Semi-Annual 2026 Portfolio Performance Report Review (PPRR)

Hosted by the **California Energy Efficiency Coordinating Committee (CAEECC)**

Meeting Date: **November 4, 2026**

Location: **Zoom**

Last updated November 2, 2026

Upcoming Meeting Dates

Date	Meeting	Location
~~12/9 (Wed)~~	~~**CAEECC-only Executive Session** to vote on new members~~	~~Virtual~~
12/15 (Tues)	**Q4 Full CAEECC Meeting #52**	Virtual

Welcome & Background

Agenda

How to Participate

Agenda

View Details in Agenda Document

Today's meeting will be piloting a new format for Semi-Annual PPRRs. We'd love to hear your feedback and suggestions in the meeting evaluation.

Welcome 9:00 - 9:10 AM	
Energy Division Presentation: Quantitative Overview Across All PAs + Q&A 9:10 - 9:25 AM	**01**
Panel: Challenge of Reduced and Changing Deemed Measures 9:25 - 10:25 AM (followed by a Break)	**02**
Lightning Presentations: Continuous Portfolio Improvement 10:35 - 11:45 AM	**03**
Next Steps, Themes, & Wrap Up 11:45 - 12:00 PM	**04**

The What & Why of Semi-Annual Portfolio Performance Report Review Presentations

What

- Highlight trends in PA portfolios
- Get input from CAEECC on possible course corrections
- Bring PA proposals for discussion (at least 3 months prior to filing)
- First series of presentations will be in Sept 2024
- Optional use of Working Groups or Task Forces to tackle challenges raised in the Annual Report

Why

- Provide insight into the progress of programs since the Q2 presentation on prior year's Annual Report

How to Participate

Energy Division Presentation

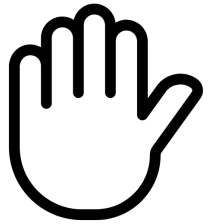
CAEECC Members & the Public may ask questions **via Slido**.

Time permitting, questions will be answered verbally or followed up on.

slido

Panel on Deemed Measures

CAEECC Members & the Public can participate in verbal Q&A and discussion **by raising their hands**.

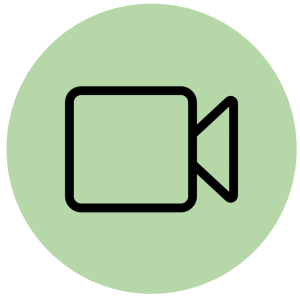


Continuous Portfolio Improvement Lightning Presentations

CAEECC Members & the Public may ask questions **via Slido**.

Time permitting, questions will be answered verbally or followed up on.

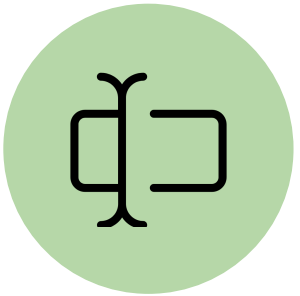
slido



Share your **video** if possible



Mute yourself when you're not speaking.



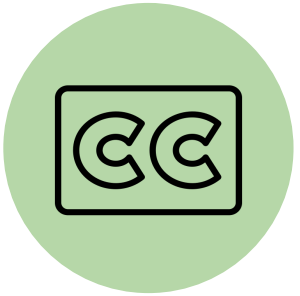
Rename yourself with your Representation



Use **Slido for questions**



Raise your hand to enter the queue



Closed captioning available

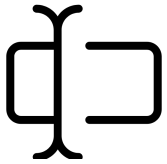
Icons provided by Fran Couto & Wahyu Adam

Use Slido for Questions

Visit slido.com and enter the code:

#4137515





Add your name so we can follow up. Each question has a 300 character limit



Tag the session
(*ED* or *Continuous Portfolio Improvement*)



Like questions to upvote

The Facilitator will use upvotes and facilitator discretion in selecting questions. All questions will be included in the Meeting Summary. PAs will be asked to respond in the Meeting Summary.

Portfolio Performance Report Review Background and PA Slide Templates are located on the Meeting Webpage.

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2026 EE Portfolio Semi-Annual Review

California Energy Efficiency Coordinating Committee

November 4, 2026

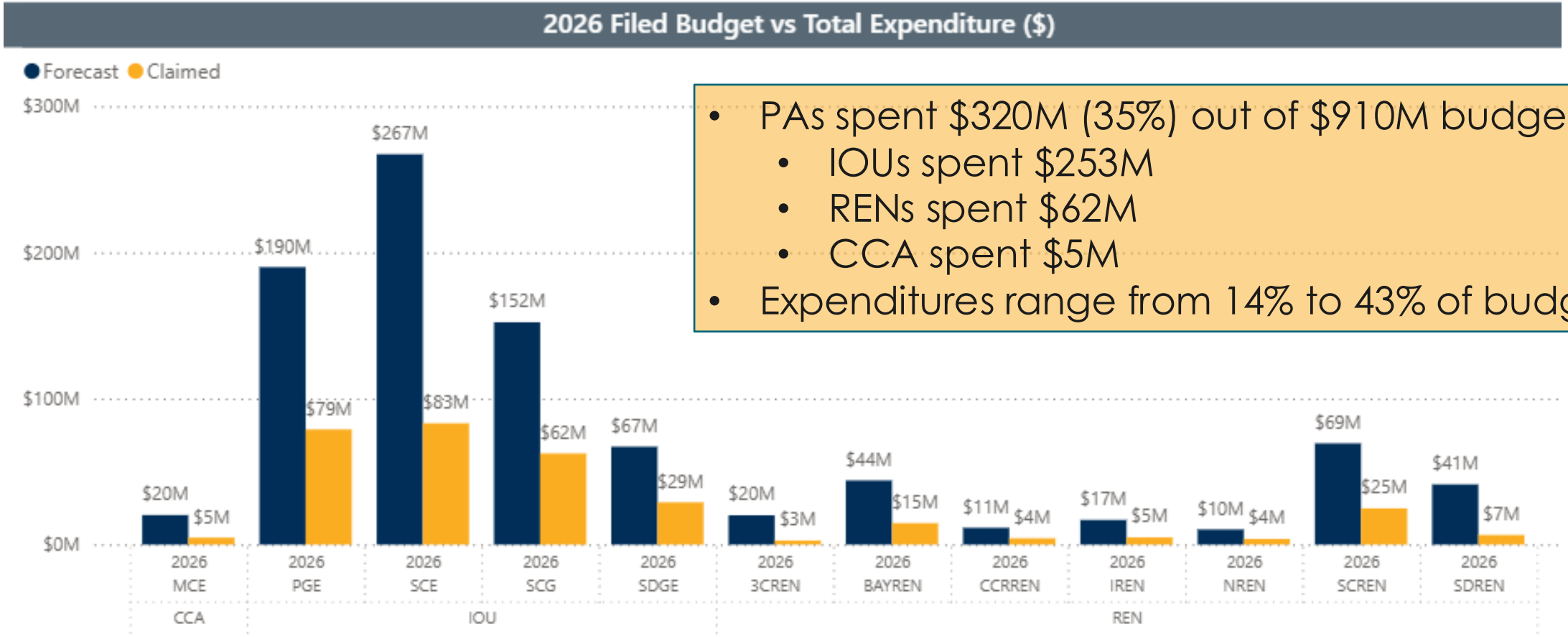
Pamela Rittelmeyer

Agenda

Energy Efficiency Portfolios: Q1-Q2 2026 Review

- Expenditures versus Budgets
- TSB Achievement
- Cost Effectiveness
- Energy Savings
- Bill Savings
- Summary

Q1-Q2 2026 Expenditures, as a % of Budgets

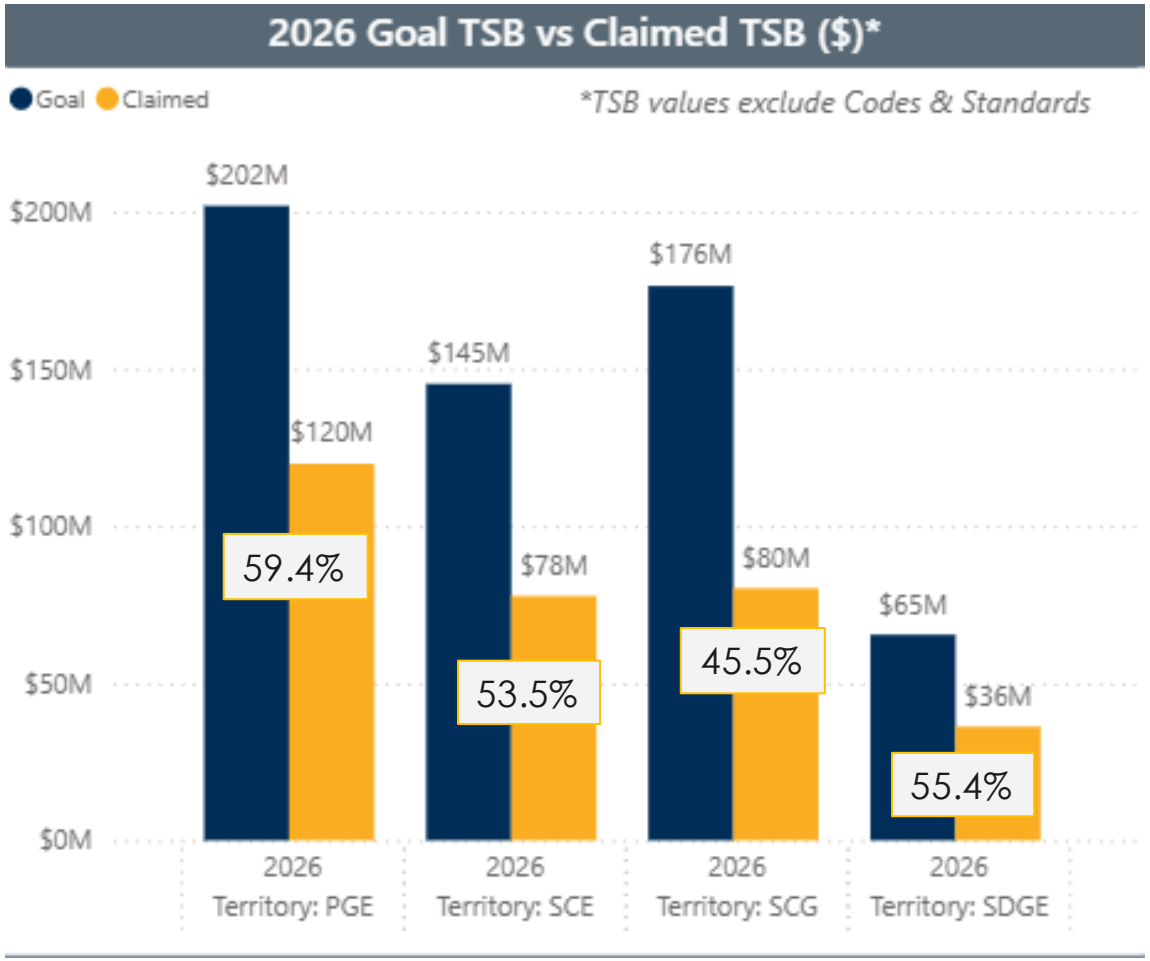


- PAs spent $320M (35%) out of $910M budgeted
  - IOUs spent $253M
  - RENs spent $62M
  - CCA spent $5M
- Expenditures range from 14% to 43% of budgets

Excludes program categories: C&S, ESA

Source: CEDARS Data Dashboards Oct. 1, 2026

Q1-Q2 2026 Total System Benefit (TSB) vs CPUC Targets

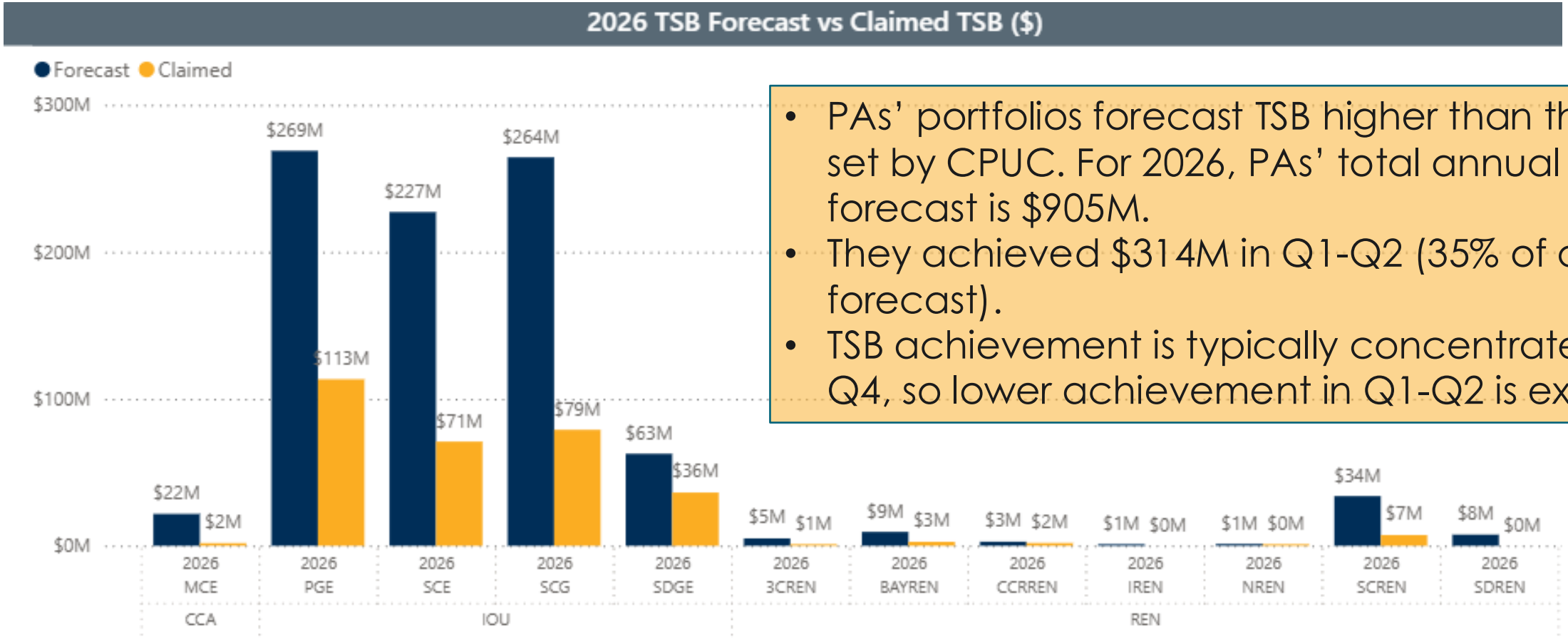


- CPUC sets Potential and Goals targets by IOU territory.
- Includes TSB from CCAs and RENs in the IOU's territory.
- Across all PAs, they achieved $314M in TSB in Q1-Q2 2026, which is 55% of annual Potential &Goals TSB goal.

