets program requirements and enters into a Aggregator Participation Agreement. Incentive levels are aligned with savings that provide the most value to the utility's electric and gas systems. Aggregators receive information through and upload information to the Program's online application. The custom-built application (GRID) enables Aggregators to obtain project incentive estimates and better understand what makes a project successful. The Program website also includes program-specific and general energy efficiency program information, training materials, and frequently asked questions. The Program uses the CalEnviroScreen mapping tool to identify projects in Disadvantaged Communities (DACs).

The Program will primarily use Aggregators to perform outreach to customers and contractors. Customer outreach is not limited by one company's staffing levels or customer relationships. The aggregator-based outreach strategy will recruit more aggregators (including specific customers who may wish to self-aggregate). This recruitment approach expands the EE aggregator base and increases competition by providing customers with additional choices in service providers, types of equipment, and project services. Aggregators will tailor offerings based on their expertise and customer needs. Although multiple Aggregators may contact the same customer, this can benefit customers through diversified offerings and lower implementation costs. The potential for multiple Aggregators to contact the same customer does not typically create customer confusion but Program staff will actively monitor this potential concern and address any issues that may arise.

In addition to the Aggregator network, Mendota Group will provide both active and passive program marketing:

- GRID-MAP will create and provide program documents (Program Manual, Implementation Plan, M&V Plan), marketing materials, and individual websites for the general public and contractors.
- Mendota Group will actively recruit Aggregators and customers through emails and phone calls to members of organizations that interact with sector customers.
- Program staff will actively engage with customers and support aggregators to explain how the Program works and the benefits of participation.
- Staff will identify conferences and other meetings to actively recruit contractors, especially those that draw contractors who work with the commercial Retail, Office, or Wholesale commercial and residential Single Family or Multi-Family sub-segments.

Because some of San Diego's commercial properties in the target subsectors are part of national chains, program staff will contact the chains and explain the Program, the aggregator model, self-aggregation options, and how multiple aggregators may contact them directly. The Program will focus attention on Hard-to-Reach (HTR) customer participation by offering higher incentive rates for HTR-qualifying projects. It will also deliver a minimum of 5% of all projects to HTR customers annually. The Program will also emphasize installing projects for customers within identified Disadvantaged Communities (DAC) by offering higher incentive rates. The Program will deliver a minimum of 10% of all projects within DAC areas annually.

Finally, the Program commits to working with "Underserved" customers who are identified within D.23-06-055 as Equity segment customers who are part of an "underserved business group" defined by Government Code Section 12100.63(h)(2). Mendota Group will work with SDG&E's Small Business Saver Equity program to facilitate opportunities for that program's target customers to participate in the GRID-MAP program.

Although Aggregators are expected to offer technical and financial assistance (e.g. audits, project definition, installer selection, financing), GRID-MAP helps address customer capital concerns and enable Program participation by offering financing mechanisms, including SDG&E's On-Bill Financing and California Alternative Energy and Advanced Transportation Financing Authority's (CAEATFA) GoGreen Financing options.

The Program will create coordination plans to maximize mutually beneficial opportunities with SDG&E's Small Business Saver Equity Program and the Non-Residential Behavioral Program implementers and overlapping Program Administrators like San Diego Regional Energy Network and Southern California Gas Company. These coordination plans will detail ways that programs can work with customers and trade allies to ensure they receive maximum benefit while minimizing overlap.

The Program ensures that customers do not receive incentives for the same measure through any other energy efficiency program, including programs offered by other utilities, the California Public Utilities Commission, or any other entity. The Program will only offer incentives for cost-effective measures that do not compete with other statewide programs. To the extent that measures overlap with statewide measures, Mendota Group will work with SDG&E to establish a system that ensures savings from these measures are only counted once and that customers do not receive incentives from both GRID-MAP and the Statewide Program for the same savings claim. Program staff will continuously monitor measures offered and proposed to be offered by Statewide programs to be aware of potential overlap and will adjust offerings as necessary throughout the implementation period. In the event a measure overlaps, the Statewide Program's measure takes precedence.

4. Program Design and Best Practices

The table below summarizes market barriers and the primary strategies to address them.

