DRAFT

Energy Solutions & Cascade Energy Present

IIS Industrial Incentive Solutions

Stakeholder Presentation
October 27, 2025

Energy Solutions

Agenda

1 Program Team
2 Program Overview
3 Budget and Savings
4 Program Design
5 Process and Strategies
6 Process and Strategies
7 Innovative Solutions or Delivery
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9 Key Performance Indicators
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Program Contacts and Organization Chart

Key Program Contacts

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Program Overview

Section Covers

Program Overview and Attributes

Program Objective

Program Measurement and Verification

Eligibility Requirements

Program Overview

Industrial Incentive Solutions (IIS) is an innovative and comprehensive approach to serve large and medium industrial customers with electricity consumption greater than 200 kW in Southern California Edison's territory. The program offers incentives to incorporate energy efficient equipment and technology at their facilities. Incentives are offered through midstream deemed measures, custom measures, downstream fuel substitution measures, qualified downstream deemed measures, and normalized metered energy consumption (NMEC) savings methodologies.

Program Attributes

Program Name: Industrial Incentive Solutions

Program Administrator: Southern California Edison

Program Implementer: Energy Solutions

Portfolio Segment: Resource Acquisition

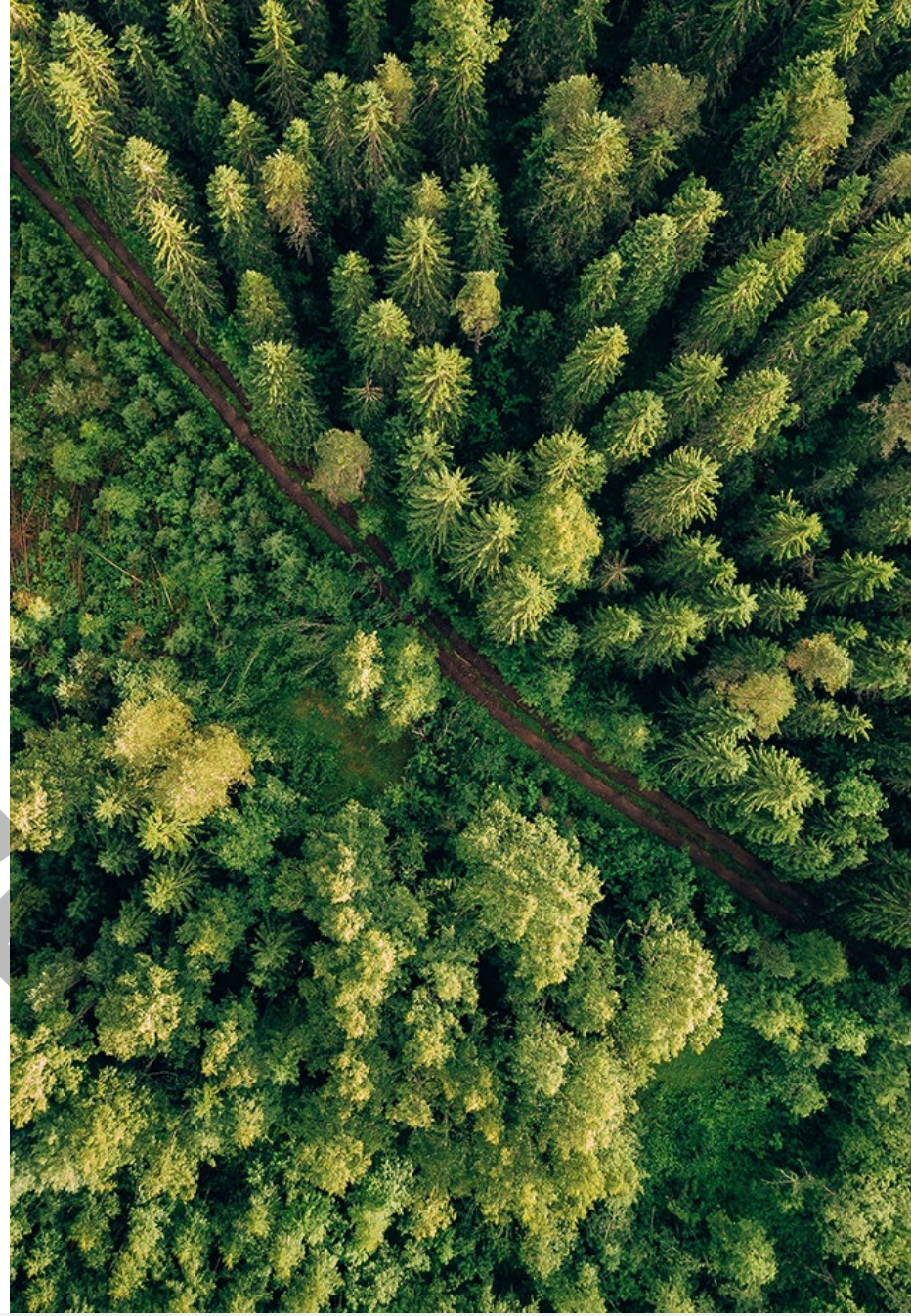
Program Duration 10/01/25 – 12/31/2029

Market Sector: Large and medium industrial customers > 200 kW

Delivery Type(s): Midstream-Distributor, Custom, NMEC and Downstream

Intervention Strategies: Incentive, Technical Assistance, Marketing and Outreach

M&V Methods: Deemed, Custom, NMEC- site



Program Objective

- Maximize participation from industrial customers through multiple program delivery and savings pathways (custom, NMEC, deemed midstream, deemed fuel sub)
- Leverage market to increase participation in deemed industrial measures through increased stocking and upselling