Excludes program categories: C&S, ESA

Source: CEDARS Data Dashboards Oct. 1, 2026

Q1-Q2 2026 Total System Benefit (TSB) vs PA Forecasts

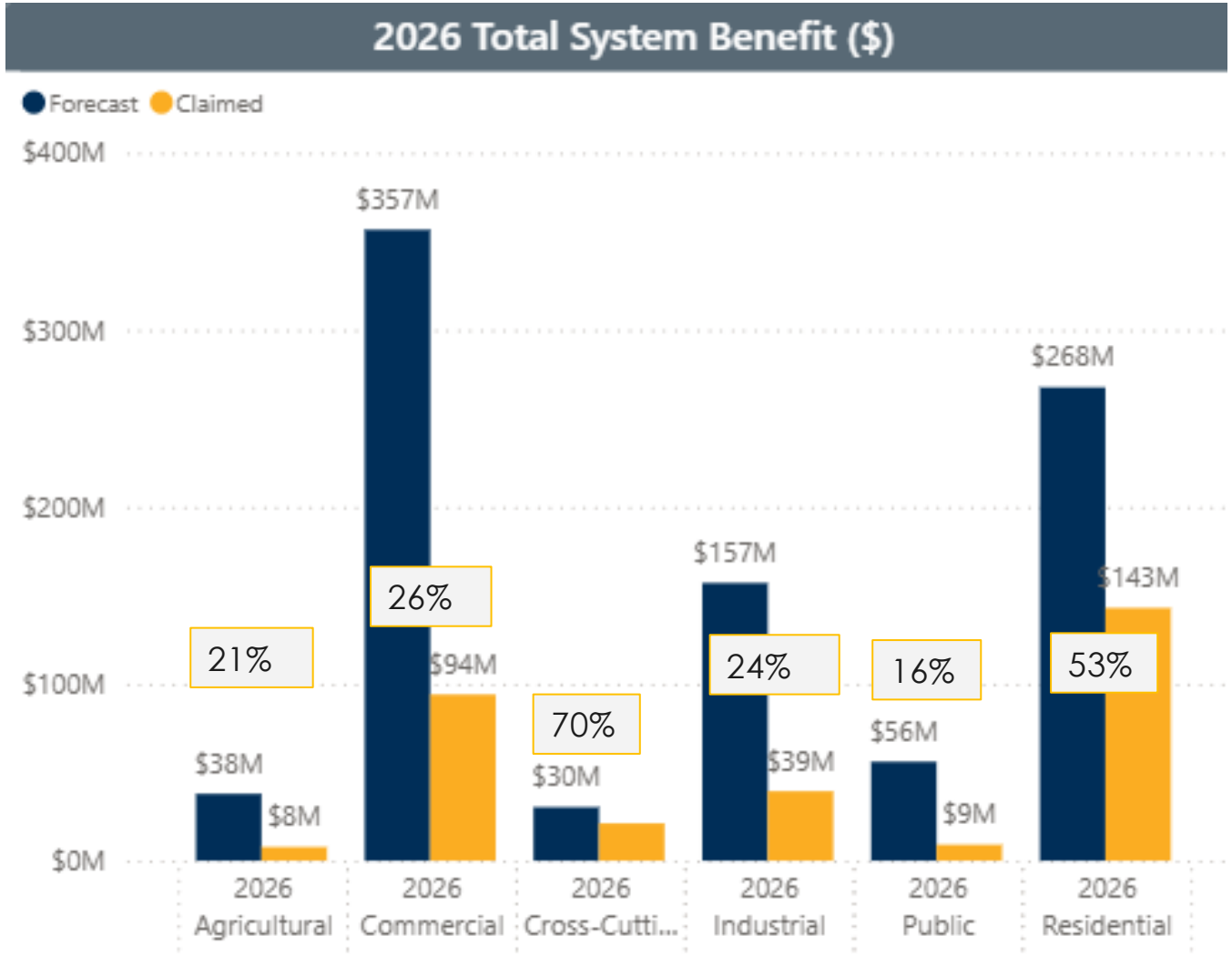


- PAs' portfolios forecast TSB higher than the goals set by CPUC. For 2026, PAs' total annual TSB forecast is $905M.
- They achieved $314M in Q1-Q2 (35% of annual forecast).
- TSB achievement is typically concentrated in Q3-Q4, so lower achievement in Q1-Q2 is expected.

Excludes program categories: C&S, ESA

Source: CEDARS Data Dashboards Oct. 1, 2026

Q1-Q2 2026 Total System Benefit (TSB), by Sector

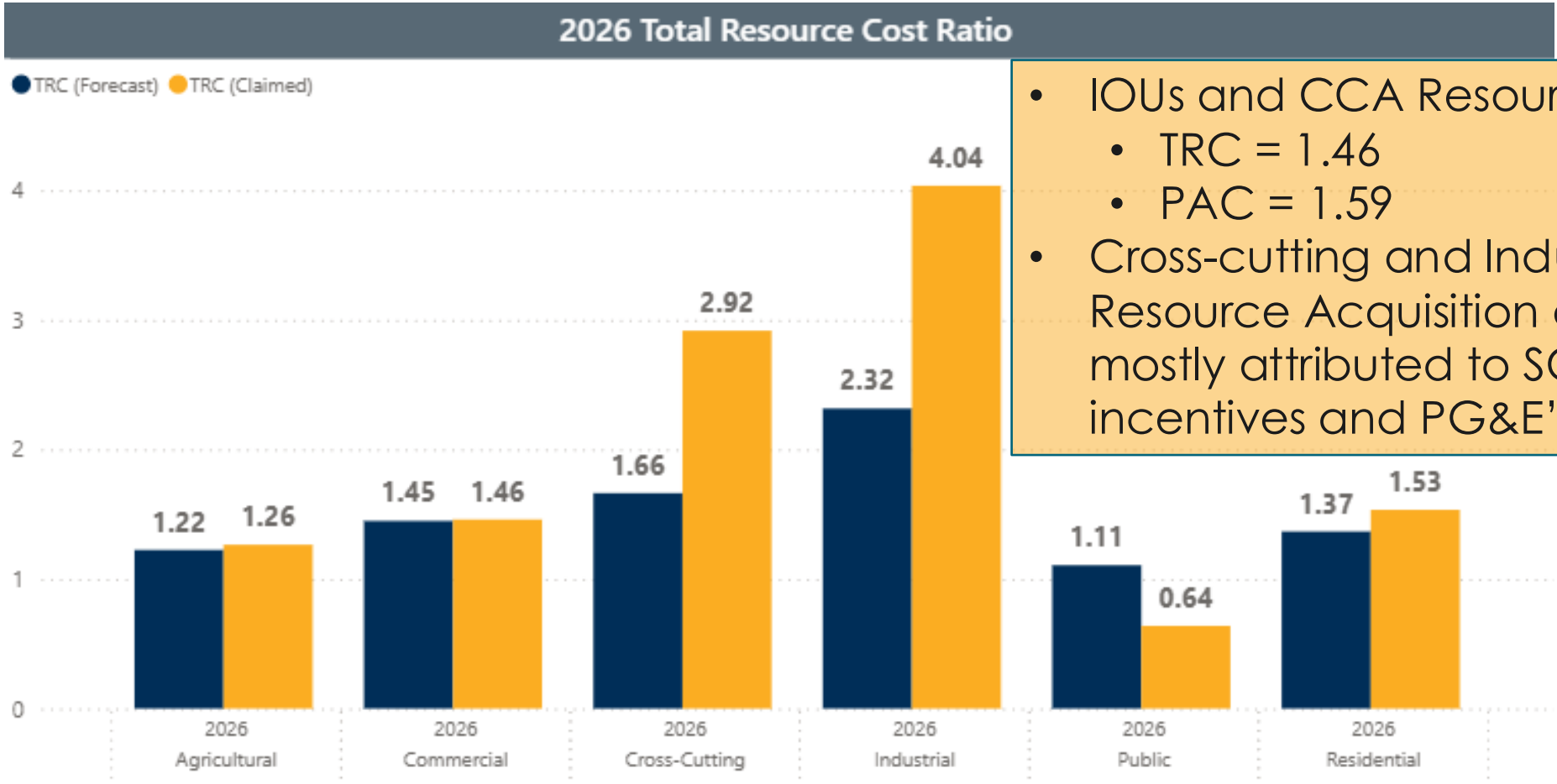


- Cross-cutting achieved 70% of forecast TSB in Q1-Q2, much of which was from one program: SCG's Nonresidential Calculated Incentives.
- Residential is on track to achieve TSB forecast by end of year.
- All other sectors are far from TSB forecasts for 2026.

Excludes program categories: C&S, ESA

Source: CEDARS Data Dashboards Oct. 1, 2026

Q1-Q2 2026 Cost Effectiveness, Compliance req. for IOUs, CCA -- only Resource Acquisition Segment

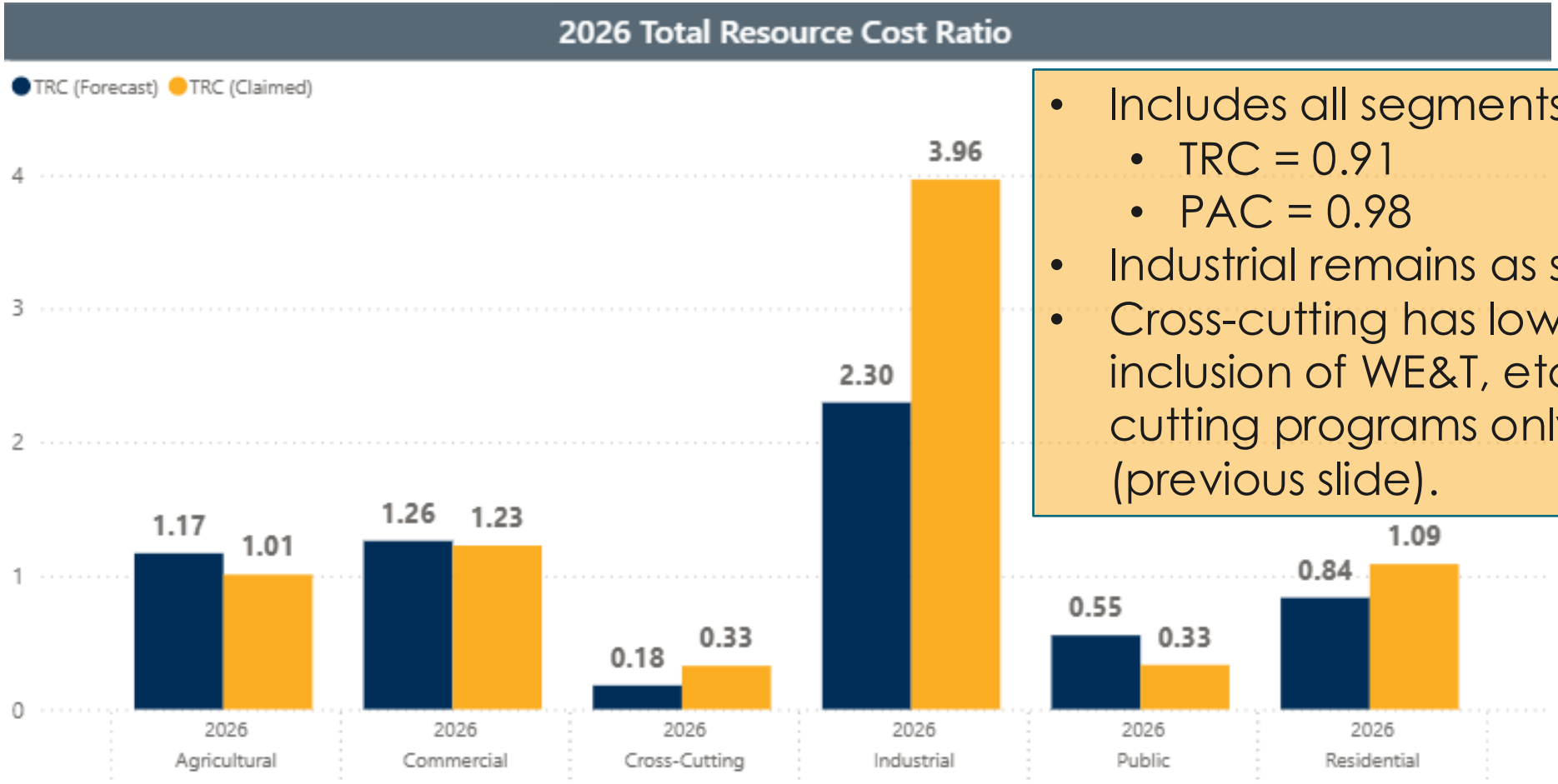


- IOUs and CCA Resource Acquisition:
  - TRC = 1.46
  - PAC = 1.59
- Cross-cutting and Industrial activities in Resource Acquisition are highly cost effective, mostly attributed to SCG's nonresidential incentives and PG&E's manufacturing SEM.

Excludes program categories: C&S, ESA, EM&V, Equity, and Market Support. Excludes RENs. Portfolio Support is not shown.