Market Barriers	Strategies to Overcome Barriers
Limited Incentives and Project Approval Risks: Traditional incentives are insufficient to reduce project costs to levels required for customer approvals. The Custom Review process puts projects at risk.	NMEC enables claiming all metered savings and expedites the review process.
Poor Workforce Participation: Large implementers dominate EE programs, and the general contractor workforce does not participate.	The combination of the MAP design, GRID Application, and aggregator support provide both higher incentives and reduced effort to participate.

Market Barriers	Strategies to Overcome Barriers
Large Scale Needed: Most 3P EE programs focus only on large projects yet many of SDG&E's HTR customers are SMBs. This might be relevant to smaller properties such as independent retailers.	Population-Based NMEC is easily scalable and allows participation by small customers and program aggregator support encourages small innovative projects.
Misaligned Incentives: Incentive designs ignore time-based value of energy.	TSB-Based Incentives: Aligns customer incentives with grid needs, to include location and timing (peak, super peak, off peak)
Program Complexity: EE programs tend to be complicated. Customers and contractors need a tool to make participation simple and quick.	The online GRID Platform provides a streamlined pathway for contractors to test measure mixes, see incentive estimates, upload required documents, submit projects, and track quarterly or semi-annual incentive payments. In addition, Mendota Group's dedicated and knowledgeable staff are available to assess and solve problems with contractors and customers.
Lack of Capital: Customers face capital constraints and incentives are insufficient to motivate energy-saving investments.	An installation payment addresses installer and customer cashflow issues. Higher incentives result from payment on full measured savings. The Program's design also leverages other sources, including financing.
Cost-effectiveness Requirements: Identified projects are not cost-effective based on TRC.	The Program provides a tiered incentive structure based on cost-effectiveness which pays higher incentives for projects that meet cost-effectiveness thresholds. For clarity, only cost-effective projects will be included.
DAC, HTR and Underserved: Serving these customers is more challenging and many programs do not adequately serve them.	The Program provides a DAC/HTR/Underserved bonus to encourage installation of projects that qualify as DAC, HTR or Underserved.[5]

The Program incorporates several lessons learned from previous market access program implementations. Among these learnings were that:

- Aggregators benefit from an installation payment to provide initial project financing and help project developers close projects (Mendota Group originated this concept in its previous implementations);

[5] Each group has a specific definition according to the California Public Utilities Commission. CPUC D. 23-06-055 defines "Underserved" in Conclusions of Law (COL) 31, HTR in Conclusions of Law 33, and DAC within the Geographic Criterion of HTR in COL 33.

- Aggregators need opportunities to test different configurations of projects (and associated measures) to understand options that will deliver the greatest system benefit and, thus, higher incentives - these options are provided to Aggregators through the GRID Platform;
- Project developers need active assistance in navigating the Program's parameters and ensuring that project's meet the Program's requirements;
- The primarily contractor-based outreach strategy recruits more contractors (including specific customers who may wish to self-aggregate), leads to broader outreach and engages more customers in the target segments - the approach substantially expands the EE contractor base and increases competition by providing customers with additional choices in service providers, types of equipment, and project services;
- Leveraging contractor knowledge and customer connections enables the Program to retain funds that would otherwise be spent on marketing and outreach to fund more customer incentives and, thus, projects, and
- Providing transparency in terms of the way savings are determined and metered savings are normalized is also key to increasing Aggregator confidence in the Program.

5. Innovation

The Program incorporates several innovations to increase uptake of cost-effective energy efficiency measure installation and program participation. These include:

- The "open to all" market access program approach attracts a wide variety of contractors/aggregators and is not limited to one implementer or its subcontractors.
- Leveraging the contractor network for marketing and outreach, to customers, greatly expands the Program's reach while reducing program administration costs.
- Mendota Group's GRID Application, an online implementation software platform, supports and promotes streamlined project estimations, application submissions, review processes, and tracking and reporting.
- The NMEC approach enables installation of measures and interventions that are not constrained by a limited measure catalog and allows installers to try new measures and/or combine measures to increase savings.
- The streamlined pathway (removing the need for custom calculations and the reviews that are required of them) Aggregators to participate in energy efficiency portfolios and deliver projects, especially enabling smaller aggregators to participate more easily.
- Minimizes ratepayer risk because Aggregators are only paid based on measured savings.
- Incentives are based on TSB, which clearly communicates to contractors which types of projects and project configurations contribute the most benefit to SDG&E's electric and gas systems.

6. **Pilots**

   The GRID – Market Access Program

   does not have any pilot elements, making this section not applicable.