- Target energy intensive industries with a custom program
- Implement Site-Level NMEC for eligible customers
- Identify new deemed measures that will resonate with, and are customized for, the Industrial SCE market
- Move deemed measures to midstream by modifying measure packages
- Coordination across midstream, downstream, custom, and NMEC programs

Program Measurement and Verification (M&V)

Deemed

M&V approach for projects uses deemed ex-ante savings from the California eTRM.

Custom

The M&V approach for projects using the Custom incentive platform will be detailed in the project-level M&V Plan submitted as part of the Project Feasibility Study (PFS).

NMEC

Using multivariate linear regression, IIS will develop baseline and performance models to calculate savings for qualifying projects.

Customer Eligibility Requirements

- IIS will work with SCE industrial customers
- Projects and customer service accounts cannot receive overlapping incentives from other EE programs (no “double dipping”)
- All eligible customers must have an annual electric demand of at least 200 kilowatts

Segment	NAICS Code	Description of Segment
Mining, Quarrying, and Oil and Gas Extraction	**21**	Crude and natural gas extraction, and mining
Utilities	**22**	Sewage Treatment, Water Supply and Irrigation, Steam and Air-Conditioning Supply
Construction	**23**	Concrete, Glass and Glazing, Drywall, Flooring and other contractors
Manufacturing	**31-33**	Food, Animal, Milling, Soft Drinks and Bakeries
Wholesale Trade	**42**	Paper and Paper Products, Wholesalers, Petroleum Bulk Stations
Retail Trade	**44-45**	Car, Boat and Tire Dealers, Home Centers, Pharmacies, Warehouse Clubs and Supercenters, Electronics and Appliances
Transportation and Warehousing	**48-49**	Freight Trucking, Railroads, pipeline transportation, refrigerated warehousing, and other warehouse and storage
Other Services (except Public Administration)	**81**	Reupholstery and furniture, Commercial and Industrial Machinery and Equipment, Industrial Launderers, linen supply, laundry supply, etc..