Source: CEDARS Data Dashboards Oct. 1, 2026

Q1-Q2 2026 Cost Effectiveness, whole portfolios, by Sector (All PAs) – not a compliance requirement

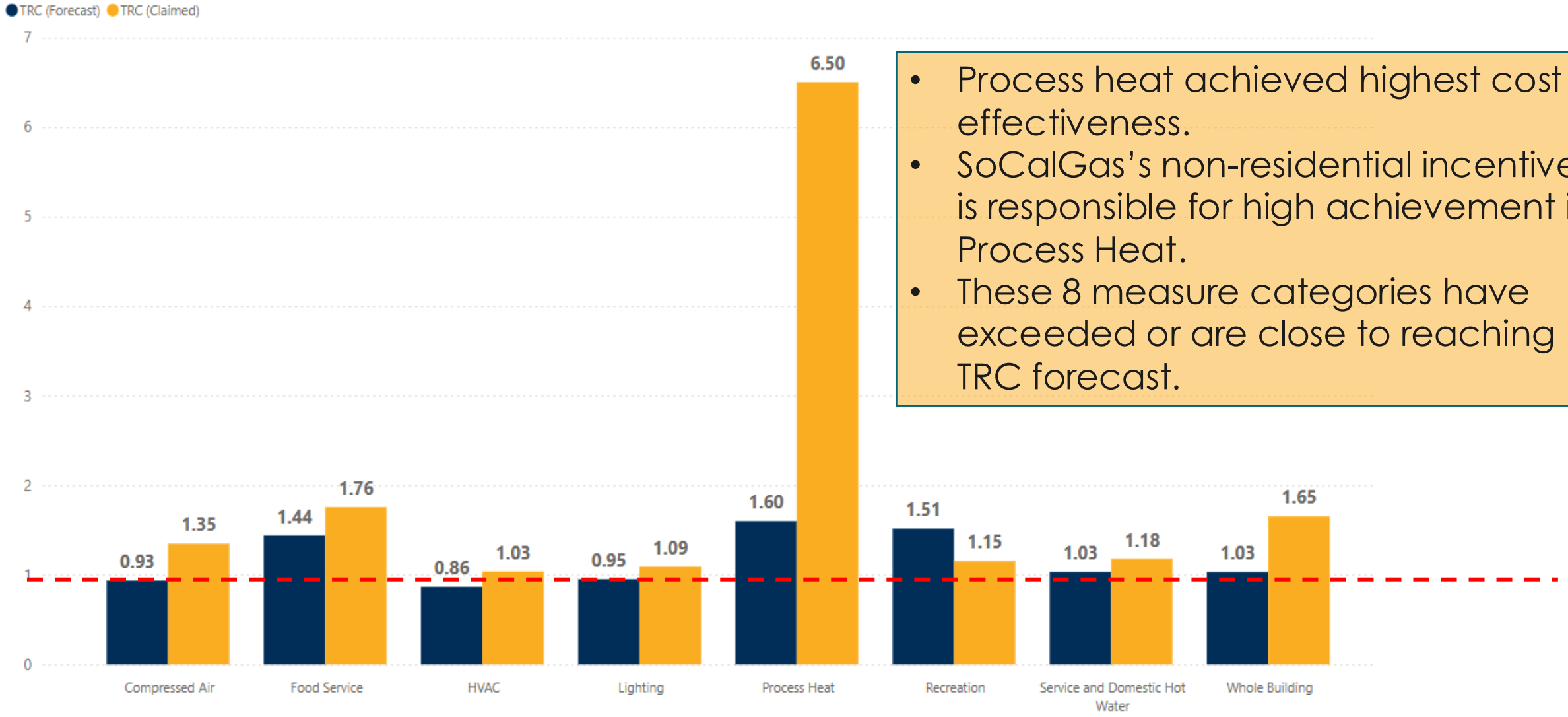


- Includes all segments (RA, MS, & E):
  - TRC = 0.91
  - PAC = 0.98
- Industrial remains as sector with highest TRC.
- Cross-cutting has low TRC, likely due to inclusion of WE&T, etc., as opposed to cross-cutting programs only in RA segment (previous slide).

Excludes program categories: C&S, ESA. Portfolio Support (TRC N/A) is not shown.

Source: CEDARS Data Dashboards Oct. 1, 2026

Q1-Q2 2026 Measure Use Categories TRC > 1.0



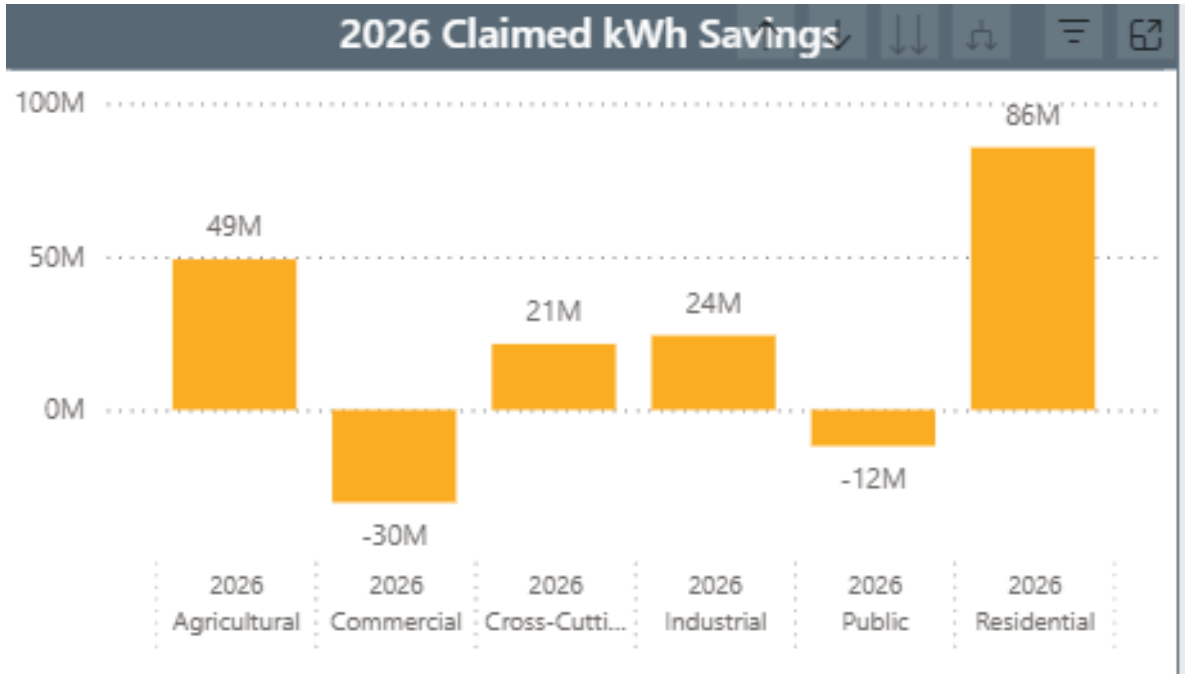
- Process heat achieved highest cost effectiveness.
- SoCalGas's non-residential incentives is responsible for high achievement in Process Heat.
- These 8 measure categories have exceeded or are close to reaching TRC forecast.

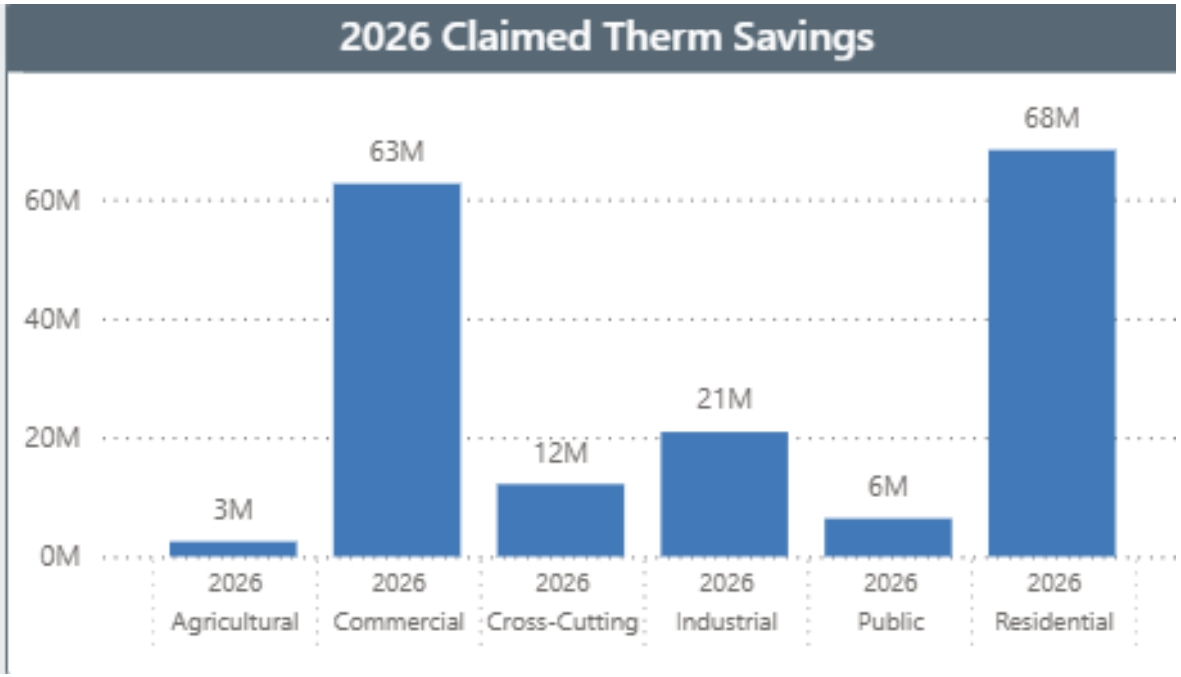
Excludes program categories: C&S, ESA

Source: CEDARS Data Dashboards Oct. 1, 2026

2026 Q1-Q2 Energy Savings, by Sector (All PAs)

- Lifecycle net savings across PAs from Q1-Q2 2026 activity: 138M kWh; 172M Therms
- kWh savings is highest in Residential Sector, followed by Agriculture. Negative values in Commercial are from Service Water Heaters (fuel substitution).
- Most savings in Therms for Commercial and Residential, also coming from Water Heaters.





Excludes program categories: C&S, ESA

Based on Lifecycle Net.

Source: CEDARS Data Dashboards Oct. 1, 2026

2026 Q1-Q2 Preview of Bill Savings, by Sector (All PAs)

Bill Savings (Lifetime Net, based on EUL)		
Sector	**# Program IDs**	**Total Bill Savings**
Agricultural	26	$20M
Commercial	100	$75M
Industrial	34	$17M
Public	72	$4M
Residential (total)	106	$160M
Non-capital Residential**		$85M

Excludes program categories: C&S, ESA.

- This year PAs began reporting bill savings.
- Lifetime savings are based on expected useful life (EUL) of measures installed.
- While it's too soon for findings, we are learning about the utility of these data.
- In the future, we might be able to determine approximate bill savings by participant.

****Non-capital residential programs**

- Behavioral activities such as home energy reports, home energy online audits, and new construction rebates.
- Account for almost half of claimed bill savings.

Source: CEDARS Data Oct. 1, 2026

Summary

- Q1+ Q2 expenditures are 35% of annual forecast spending across all PAs.
- PAs achieved 55% of TSB Goals and 35% of their TSB forecast.
- TRC=1.46 where it is a compliance requirement. TRC is slightly <1.0 when all programs for all PAs are included.
- Cross-cutting sector program vary greatly and do not really tell us much compared to other sectors.
- A single program can greatly influence overall TRC and TSB.
- Residential sector excels for energy savings, not in cost effectiveness.
- Industrial has best cost effectiveness; but not high energy savings.
- Some costs and benefits might not be accounted for until end of year.

Thank You



California Public Utilities Commission

MEMBER AND PUBLIC DISCUSSION

Enter questions into slido:
#4137515
Use the “ED” tag

There is limited time for Q&A. Unanswered Questions & Input submitted via Slido will be included in the Meeting Summary, and PAs will be asked to respond to as many as possible via Slido and the Meeting Summary

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What is a Deemed Measure?

A **deemed measure** is an “energy efficiency measure for which per-unit energy savings and demand reduction are pre-determined,” (CalTF).

Instead of measuring the actual savings during installation, deemed measures use analysis and field data that pre-calculate the savings value of an EE upgrade.

All statewide deemed measures are available in the eTRM database.

Panelists: Challenge of Reduced and Changing Deemed Measures

SCE	SDG&E	SoCalGas	SoCalREN	Energy Solutions
Zhong Li	Kelvin Valenzuela	Anders Danryd	Alfredo Gutierrez	Paul Kuck
Focus Today: **Portfolio-wide Effects**	Focus Today: **Statewide HVAC**	Focus Today: **Water Heating Measures**	Focus Today: **Lighting & Water Heating**	Focus Today: **Statewide FoodService Program**

SCE

Challenges with Deemed Measures

SCE's Challenge of Reduced and Changing Deemed Measures

Roughly 56% of portfolio TSB is at risk[1] through 2028 as electric energy efficiency measures decline and new saving methodologies take effect, leaving fewer replacement options



Concentrated TSB, fewer alternatives

- Just 5 measures account for 50% of SCE's 2025 portfolio TSB, increasing exposure to individual measure changes.
- All SCE top measures[2] meet TRC ≥ 1.0. Yet only ~20% of our TSB comes from TRC > 1.5 measures, versus the gas IOUs: SCG ~55%, PG&E ~83% and SDG&E ~80%.
- The pool of electric-only deemed measures shrank nearly 20% from 2020 to 2026. Of roughly 106 remaining, only 67% are cost-effective before administrative costs.
- As an electric-only utility, SCE has fewer cost-effective options and typically lower TRC results than other California IOUs. This leaves limited flexibility to replace measures that lose cost-effectiveness.