7. **Workforce Education and Training**[6]

   GRID – MAP is not a Workforce, Education and Training Program.

8. **Workforce Standards**[7]

   The Program supports improved access to job and career opportunities in the energy efficiency industries through a defined Workforce Strategy. The Workforce Strategy includes:

   - Promoting workforce developing through a streamlined participation process. Implementer will encourage Aggregators to employ workers trained through utility EE programs such as Energize Careers;
   - Requiring, for incentives that exceed $2,000 (lighting controls) and $3,000 (HVAC), that installation technicians meet minimum requirements per CPUC D. 18-10-008, and working with SDG&E's third-party Learning Energy and Resource Nexus (LEARN) workforce and education program. Additional requirements related to installation of HVAC and Advanced Lighting Control measures follow.

     a. **HVAC Measures**: Participating aggregators must adhere to all requirements for workforce standards established by the Commission. Specifically, for all HVAC projects seeking an incentive of $3,000 or more, Mendota Group will ensure that each worker or technician involved in the project meets at least one of the following criteria:

        - Completed an accredited HVAC apprenticeship.
        - Is enrolled in an accredited HVAC apprenticeship.
        - Completed at least five years of work experience at the journey level according to the Department of Industrial Relations definition, Title 8, Section 205, of the California Code of Regulations, passed a practical and written HVAC system installation competency test, and received credentialed training specific to the installation of the technology being installed.
        - Has a C-20 HVAC contractor license issued by the California Contractor's State Licensing Board.

     Program participants will affirm these qualifications and licensures as part of the Program participation agreement.

     b. **Advanced Lighting Control Measures:** Participating aggregators must adhere to all requirements for workforce standards established by the Commission. Specifically, for all projects that receive an incentive of $2,000 or more for Advanced Lighting Control measures Mendota Group will ensure that all workers or technicians involved in the

[6] D.18-05-041, pages 20-21 and Ordering Paragraph 7
[7] D.18-10-008, Ordering Paragraph 1-2 and Attachment B, Section A-B, page B-1

project are certified by the California Advanced Lighting Controls Training Program (CALCTP). Program participants will affirm qualifications to perform the proposed work as part of the Program participation agreement process.

9. Disadvantaged Worker Plan

The Program defines "Disadvantaged Worker" (DAW) as a worker who meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool.

The Program will encourage aggregators to implement projects that can demonstrate they are using DAWs to install projects and work with SDG&E's third-party Learning Energy and Resource Nexus (LEARN) workforce and education program. GRID-MAP will work with the LEARN program implementer to provide resources for contractors and help Disadvantaged Workers become certified to participate in energy efficiency projects. The Program will track qualifying projects through the GRID Application with flags related to projects that utilize DAWs. It should be noted that, for purposes of reporting on Disadvantaged Workers, Mendota Group's collection of personal information from individual workers beyond zip code will be: 1) strictly voluntary for the worker, 2) recorded in an anonymous manner, and 3) not be used as a reason to include or exclude particular workers from assignment to any projects funded by the Program. Collected information will be provided to SDG&E as part of quarterly reports.

10. Market Access Programs

GRID-MAP has been designed using the Market Access approach. The Program is open to trade professionals who agree to comply with the Program rules. This approach allows for both existing third-party EE contractors, existing MAP Aggregators, and new trade professionals who can offer various services related to energy efficiency to participate in the Program.

SDG&E has segmented its portfolio, where possible, to provide a single point of entry for Customers, in an effort to limit Customer confusion and avoid direct competition and duplication of program offerings. To ensure there is no double dipping or double counting, with each application to the Program, Mendota Group staff assess whether the proposed measures are part of a Statewide (SW) program and whether the project is participating in another PA Regional program prior to installation.

The following Statewide programs have the potential to overlap:

- Statewide HVAC
- Plug Load & Appliances
- Midstream Water Heating

GRID-MAP will accommodate projects that include SW program measures by subtracting the deemed SW program savings from the savings on which the GRID-MAP incentives are based (no double counting).

Regional programs of interest include SDG&E's Small Business Saver Program and Non-Residential Behavioral Program. In cases where other programs or opportunities may overlap or conflict, the Program will coordinate with SDG&E staff.