Budgeting and Savings

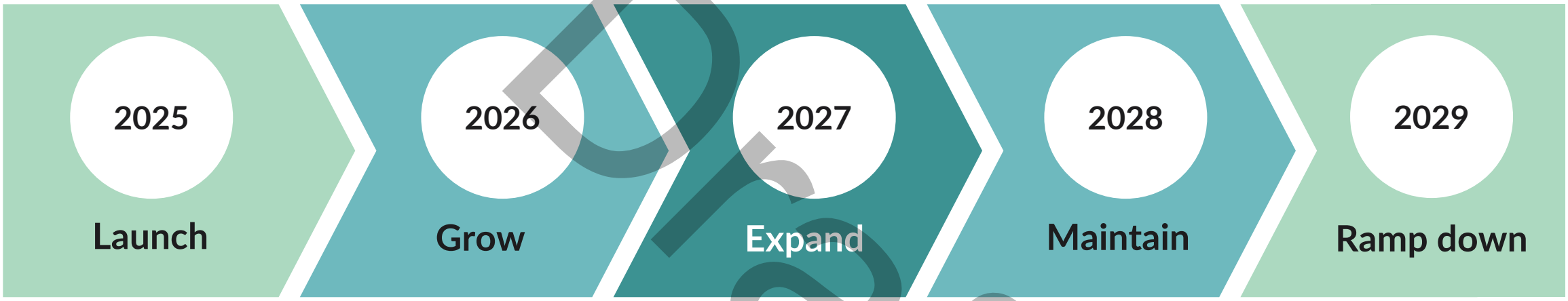
Section Covers

Goals Planning and Timelines

Program Budget

Program Savings

Goal Timeline



Launch Phase
Finalized program design.
Host stakeholder meetings.
Host participant meetings.
Design marketing material.
Begin Project Enrollments.

Program Growth
Introduce Custom, NMEC and Downstream program

Program Expansion
Adding approved measure packages.

Steady State
Maintain program enrollments.
Consistent operations.

Gradual Closure
Remaining commitments filled.
Key deliverables are completed.
Final report submitted.

Enrollment Goals

Customer Account Category	2025	2026	2027	2028	2029	Five-Year Total
Custom Projects	0	4	6	8	6	24
NMEC Projects	0	6	10	0	0	16
Midstream Deemed Projects	30	60	60	90	60	300
Total Enrollments	30	72	76	98	66	340
DAC Enrollments	3	5	8	10	10	36

Program enrollment is defined as a completed:

- Deemed Rebate Application Form
- Custom Project Enrollment Agreement
- NMEC Project Enrollment Agreement
- Midstream Number of Claims Submitted

Program Budget and Savings

Program Year	Program Budget	Total System Benefit (TSB)
2025	$1,417,688	$207,754
2026	$1,830,684	$2,433,321
2027	$3,055,216	$3,813,958
2028	$3,616,828	$4,719,804
2029	$3,610,596	$4,933,029
Total	$13,531,012	$16,107,866