Losses among a small number of top-performing, cost-effective measures are putting significant pressure on TSB achievement

- 2026: Large Commercial HPWH measure package adopts a different savings methodology.[3]
- 2026: Agricultural Grow Lighting measure package moves from a deemed package to a custom methodology.[3]
- 2026: Update to Large Instantaneous Water Heaters in the Statewide Commercial Midstream Water Heater program.[4]
- 2027 proposal: Commercial HPWH would align with the Large Commercial HPWH savings methodology.[3]
- 2028: The CPUC's ACC update could affect HPWH fuel substitution.

Notes
1. Risk shares are approximate portions of SCE portfolio TSB.
2. Top measures represent 50% of each utility's 2025 portfolio TSB. Peer comparison excludes PG&E's anomalous SEM measure (TRC ~28) and SCE's instantaneous water heaters (included in the Statewide Mid-Stream Water Program.
3. Actions taken as part of Energy Division's 2026 update to the California database for energy-efficient resources (DEER).
4. Action taken as part of DOE's 2024 update to water heaters and Energy Division's 2026 update to DEER.

SDG&E

Challenges with Deemed Measures

Challenge of Reduced and Changing Deemed Measures

SW-HVAC Program Highlights

Measure Package example: SWHC013 – Unitary Air-Cooled AC, Over 65 kBtu/hr, Commercial

- Reduction from PY24 to PY25 in various metrics:
- Principal concern is the **timing of the PY2025 transition** --- Experienced a mid-year PY2025 update associated w/ refrigerant GWP and multiple manual administrative changes. **Measure package was updated on July 9, 2025 but retroactive to beginning of the year.**
- Impacting the pre-planning in Q4 of the previous year and had to rebalance measure mix to try to achieve overall program goals all over again.

Metric	PY2024 Avg.	PY2025 Avg.	Change	Result	Program Analysis
Peak Demand Reduction (kW)	0.0710	0.0710	+0.05%	**No material change**	Demand performance was essentially unchanged.
Electric Savings (kWh)	173.43	173.54	+0.06%	**No material change**	Average electric savings were essentially unchanged.
Gas Savings (Therms)	0.0000	0.0000	Displayed: -33.26%	**No material change**	Both displayed averages round to zero; no measurable change is shown.
Water Savings (Gallons)	0.00	0.00	No change	**No change**	No water-savings impact in either package.
Measure Total Cost ($)	190.53	188.99	-0.81%	**No material change**	Average cost changed minimally.
Incremental Measure Cost ($)	190.53	188.99	-0.81%	**Slight negative**	Under the stated IMC incentive constraint, incentive headroom decreased slightly by $1.54.
Effective Useful Life (Years)	15.00	15.00	No change	**No change**	Useful life remained stable.
TRC Ratio, No Admin Cost	1.04	0.87	-16.17%	**Moderate negative**	Programmatically important: cost-effectiveness fell below 1.0.
Total System Benefit ($)	95.01	79.62	-16.20%	**Moderate negative**	Programmatically important: average system benefit decreased by $15.39.
Generalized Savings Impact Analysis Value	1.00	1.00	No change	**No change**	Stable.
NTG kWh	0.50	0.50	No change	**No change**	Stable.
NTG Therms	0.60	0.60	No change	**No change**	Stable.

Challenge of Reduced and Changing Deemed Measures

SW-HVAC Program Highlights

Measure Package example: SWHC014 – Unitary Air-Cooled AC or Heat Pump, Commercial

- Reduction from PY24 to PY25 in various metrics:
- Principal concern is the **timing of the PY2025 transition** --- Experienced a Q2 PY2025 update. **Measure package was updated on April 25, 2025 but retroactive to beginning of the year.**
- Impacting the pre-planning in Q4 of the previous year and had to rebalance measure mix to try to achieve overall program goals all over again.

Metric	2024 Avg.	2025 Avg.	Change	Result	Program Analysis
Peak Demand Reduction (kW)	0.0877	0.0572	-34.80%	**Significant negative**	Demand reduction declined by more than one-third.
Electric Savings (kWh)	288.68	56.36	-80.48%	**Severe negative**	Electric savings declined by approximately four-fifths.
Gas Savings (Therms)	2.3893	0.0000	-100.00%	**Severe negative**	Reported gas savings were eliminated.
Measure Total Cost ($)	956.03	394.61	-58.72%	**Context dependent**	Lower cost may be favorable generally, but it coincides with reduced program value.
Incremental Measure Cost ($)	956.03	394.61	-58.72%	**Significant negative**	Lower IMC reduced maximum incentive headroom under the stated program constraint.
Effective Useful Life (Years)	15.00	20.00	+33.33%	**Significant positive**	Useful life increased by five years.
TRC Ratio, No Admin Cost	0.99	0.19	-80.41%	**Severe negative**	Cost-effectiveness declined materially.
Total System Benefit ($)	179.10	35.97	-79.92%	**Severe negative**	System benefit declined by approximately four-fifths.
Water Savings (Gallons)	0.00	0.00	No change	**No change**	No water impact.
Generalized Savings Impact Analysis Value	1.00	1.00	No change	**No change**	Stable.
NTG kWh	0.50	0.50	No change	**No change**	Stable.
NTG Therms	0.60	0.60	No change	**No change**	Stable.

Challenge of Reduced and Changing Deemed Measures

SW-HVAC Program Highlights

Measure Package example: SWHC045 – Heat Pump HVAC, Fuel Sub, Residential

- Overall positive benefits from PY24 to PY25 in various metrics:
- However, principal concern is the **timing of the PY2026 transition** --- Experienced a Q2 PY2026 update. **Measure package was updated on April 29, 2026, but retroactive to beginning of the year.**
- Impacting the "burn-rate" as the higher TSB accelerated incentive-fund utilization and exhausted available PY2026 funds sooner than expected. Triggered budget increase request with statewide partners. CFA and Amendments coordination take months.

Metric	PY2025 Avg.	PY2026 Avg.	Change	Result	Program Analysis
First Baseline Electric Savings (kWh)	-464.60	-392.01	+72.60; 15.63% less consumption	**Moderate positive**	Negative savings moved toward zero, reducing added electric consumption.
First Baseline Gas Savings (Therms)	43.7756	70.0885	+26.3129 (+60.11%)	**Significant positive**	Gas displacement increased materially.
Second Baseline Electric Savings (kWh)	-453.82	-384.75	+69.07; 15.22% less consumption	**Moderate positive**	Added electric consumption decreased.
Second Baseline Gas Savings (Therms)	44.1963	70.4958	+26.2995 (+59.51%)	**Significant positive**	Gas displacement increased materially.
Existing Baseline Electric Savings (kWh)	-453.82	-358.84	+94.98; 20.93% less consumption	**Significant positive**	Largest reduction in added electric consumption.
Existing Baseline Gas Savings (Therms)	44.1963	72.2373	+28.0410 (+63.45%)	**Significant positive**	Largest gas-savings improvement.
Standard Baseline Electric Savings (kWh)	-464.60	-398.39	+66.21; 14.25% less consumption	**Moderate positive**	Added electric consumption decreased.
Standard Baseline Gas Savings (Therms)	43.7756	69.6593	+25.8837 (+59.13%)	**Significant positive**	Gas displacement increased materially.
Incremental Measure Cost ($)	1,762.34	1,738.83	-23.51 (-1.33%)	**Slight negative**	Under the stated IMC constraint, incentive headroom decreased slightly.
NTG kWh / Therms	0.94	0.83	-0.10 (-11.22%)	**Moderate negative**	Lower NTG reduces net program attribution.
TRC Ratio, No Admin Cost	0.71	1.26	+0.55 (+77.44%)	**Major positive**	Cost-effectiveness crossed above 1.0.
Total System Benefit ($)	406.59	1,163.28	+756.69 (+186.11%)	**Major positive / operational pressure**	Portfolio value nearly tripled; program context indicates faster fund exhaustion.
Full Measure Cost ($)	2,798.14	2,929.99	+131.85 (+4.71%)	**Context dependent**	Cost increased modestly relative to major TRC and TSB gains.
First Baseline Life (Years)	19.00	19.34	+0.34 (+1.79%)	**Slight positive**	Life increased marginally.

SoCalGas

Challenges with Deemed Measures

Gas Water Heating Technologies

- Gas Water Heater Measure Offerings
  - Condensing Storage Water Heaters
  - Condensing Tankless Water Heaters
  - Solar Thermal Water Heating
  - Gas Absorption Heat Pumps
  - Future: Newer dual fuel Hybrid Heating Appliances
- Upcoming code changes
  - Commercial Water Heaters Impacted by DOE code changes October 5, 2026
  - Residential Water Heater Code changes coming in May 2029

New Measure Exploration

- New Measures in Development
  - Water Heater Temperature Controller
  - Smart Shower Timer with App
  - Whole Home Water Monitor
  - Water Heater Tune-up
- Goals
  - Evaluation of new technologies and development of new measures
  - Lower impact measures with potential for partnership opportunities
  - Diversify program mix and reliance on any one measure

Measure Development Process

- Current Challenges
  - Process to develop a measure is long and takes years to develop from start to finish
  - Long timelines create barriers for new or innovative technologies
  - Rebates are important for new technology success
- Possible Solutions
  - Less rigor for initial new measure approvals
  - Tiered review system for deemed measures based on expected/actual uptake and forecasted benefits claimed

SoCalREN

Challenges with Deemed Measures

SoCalREN Challenge of Reduced and Changing Deemed Measures

Topic Description: Decreasing eligibility and savings values of deemed measures may impact sectors that certain PAs rely on most, whereas other PAs have the balance and flexibility to rely on other sectors. The impact of changes to gas appliance measures may impact 2027-2028 outcomes, meaning there are more limited measures available to balance TSB and TRC.

How SoCalREN is impacted by this issue

- SoCalREN is particularly sensitive to declining eligibility and savings values for key deemed measures because several sectors have a limited pool of viable alternatives to offset lost savings, creating downward pressure on 2027–2028 TSB and TRC performance.
- The impacts are especially pronounced for equity-focused and direct-install programs; Residential alone estimates an ~8% reduction in forecasted 2027 TSB from federal water heater code impacts.

How SoCalREN is addressing the issue

- SoCalREN is diversifying its measure and delivery mix to reduce reliance on declining or uncertain deemed measures, including exploring custom pathways, beneficial electrification/fuel substitution, new measure development, and emerging technologies.
- Programs are also evaluating new delivery approaches, measure bundling, contractor training, and financing strategies to maintain viable customer offerings while mitigating potential customer bill and participation impacts.
- SoCalREN collaborated with other PAs to request a six-month extension for implementing DOE federal water heater code-related measure package changes, providing additional time to address uncertainty while associated federal litigation is resolved.

CAEECC Discussion: How can measure development and delivery pathways better account for equity-focused programs, where reduced deemed measure availability may directly affect customer services and cannot always be offset by shifting savings elsewhere?

Challenges with Deemed Measures

California Foodservice Instant Rebates:
Challenge of Reduced and Changing Deemed Measures

- Impacts
  - Average unit **therm** savings have **decreased** by **15%** across all measures in the program from 2021-2026
  - Average unit **kWh** savings have **decreased** by **15%** across all measures in the program from 2021-2026
  - Title 20 Appliance standards expected 2028-2029 for top measures (fryers, ovens, dishwasher and steamers); likely to eliminate >90% of savings from these measures

California Foodservice Instant Rebates:
Responding to Reduced and Changing Deemed Measures

- **Diversify foodservice measures!**
  - 11 new measures, 22 offerings added since 2021
  - 8 measures in development
  - Analyzed and prioritized 87 potential measure offerings
- **Foodservice has some unique measure challenges**
  - No federal standards – no performance data available, no test methods
    - Efficient baseline bias
  - Equipment is very expensive
  - Low hanging picked - new opportunities have less savings/unit or sales volumes, or both
  - Result: New measure development is VERY expensive and lengthy

California Foodservice Instant Rebates:
Recommendations to Support New Measure Innovation

- Scale data requirements based on expected annual savings, ease requirements for new measures with anticipated low savings.
- Support assumptions that reduce volume of permutations and complexity.
- Focus reviews on ISPs, not edge cases or most conservative values. Goal is a reasonable, average deemed savings value.
- Engage implementers during measure updates. Surprises make program management difficult.
- Optimize for progress, not perfection!

CALIFORNIA FOODSERVICE instant rebates™ SoCalGas. SDGE SOUTHERN CALIFORNIA EDISON PG&E Pacific Gas and Electric Company

All Other PA Slides on Challenges with Deemed Measures are in the Appendix.

MEMBER AND PUBLIC DISCUSSION

Raise your hand to enter the queue

BREAK until 10:35

Welcome 9:00 - 9:10 AM	
Energy Division Presentation: Quantitative Overview Across All PAs + Q&A 9:10 - 9:25 AM	01
Panel: Challenge of Reduced and Changing Deemed Measures 9:25 - 10:25 AM (followed by a Break)	02
Lightning Presentations: Continuous Portfolio Improvement 10:35 - 11:45 AM	**03**
Next Steps, Themes, & Wrap Up 11:45 - 12:00 PM	**04**

PA Presentation Prompts

Each PA will present under 3min on the following prompts:

- How are you currently tracking to your 2026 and 4-year portfolio TSB goals (e.g., on track, under, over, and by how much)?
- How are you tracking on your 2026 and 4-year portfolio expenditures (e.g., on track, under, over, and by how much)?
- If the portfolio is tracking over TSB goals, what are the top contributors?
- If the portfolio is tracking under TSB goals:
  - What is the issue?
  - What caused the challenge?
  - What solution are you deploying to adapt?
- What is one successful project you've done this year?
- What was the outcome (e.g., grid/GHG impacts and/or customer benefit)?
- What made it a success?
- What can others learn or replicate from this project?