11. Additional Information

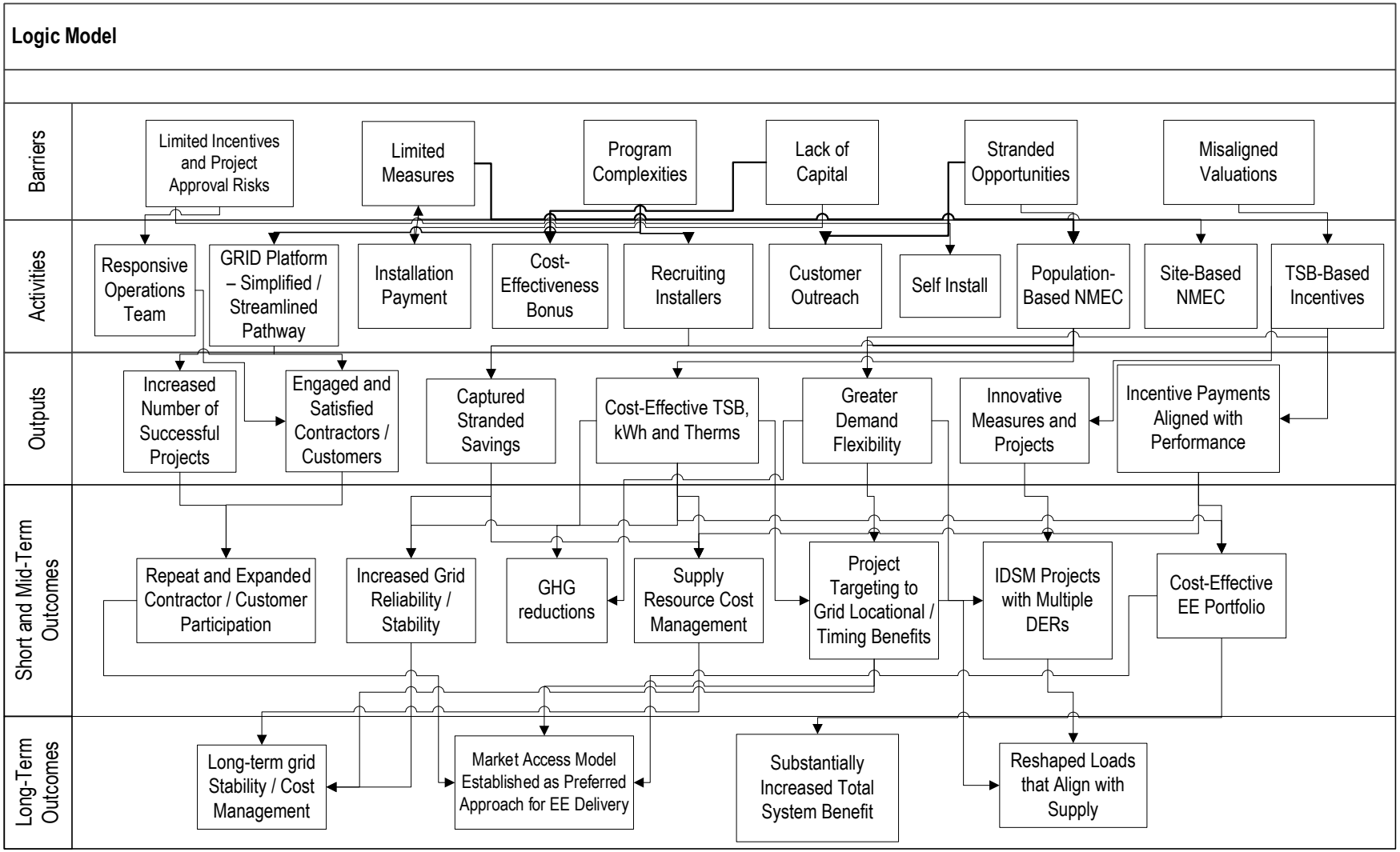
No additional information.