Session Format

1) **Portfolio Administrator (PA) Presentation (<3min)**
2) **Member + Public Questions & Input (12min)**

There is limited time for Q&A. Unanswered Questions & Input submitted via Slido will be included in the Meeting Summary, and PAs will be asked to respond to as many as possible via Slido and the Meeting Summary

Order of Presentations:

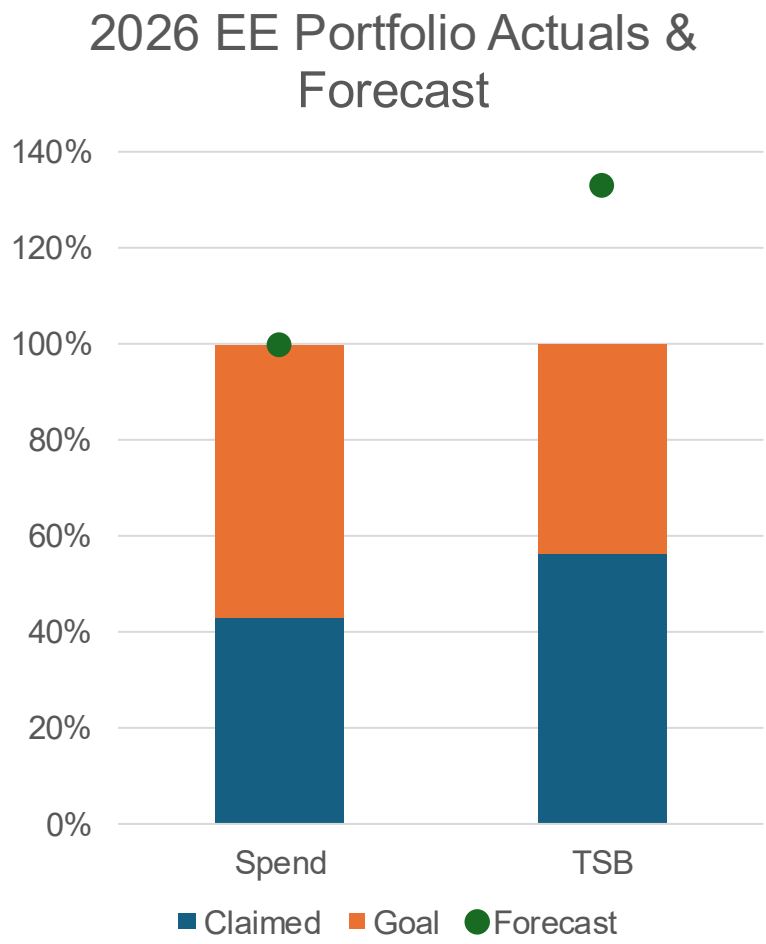
1. PG&E
2. SCE
3. SDG&E
4. SoCalGas
5. MCE
6. 3C-REN
7. BayREN
8. CCR REN
9. I-REN
10. NREN
11. SDREN
12. SoCalREN

PG&E

Continuous Portfolio Improvement

PG&E 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed*	$113,328,803		**Q1 and Q2 Expenditure****	$96,681,900	
Q3 and Q4 TSB Forecast*	$156,512,922		**Q3 and Q4 Expenditure Forecast****	$128,142,381	
Total TSB Forecast Attainment *	$268,810,781		**Total 2026 Forecast Expenditure****	$224,824,281	
2024 + 2025 + 2026 TSB Forecast*	$905,285,701		**2024 + 2025 + 2026 Total Expenditures****	$648,442,785	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal*	$849M	107%	**Approved 4-year budget amount | % of budget spent****	$888M	73%



*TSB does not include REN and CCA achievements that will be attributed towards PG&E's approved goal
**Budget and expenditures do not include exclude from budget items such as OBF loan pool or CPUC Portfolio Oversight. Budgetalso includes 2024 actuals as presented in Table 5 of the Mid Cycle Advice Letters.

PG&E 2026 Project Highlight

PG&E launched the **Empower the Bay** pilot, designed to make **electrification programs easier for equity customers** by creating **a streamlined customer journey** across multiple building and transportation electrification offerings and through **deep community-based engagement.**

2026 Highlights

- Enrolled 10 income-qualified customers across San Francisco's Bayview/Hunter's Point neighborhood.
  - 4 customers have completed installation, the remaining are in-progress
- Customers participated in one or more electrification programs, including Empower My Home (PG&E), Pre-owned EV (PG&E) and Clean Cars for All (BAAQMD).
- Local CBOs, local contractors and the City of San Francisco were engaged across the customer journey increasing trust with customers.
- Based on 2026 success, Empower the Bay will expand to up to 4 additional markets starting in 2027 while also supporting more customers in SF.







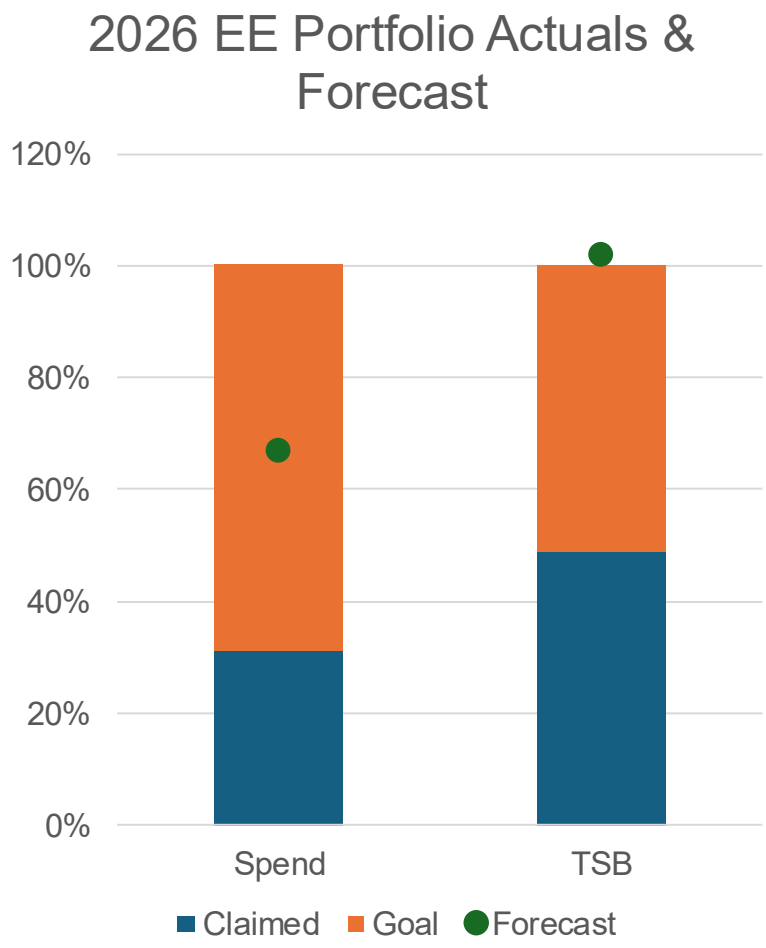
SCE

Continuous Portfolio Improvement

SCE 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

SCE is actively managing near-term performance while positioning the portfolio for sustainable four-year delivery.

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$70.9M		**Q1 and Q2 Expenditure**	$83.03M	
Q3 and Q4 TSB Forecast	$76.7M		**Q3 and Q4 Expenditure Forecast**	$95.88M	
***Total TSB Forecast Attainment**	$147.6M		**Total 2026 Forecast Expenditure***	$178.91M	
2024 + 2025 + 2026 TSB Forecast	$549.0M		**2024 + 2025 + 2026 Total Expenditures**	$619.48M	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$552.2	99.4%	**Approved 4-year budget amount | % of budget spent**	$1,105M	56.1%



***2026 TSB and expenditure forecast excludes Codes and Standards, ESA and non-SCE led SW programs. 2024, 2025 and 2026 TSB and expenditures excludes Codes and Standards and ESA.**

SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead®

SCE 2026 Project Highlight

In 2026, the Comprehensive Commercial Energy Efficiency Program (CEEP), successfully completed a project to replace aging gas water-heating equipment across **four assisted living and memory care facilities.** The project provided **high-efficiency heat pump water-heating equipment and installation**, while accommodating the unique operating and infrastructure constraints of each facility.



Project Benefits

- Total System Benefit **(TSB): $895,390**; Total Resource Cost **(TRC): 1.13**
- Estimated to reduce approximately **650 metric tons of lifecycle CO_2 emissions**.
- Reduced **NOx emissions**, contributing to improved local air quality.
- Delivered premium-efficiency equipment with **no upfront customer investment**.
- Aging equipment incurred significant annual maintenance costs. The customer can now redirect those funds to facility improvements and initiatives that enhance residents' quality of life.



What Made the Project Successful

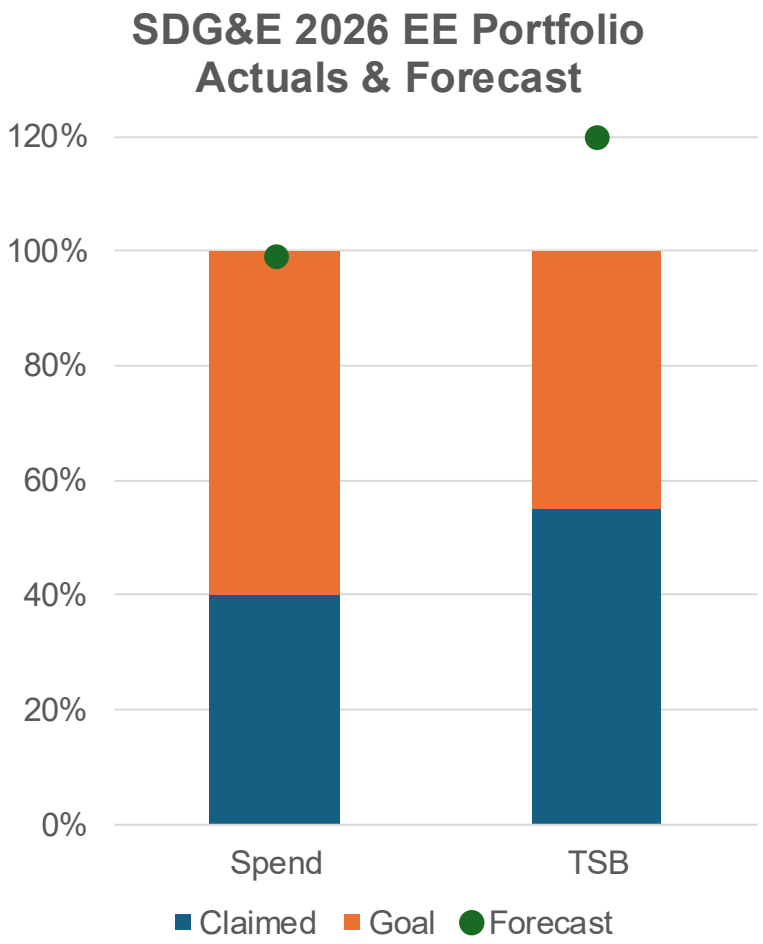
- **Strong cross-functional coordination**: Collaboration with plumbing, electrical, and general contracting trades to design, schedule, and install the projects within program requirements and each facility's operating constraints.
- **Minimal disruption to residents**: Coordination with facility staff enabled installation activities to be carefully planned around resident needs and ongoing facility operations.
- **Customer-centered approach**: The program team invested time upfront to understand the customer's needs, priorities, and site-specific constraints, building a trusted relationship throughout the project.
- **Tailored technical solutions**: Rather than applying a one-size-fits-all approach, the team deployed different heat pump water heater types and configurations based on each facility's physical space, electrical capacity, and other site conditions.

SDG&E

Continuous Portfolio Improvement

2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$36,216,669		**Q1 and Q2 Expenditure**	$30,933,276	
Q3 and Q4 TSB Forecast	$42,514,782		**Q3 and Q4 Expenditure Forecast**	$38,872,398	
Total TSB Forecast Attainment	$78,731,451		**Total 2026 Forecast Expenditure**	$69,805,674	
2024 + 2025 + 2026 TSB Forecast	$207,226,555		**2024 + 2025 + 2026 Total Expenditures**	Forecast– $204,088,419	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$228M	_64_%	**Approved 4-year budget amount | % of budget spent**	$306M	_54_%



2026 Project Highlight – SW-PLA

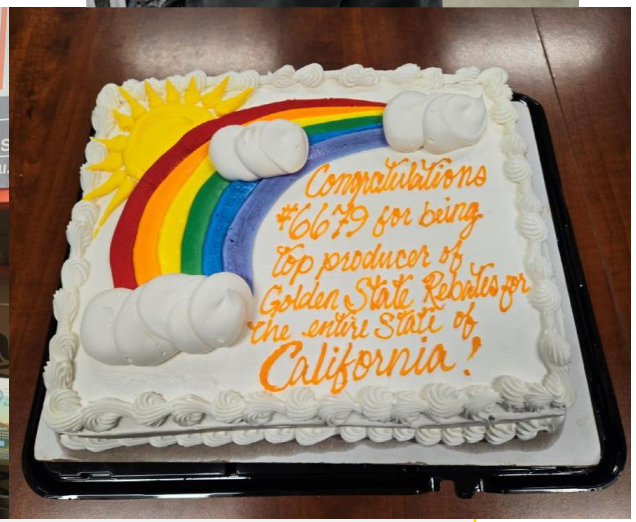
Golden State Rebate (GSR) program

- Unique program delivery as the overall program is statewide and midstream delivery type.
- “Customers” benefiting are retailers, contractors, and traditional single-family home-owners
- **Routine Field Visits:** The GSR field team monitored and recognized the top performing retail stores and used HPWH sales performance as a talking point
- Would have flyers available as well for store employees could easily refer to as they were posted in break rooms.
- Included step-by-step process for rebate coupon and FAQs for customers
- Outline benefits of installing HPWHs
- Influenced to have HPWHs move to end caps
- Best performing store in 2026 located in Bay Area







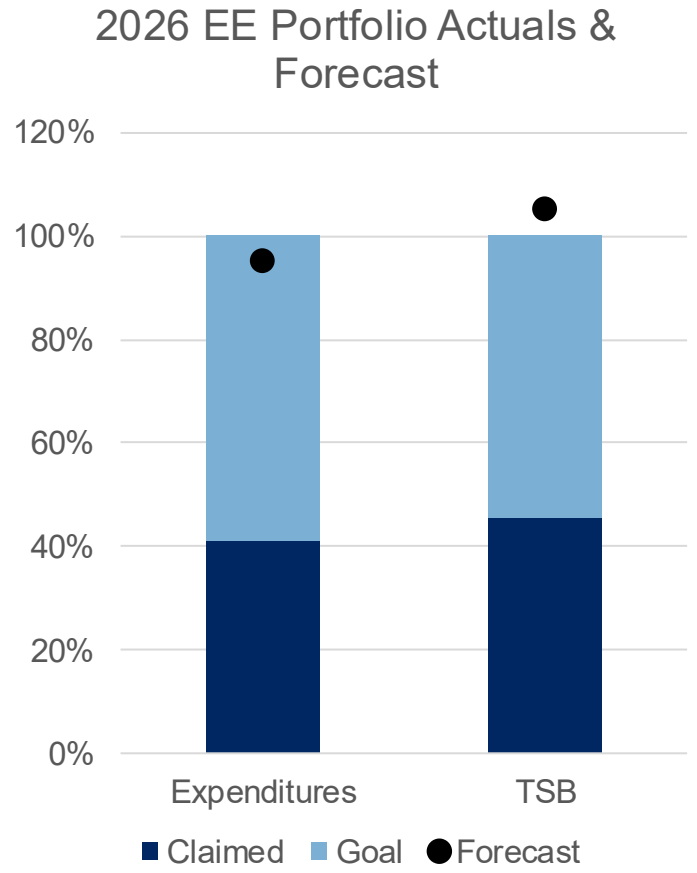


SoCalGas

Continuous Portfolio Improvement

2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 & Q2 TSB Claimed	$78,927,365		**Q1 & Q2 Expenditure**	$63,436,700	
Q3 & Q4 TSB Forecast	$106,072,635		**Q3 & Q4 Expenditure Forecast**	$84,907,674	
2026 Year End TSB Forecast	$185,000,000		**2026 Year End Expenditure Forecast**	$148,344,374	
2024 + 2025 + 2026 TSB Claims	$464,628,056		**2024 + 2025 + 2026 Total Expenditures**	$354,057,251	
Approved 4-year TSB goal % of TSB (2026 YE) to 4-yr goal	$716,550,532	65%	**Approved 4-year budget amount % of budget spent**	$615,189,481	58%



2026 SoCalGas Project Spotlight

Retirement Housing Foundation - Pilgrim Towers, Completed Feb. 2026



Pilgrim Towers Overview

- Pasadena, CA
- 412 Affordable Senior Units
- Two 11-Story High-Rise Towers
- Wildfire Impacted Area
- 5 Residents Displaced by the Eaton Fire Now Call Pilgrim Towers Home

Energy Savings

- Direct Install In-Unit Measures (405 Units Served)
- Common Area DHW Boiler Replacement
- Thanksgiving Community Event – Giving Back
- Project Referred to PWP

Equipment Upgrades

- 4 High-Efficiency Boilers & 462-Gal. Storage Tank
- Expansion Tank & 2 Sediment/Scale Filters
- Recirc. Pump, 2 Boiler Pumps & Pipe Insulation
- In-Unit Showerheads, Aerators & Air Sealing
- RayMote Real-Time Monitoring & Wi-Fi

15,347+ **Projected Annual Therm Savings**

20% **MF CARE Discount – Property Enrolled**

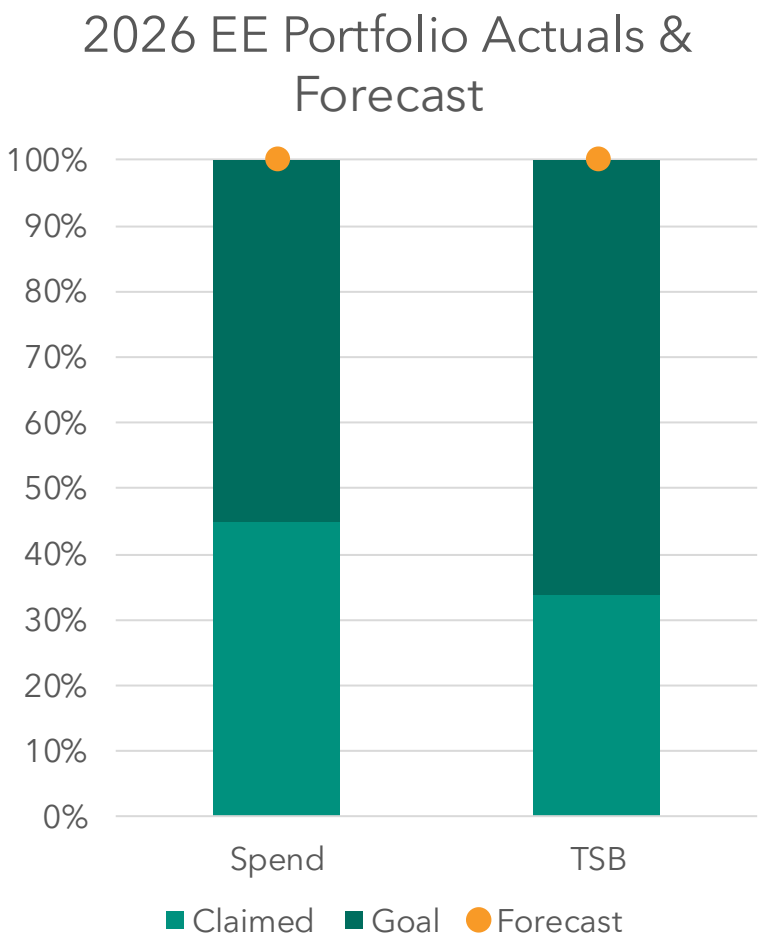
SoCalGas

MCE

Continuous Portfolio Improvement

MCE 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$1,772,630		**Q1 and Q2 Expenditure**	$4,753,017	
Q3 and Q4 TSB Forecast	$17,453,606		**Q3 and Q4 Expenditure Forecast**	$6,746,983	
Total TSB Forecast Attainment	$19,226,236		**Total 2026 Forecast Expenditure**	$11,500,000	
2024 + 2025 + 2026 TSB Forecast	$24,510,515		**2024 + 2025 + 2026 Total Expenditures**	$25,108,419	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$72,453,754	34%	**Approved 4-year budget amount | % of budget spent**	$70,396,693	45%



MCE Project Highlight: Homeward Bound of Marin

MCE partnered with Homeward Bound of Marin and the Association for Energy Affordability (AEA) to implement energy efficiency and electrification upgrades at two facilities serving individuals and families experiencing homelessness:

- **New Beginnings Center (Novato):** An 80-bed shelter.
- **Family Center (San Rafael):** A shelter serving up to nine families at a time.

Key Project Highlights:

- Nearly $400,000 in funding ($260,000 from CPUC-funded programs)
- Upgrades included heat pump HVAC and water heating, battery-equipped induction stoves, efficient laundry equipment, ventilation improvements, new windows, electrical upgrades, and water conservation measures.

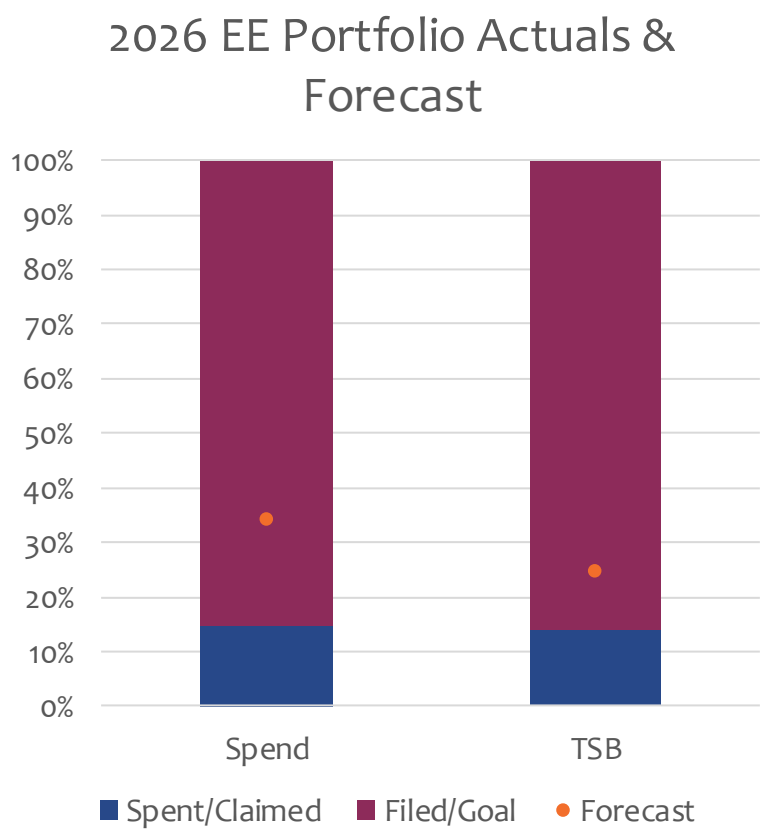


3C-REN

Continuous Portfolio Improvement

3C-REN 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditures and 4-Year Progress		
Q1 and Q2 TSB Claimed	$699,897		Q1 and Q2 Expenditure	$3,293,700	
Q3 and Q4 TSB Forecast	$1,087,582		Q3 and Q4 Expenditure Forecast	$5,118,137	
Total TSB Forecast Attainment	$1,787,479		Total 2026 Forecast Expenditure	$8,411,837	
2024 + 2025 + 2026 TSB Forecast	$5,928,883		2024 + 2025 + 2026 Total Expenditures	$30,279,721	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$25,603,827	23%	Approved 4-year budget amount | % of budget spent	$79,059,537	38%



3C-REN 2026 Project Highlight

- **About the Multifamily Property (HTR)**
  - 75-units for low-income households, deed-restricted
  - Property amenities include accredited preschool, early childhood ed, after-school programs, community center, etc.
  - Managed by non-profit People's Self Help Housing
- **About the Project**
  - In-unit HPWHs, Pipe Insulation, Low Flow Showerheads, Low Flow Aerators, LED Common (and in-unit*)
  - Rebates: $300K (3C-REN), $225K (LIWP)
- **Benefits**
  - 30.9 MTCO2e savings
  - 150,910 net therms saved (lifecycle)
  - 0.3 net kW reduced

- **What Made It Successful / Lessons Learned**
  - Contractor floated rebate costs so upfront owner costs were minimal
  - Engaged property owner
  - Leveraged funding from LIWP
  - Trust from prior projects and strong owner-contractor relationship allowed the team to move quickly to meet LIWP deadlines
  - TA sized HPWHs above code minimum for units with higher occupancy, leading to more efficient operation



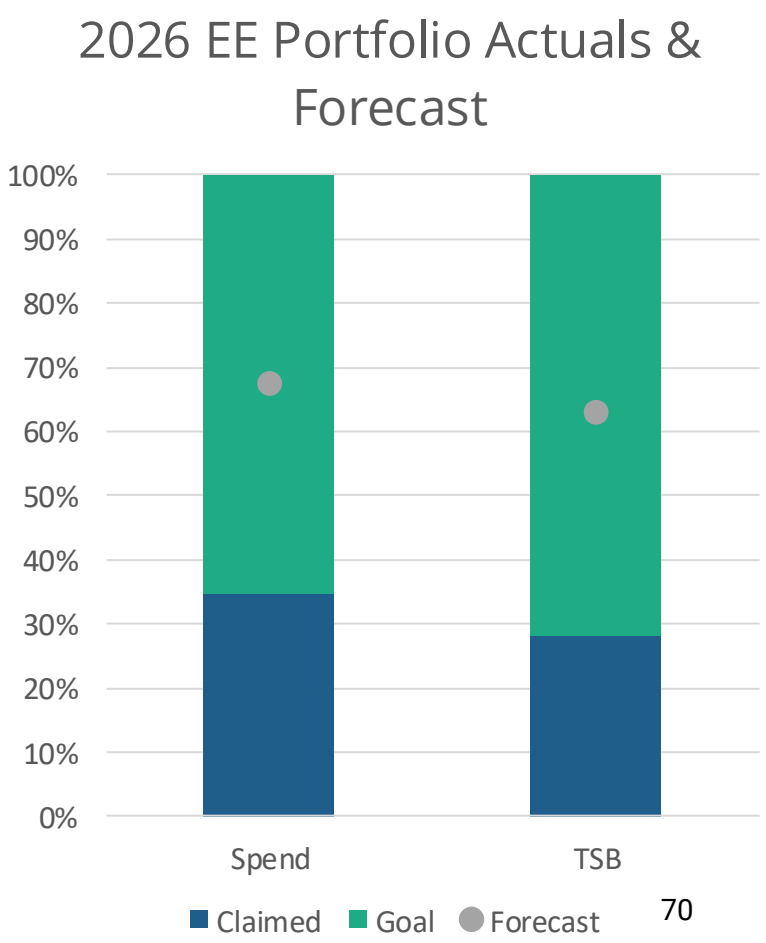
Multi-measure project for 75-unit HTR site. HPWHs, LEDs & more.