Supporting Documents

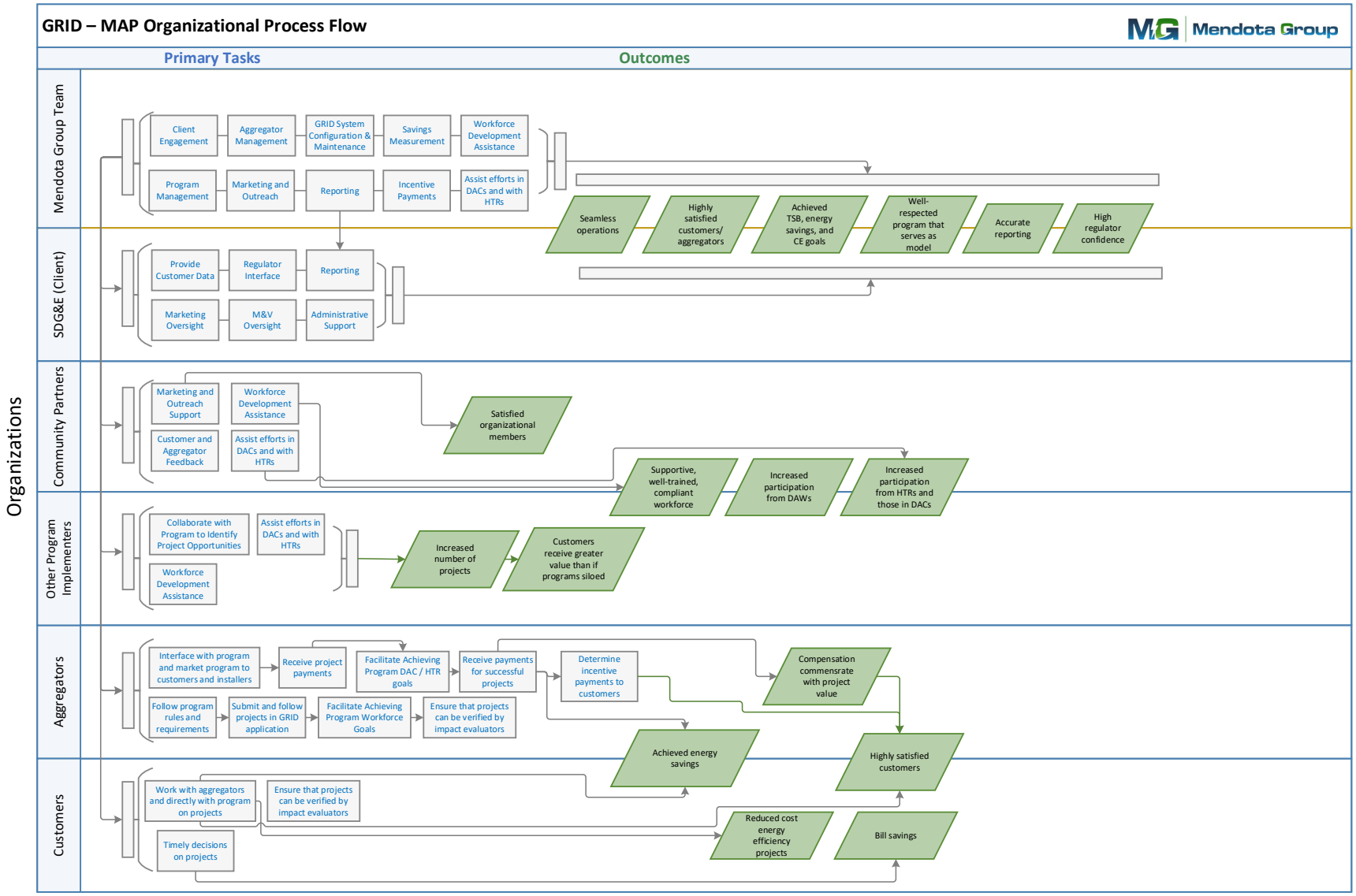
1. **Program Manuals and Program Rules**

   The program manual is attached as part of this Implementation Plan filing.