BayREN

Continuous Portfolio Improvement

BayREN 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$2.7 million		**Q1 and Q2 Expenditure**	$15.6 million	
Q3 and Q4 TSB Forecast	$3.3 million		**Q3 and Q4 Expenditure Forecast**	$17.4 million	
Total TSB Forecast Attainment	$6.0 million		**Total 2026 Forecast Expenditure**	$33.0 million	
2024 + 2025 + 2026 TSB Forecast	$15.4 million		**2024 + 2025 + 2026 Total Expenditures**	$90.9 million	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$29.9 million	52%	**Approved 4-year budget amount | % of budget spent**	$165.2 million	55%





"There were times we almost had to shut down because the old equipment couldn't keep temperatures low enough."
Calvin Change - Owner

2026 Project Highlight – Katsuya Restaurant in San Francisco

BayREN Refrigerant Replacement Program (BRRR)

Issue:
- Equipment was nearing the end of its useful life
- Struggling to maintain safe temperatures
- Running continuously - 24 hours a day, driving up energy costs and putting business operations at risk

Solution:
- Replacement of ageing walk-in refrigeration components with newer, more energy-efficient equipment
- Program covered 80% of the project cost
- Owner completed BRRR maintenance training, which taught him how to perform simple but important maintenance tasks

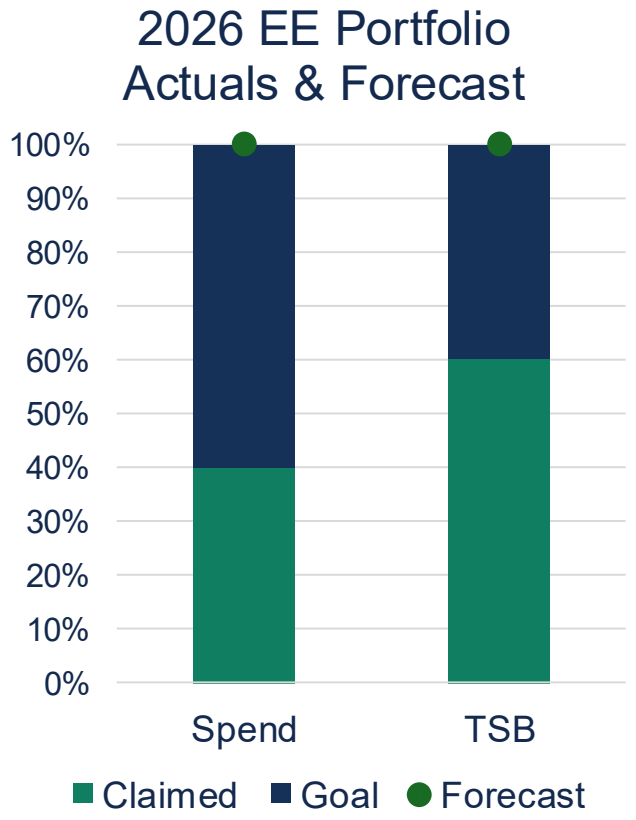
"We've been seeing about $300 in monthly savings."

CCR REN

Continuous Portfolio Improvement

CCR REN: 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$1,864,989		**Q1 and Q2 Expenditure**	$4,758,029	
Q3 and Q4 TSB Forecast	$1,217,811		**Q3 and Q4 Expenditure Forecast**	$7,177,899	
Total TSB Forecast Attainment	$3,082,800		**Total 2026 Forecast Expenditure**	$11,935,928	
2024 + 2025 + 2026 TSB Forecast	$6,053,402		**2024 + 2025 + 2026 Total Expenditures**	$19,984,812*	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$8.2M	74%	**Approved 4-year budget amount | % of budget spent**	$36.3M	55%



The total expenditures and total budget exclude the CPUC EM&V portions.
**Figure includes 2026 forecasted expenditures*

CCR REN: 2026 Project Highlight



897 *saved per year*
therms

$21,295
Total System Benefit

$0
customer cost

~4.8 metric tons CO_2e
avoided per year

El Vecino Panadería & Taquería

Avenal, Kings County

On-demand tankless water heater for a family-run restaurant and bakery in a rural farmworker community

"Everything was so easy and seamless in getting the process started and installing the water heater. Since then, the water heater has worked as expected and I am looking forward to the light upgrades that are coming for my business next. I would recommend any small business owner to take advantage of the possible savings."
– Juan, Business Owner

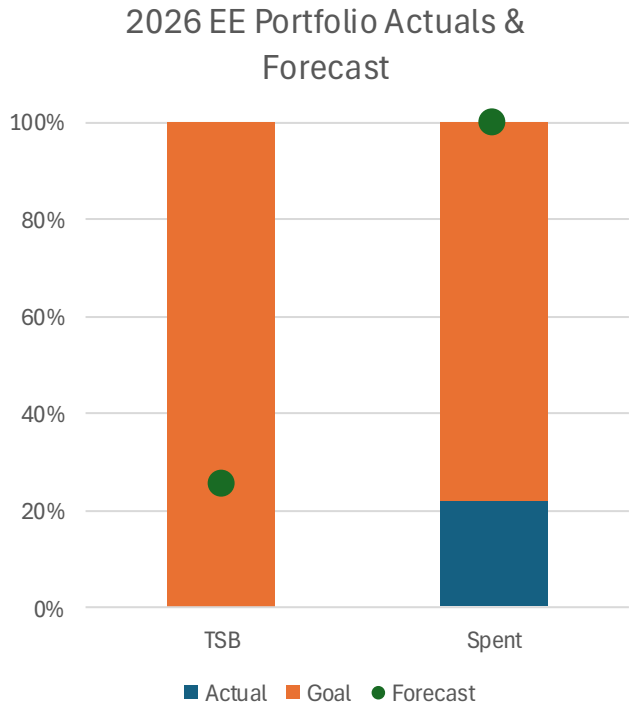
Local Workforce: Justin, a Valley native and Clean Energy Advisor, led this project from start to finish.

I-REN

Continuous Portfolio Improvement

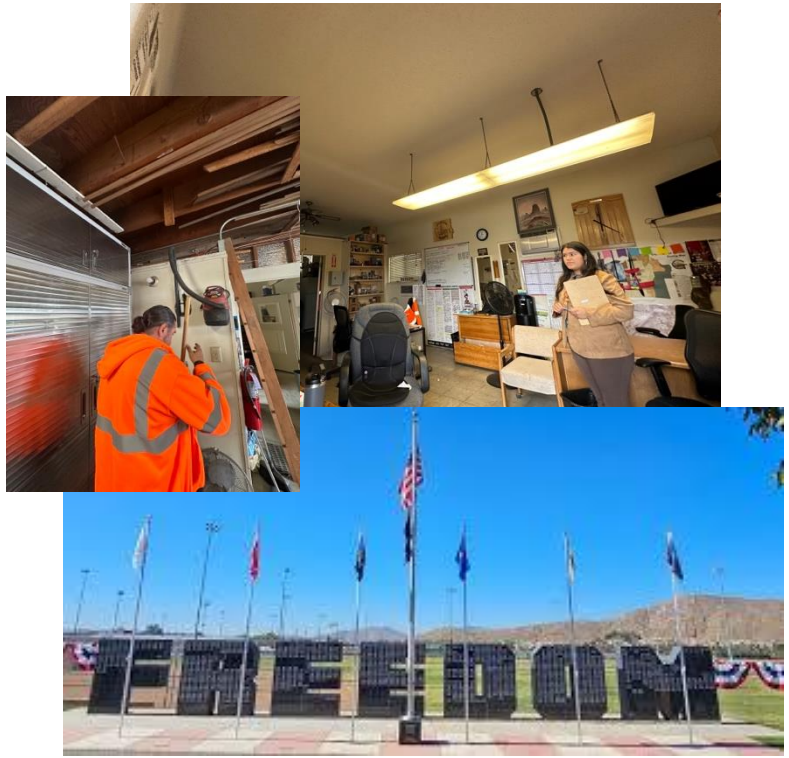
2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$0		**Q1 and Q2 Expenditure**	$5,453,026	
Q3 and Q4 TSB Forecast	$157,699		**Q3 and Q4 Expenditure Forecast**	$13,673,641	
Total TSB Forecast Attainment	$157,699		**Total 2026 Forecast Expenditure**	$19,126,667	
2024 + 2025 + 2026 TSB Forecast	$338,708		**2024 + 2025 + 2026 Total Expenditures**	$36,561,795	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$2,209,082	15%	**Approved 4-year budget amount | % of budget spent**	$64,111,312	57%



I-REN 2026 Project Highlight

- Project: City of Grand Terrace
- Outcome: Four separate sites & projects
- What made it a success: I-REN Fellow support
- What others can learn/replicate:
  - Find the energy champion or plant one
  - Meet agencies where they are
  - Look for innovative ways to meet the needs
  - Open the door for collaboration to achieve the goals

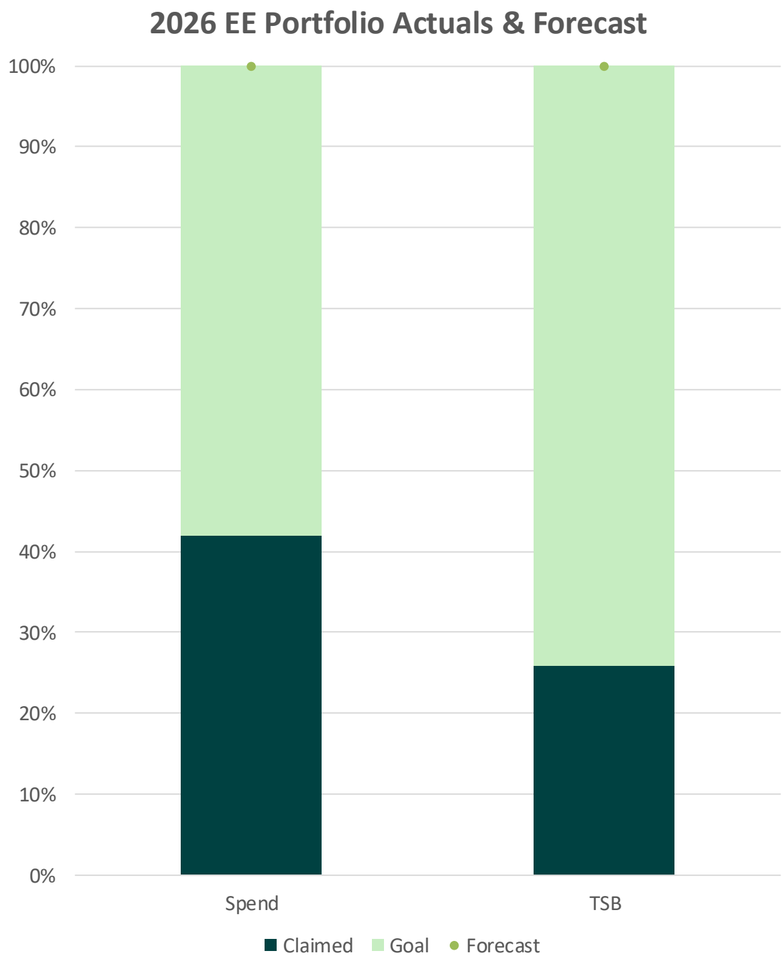


NREN

Continuous Portfolio Improvement

NREN 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$315,217		**Q1 and Q2 Expenditure**	$3,891,597	
Q3 and Q4 TSB Forecast	$904,405		**Q3 and Q4 Expenditure Forecast**	$5,393,113	
Total TSB Forecast Attainment (2026)	$1,219,622		**Total 2026 Forecast Expenditure**	$9,284,710	
2024 + 2025 + 2026 TSB Forecast	$1,983,139		**2024 + 2025 + 2026 Total Expenditures**	$15,121,051	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$3,811,425	52%	**Approved 4-year budget amount | % of budget spent**	$33,139,078	46%



NREN 2026 Project Highlight:

Lake Transit Authority

Project:

- HVAC upgrade:
  - Previously heated by 4 aging package units, AC not able to fully cool building
  - Upgraded to 12-ton mini split with 10 zones and controls

Outcomes:

- Deemed savings on paper not very large, but actual are expected to be bigger due to zonal controls
- Increased comfort
- Strengthened relationship with public agency

What made it a success:

- Public program and energy upgrade program working together
- Encouraged customer to be more efficient (and better) system
- Benchmarked building can monitor future use and compare to past

Replicable lessons:

- Having programs work together seamlessly





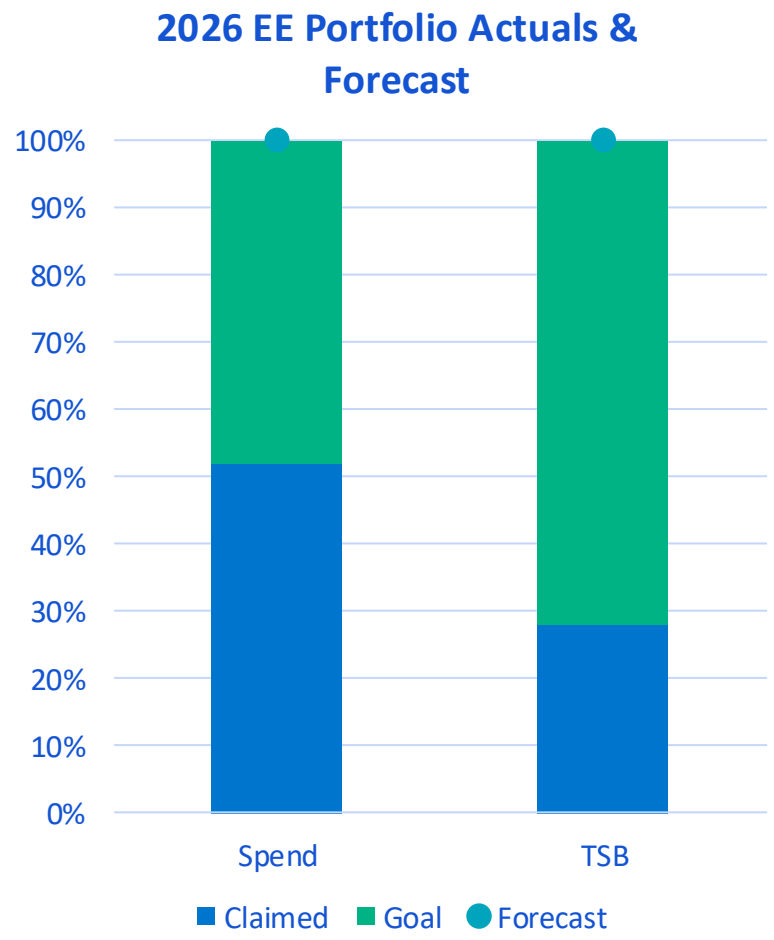


SDREN

Continuous Portfolio Improvement

SDREN 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	0		**Q1 and Q2 Expenditure**	$7,497,478	
Q3 and Q4 TSB Forecast	$2,129, 716.85		**Q3 and Q4 Expenditure Forecast**	$14,575,686	
Total TSB Forecast Attainment	28%		**Total 2026 Forecast Expenditure**	$22,073,164	
2024 + 2025 + 2026 TSB Forecast	$2,129, 716.85		**2024 + 2025 + 2026 Total Expenditures**	$25,722,247	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$21,205,777	10%	**Approved 4-year budget amount | % of budget spent**	$119,494,429	22%





Spark Your Education Internship

SDREN facilitated a summer internship for 9 San Diego County high school students, providing hands-on career exploration and training in green building and skilled trades.

Students benefits

- Explore the industries of electrical trades, water/wastewater management and general construction
- Attend professional development workshops to build skills in networking, interviewing and resume building
- Complete trainings and receive certifications

What made it a success

- Strong partnerships combined technical training, certifications, career exposure and wraparound financial support, reducing barriers to participation
- 5 of the 9 students were from Title 1 schools

Replicable recommendation

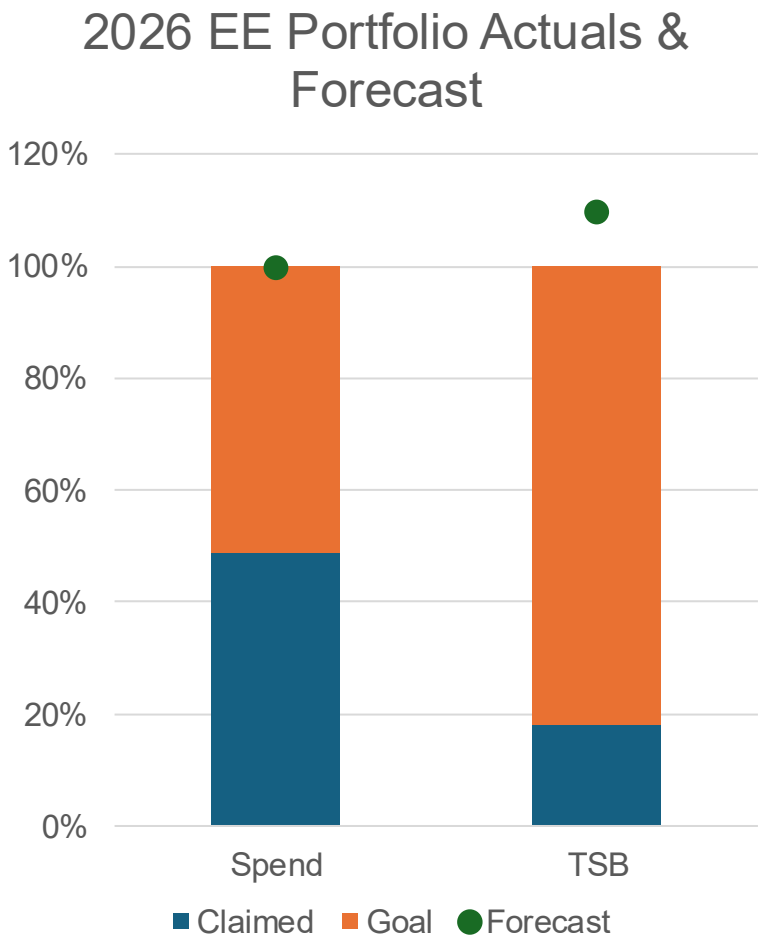
- Leverage school district/educator networks to recruit

SoCalREN

Continuous Portfolio Improvement

SoCalREN 2026 Full Year TSB and Expenditures Estimate and 4-Year Budget Standing

2026 TSB Full Year Estimate and 4-Year Progress			2026 Full Year Expenditure Estimate and 4-Year Progress		
Q1 and Q2 TSB Claimed	$7,300,000		**Q1 and Q2 Expenditure**	$24,787,312	
Q3 and Q4 TSB Forecast	$31,200,000		**Q3 and Q4 Expenditure Forecast**	$48,016,750	
Total TSB Forecast Attainment	114%		**Total 2026 Forecast Expenditure**	$72,804,062	
2024 + 2025 + 2026 TSB Forecast	$74,500,000		**2024 + 2025 + 2026 Total Expenditures**	$151,729,857	
Approved 4-year TSB goal | % of TSB ('24+'25+'26) to 4-yr goal	$116.1M	64%	**Approved 4-year budget amount | % of budget spent**	$221M	69%



Altman Specialty Plants DI IR Film project

Nipomo, CA

Project: Altman Specialty Plants (nursery located in Nipomo, CA)

Incentive amount:

- The farm customer obtained 100% cost coverage through Agriculture Rural HTR-DI incentives: $164,837
- TSB: $166,020

What was the outcome (e.g., grid/GHG impacts and/or customer benefit)?

- 38,534 net therms/year, equivalent to ~$40k reduction in annual utility cost for farm.

What made it a success?

- Nipomo, in San Luis Obispo County, is a rural, hard-to-reach community with a strong nursery and greenhouse presence. SoCalREN Agriculture partnered with regional trade ally Greenhouse System USA to help Altman Specialty Plants rehabilitate an aging greenhouse facility through the installation of infrared film and heat curtains. The upgrades reduced energy use and operating costs while improving the growing environment, demonstrating how targeted energy efficiency investments can support agricultural businesses in rural communities.

What can others learn or replicate from this project?

- Beyond the direct energy benefits, investments in agricultural operations like Altman Specialty Plants can provide broader economic value by supporting local and regional agricultural businesses, as well as the local contractor workforce that depends on a strong agricultural sector.

Check out our Case Study on this project!





MEMBER AND PUBLIC DISCUSSION

Enter questions into slido:
#4137515

Use the “Continuous Portfolio Improvement” tag

There is limited time for Q&A. Unanswered Questions & Input submitted via Slido will be included in the Meeting Summary, and PAs will be asked to respond to as many as possible via Slido and the Meeting Summary

Welcome
9:00 - 9:10 AM

Energy Division Presentation: Quantitative Overview Across All PAs + Q&A 01
9:10 - 9:25 AM

Panel: Challenge of Reduced and Changing Deemed Measures 02
9:25 - 10:25 AM (followed by a Break)

Lightning Presentations: Continuous Portfolio Improvement 03
10:35 - 11:45 AM

Next Steps, Themes, & Wrap Up **04**
11:45 - 12:00 PM



What key challenges emerged from today's discussion and presentations?



What next steps should CAEECC or another entity take to tackle key challenges raised today?

Next Steps: Meeting Notes

11/12 - 11/17 @ 12pm

PAs review meeting notes

PAs will be asked to respond to unanswered Questions & Input submitted via Slido and the Meeting Summary

→

11/18 - 11/21

Draft summary posted on CAEECC website

Draft summary is open to suggested changes

→

11/24

Final meeting summary posted

Upcoming Meetings

Date	Meeting	Location
~~12/9 (Wed)~~	~~CAEECC-only Executive Session to vote on new members~~	~~Virtual~~
12/15 (Tues)	*Q4 Full CAEECC Meeting #52	Virtual
TBD 2027	*Cost-Effectiveness Working Group Primer Workshop*	*Virtual*
TBD 2027	*Workforce Workshop #2*	*Virtual*

Appendix:

PA slides on Challenges of Reduced and Changing Deemed Measures (see slides above for SCE, SDG&E, SoCalGas, and SoCalREN slides on this topic

PG&E Adaption to Reduced and Changing Deemed Measures

In 2024 and 2025, 80% of PG&Es Deemed TSB was comprised of claims recorded by **10 measures packages**
All 10 measure packages will have updates related to changing code, ISP, or other calculator updates in 2027

Anticipating the Changes

- PG&E identified large discrepancy in SWWH028 in late 2025, after comparing customer site specific data to claimed measure savings
- PG&E presented findings to Statewide team, and began working with Implementers to plan on the adjusted measure package

Adapting Portfolio

- Commercial and Agricultural Programs are primarily impacted by measure package adjustments
- Implementers are adjusting their measure mix and rebalancing forecasts
- Some measures that were successful in the recent past are no longer viable or only viable for very limited set of customers (building type and climate zones).

Future Planning

- ☐ PG&E launched a new measure drive earlier in 2026 and received nearly 100 ideas to consider and review for fit, readiness, scale, risk, and cost effectiveness
- ☐ Plans to transition this successful effort to CalTF in the future and continue the engagement with EE community

MCE: Challenge of Reduced and Changing Deemed Measures

- **How MCE is impacted:**
  - Programs with the greatest impact include Commercial Deemed, Multifamily Energy Savings (MFES) and Home Energy Savings (HES). Example from the Commercial Deemed Program:
    - Heat Pump Water Heaters (HPWHs) will account for 83% of the 2026 Total System Benefit (TSB) generated in the Commercial Deemed Program.
    - The Nov. 1 measure updates will reduce the TSB potential for those measures by 60%, weakening incentives, project viability and large HPWH adoption.
- **How MCE is addressing the issue:**
- **Commercial Deemed:** Reserve eligible large HPWH projects before November 1 to carry forward a portion of current savings and mitigate performance declines.
- **MFES:** Reassess measure lists, potentially limiting or eliminating affected measures, and pursue accelerated replacement classifications, acknowledging additional documentation and administrative requirements.
- **HES:** Incorporate reduced HPWH savings into 2027 planning and consider adjustments to measure mix and rebates.

Challenge of Reduced and Changing Deemed Measures

- Updated measure packages (MP) have reduced TSB for Fuel Sub HPWH measures by up to 30%
- HPWH measures accounted for ~95% of 3C-REN's deemed TSB in 2025 and 85% in 2024, so reductions will have a large impact on 3C-REN's portfolio
- 3C-REN is actively working to minimize impacts on portfolio performance
  - Prioritizing completion of projects eligible to use earlier MP versions
  - Expanding targeted outreach and technical assistance to increase participation and accelerate project completion where feasible
  - Exploring alternative claim approaches, including accelerated replacement (AR) and custom measures

BayREN Challenge of Reduced and Changing Deemed Measures

Decreasing eligibility and savings values of deemed measures may impact sectors that certain PAs rely on most, whereas other PAs have the balance and flexibility to rely on other sectors. The impact of changes to gas appliance measures may impact 2027-2028 outcomes, meaning there are more limited measures available to balance TSB and TRC.

Impact:

- Similar to other PAs across CA, the majority of BayREN's TSB since 2022 has come from gas savings measures, primarily fuel substitution
- 72% of TSB on average from 2022-2025, with large variation year to year for BayREN (about 90% in 2026 Q1-Q2)
- 79% SW average
- Impacts of reduced claimable savings from HPWH still emerging as 2026 projects get completed
- Additional anticipated savings reductions requires BayREN to pivot to other measures

Addressing the Issue:

- BayREN programs working to identify intersection of measures that will benefit priority customer groups and generate TSB
- Portfolio heavily driven by residential needs, looking beyond water heating (e.g., opportunities for cooking appliances)
- Remainder of 2026, working to complete as much now before full impacts realized
  - Air District rules
- Highlighting the benefits not captured in TSB – Low GWP, NEBs, Codes & Standards

CCR REN Challenge of Reduced and Changing Deemed Measures

How CCR REN is impacted:

- Uncertainty about the continued availability of key EE measures could limit CCR REN's ability to improve affordability for our rural small businesses, leaving customers such as restaurants, motels and laundromats with fewer options to reduce energy costs.
- For these customers, we must rely on other deemed EE measures. This narrows customer coverage and makes TSB and cost-effective objectives harder to achieve in 2027–2028.

**SWWH006 delivered 42.17% of statewide TSB, 2021–2025 (ETRM claims data)*

How we're addressing it:

- Shifting services to customer sites where heat pumps are viable and where utility bill savings are expected.
- This means we may walk past businesses we would otherwise serve such as our example project, El Vecino Panaderia & Taqueria

Creative Solutions:

- Target customer segments most likely to adopt electric measures. Rebalance the portfolio's measure mix that can deliver cost-effective TSB for ratepayers and lower customers' monthly energy bills.

Challenge of Reduced and Changing Deemed Measures

- I-REN is minimally impacted as the current portfolio primarily uses NMEC and has limited reliance on deemed measures.
- In addition to NMEC, I-REN is expanding customer options through a new outdoor lighting deemed measure and the use of different M&V approaches such as deemed and custom.
- I-REN provides referrals to other PAs' deemed programs where appropriate to best meet customer needs.
- In general, PAs need time for adapting to major changes, to allow for reforecasting targets, updating program operations, amending implementer contracts, and other necessary adjustments.

NREN Challenge of Reduced and Changing Deemed Measures

Impacts to NREN Portfolio:

- Primarily from Fuel Sub HPWH measure changes
- About 6% of prior year claims utilize the impacted residential measure (SWWH025)
- Commercial program has recently launched and does not have claims yet, but intended to use SWWH027
- Decreases to savings from these measure updates are usually due to increased code requirements, however, those requirements usually don’t change the standard practice in rural areas for some time so existing conditions will continue to be below code.

NREN aims to minimize effects on its portfolio by pursuing:

- Accelerated replacement (AR) for the residential program to use existing conditions baselines rather than code.
- Custom or Normalized Metered Energy Consumption (NMEC) in the long term for commercial to capture actual savings at the meter and not rely as much on deemed measures.

SDREN Challenge of Reduced and Changing Deemed Measures

How SDREN is impacted by this issue

- **Small and Medium Business Energy Coach** program offers SWWH028: low TSB impact forecasted as this is in the measure mix but not a high-priority measure
- **Single-Family** program offers SWWH025: high TSB impact forecasted as this is identified as a high-priority measure
- **Multifamily** program offers SWWH025: medium TSB impact forecasted as it was a medium-priority measure and HPWH incentives may be stacked with other EE programs.
- **Climate Resilience Leadership** offers SWWH027 and SWWH028: high TSB impact forecasted as this is a high-priority measure

How SDREN is addressing this issue

- **Across all impacted programs:** Conducting targeted outreach to customers to expedite completion of enrollment forms and application submission dates by November 1 and November 2, respectively
- **Coordination with other EE programs (e.g., EBD, ESA)** to stack and layer HPWH incentives