2. Program Theory and Program Logic Model



3. Process Flow Chart

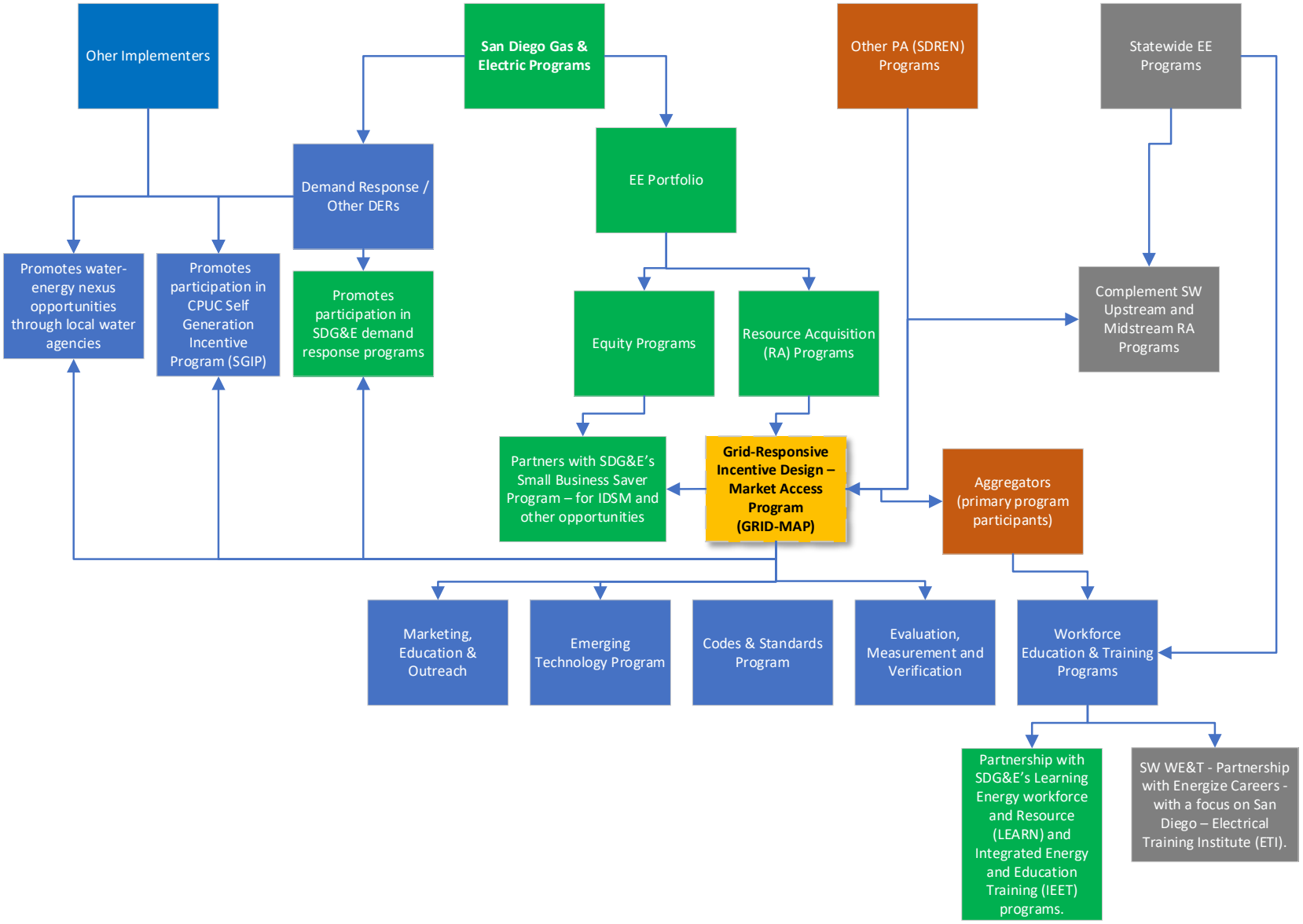


4. Measures and Incentives

The GRID-Market Access Program utilizes a population-based Normalized Metered Energy Consumption (NMEC) measurement approach and is supplemented by site-based NMEC, as appropriate. The table below lists the measures expected to provide the majority of program savings and the anticipated percent of TSB achieved for each. Incentives are paid only for savings that are delivered to the grid as determined by the Normalized Metered Energy Consumption (NMEC) measurement approach.

Use Category	Percentage of TSB		
	Total Program	Commercial	Residential
Lighting	59%	67%	
HVAC	35%	33%	46%
Service and Domestic Hot Water	3%		30%
Weatherization	2%		17%
Pumps	1%		7%

5. Diagram of Program:



6. **Program Measurement and Verification**

   Not Applicable. The GRID-Market Access Program is solely utilizing NMEC methods. See Item 7.

7. **Normalized Metered Energy Consumption (NMEC) Program M&V Plan**

   The program M&V plan is attached as part of this Implementation Plan filing.

8. **Multi-DER IDSM Pilots only**[8]

   Not Applicable.

9. **SEM Programs only**

   Not Applicable.

[8] D.23-06-055, pages 77-80