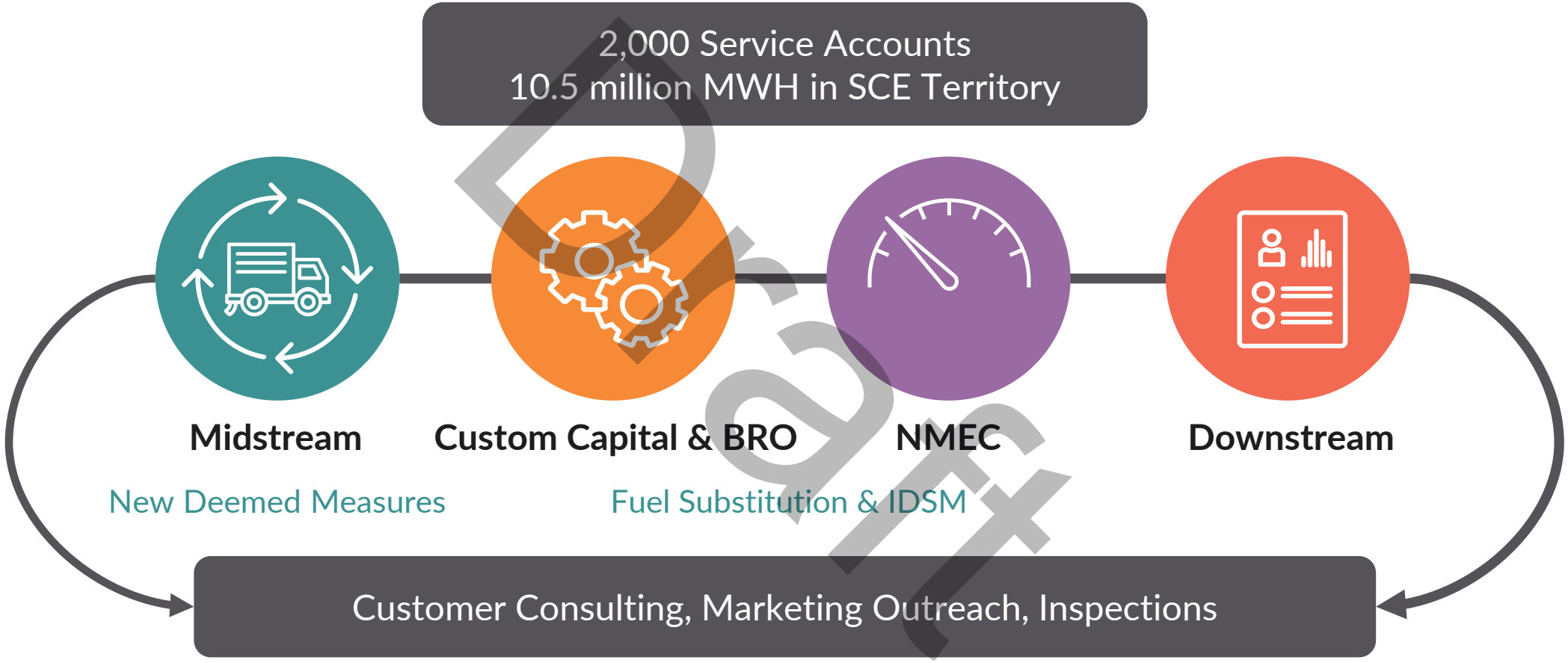
Program Design

Section Covers

Program Measure Mix

Program Design and Best Practices

Program Delivery Approach



Midstream Measure Mix

Measure	Units	Customer Incentive	Distributor SPIFF
Air compressor VFD, 5 to 25 hp	HP	$40	$10
Rod beam VFD pump, gas production or petroleum, 10-150 HP	Each	$2000-$8000	$100-$200
Dust collection fan VSD, 10-150 HP	Each	$600	$50
Clean water pump, variable speed, 1-250 HP	HP	$2-$35	$1-$5
Clean water pump, constant speed, 1-250 HP	HP	$2-$35	$1-$5
Variable speed drive on chilled water pump (CHWP)	HP	$40	$10
Variable speed drive on condenser water pump (CWP)	HP	$40	$10
Circulating block heater, 37 - 199 kW	Each	$350	$50
Circulating block heater, 200 - 799 kW	Each	$100	$50

Note: Measure package SWWP004-04 is planned to be continued into 2026-2027, but the new version of the measure package does not have a set effective date yet

Measure Package Development

Program Team will work to add industrial measures to the eTRM and expand savings opportunities.

Variable Speed Drive
Build measure package for new end use applications of VSD's

Air Compressor Accessories
Field measurement of air compressor measures to quantify deemed savings

FEI Fans
Measure exists in other state TRMs, develop measure through California eTRM process

Destratification Fans
Measure exists in other state TRMs, develop measure through California eTRM process

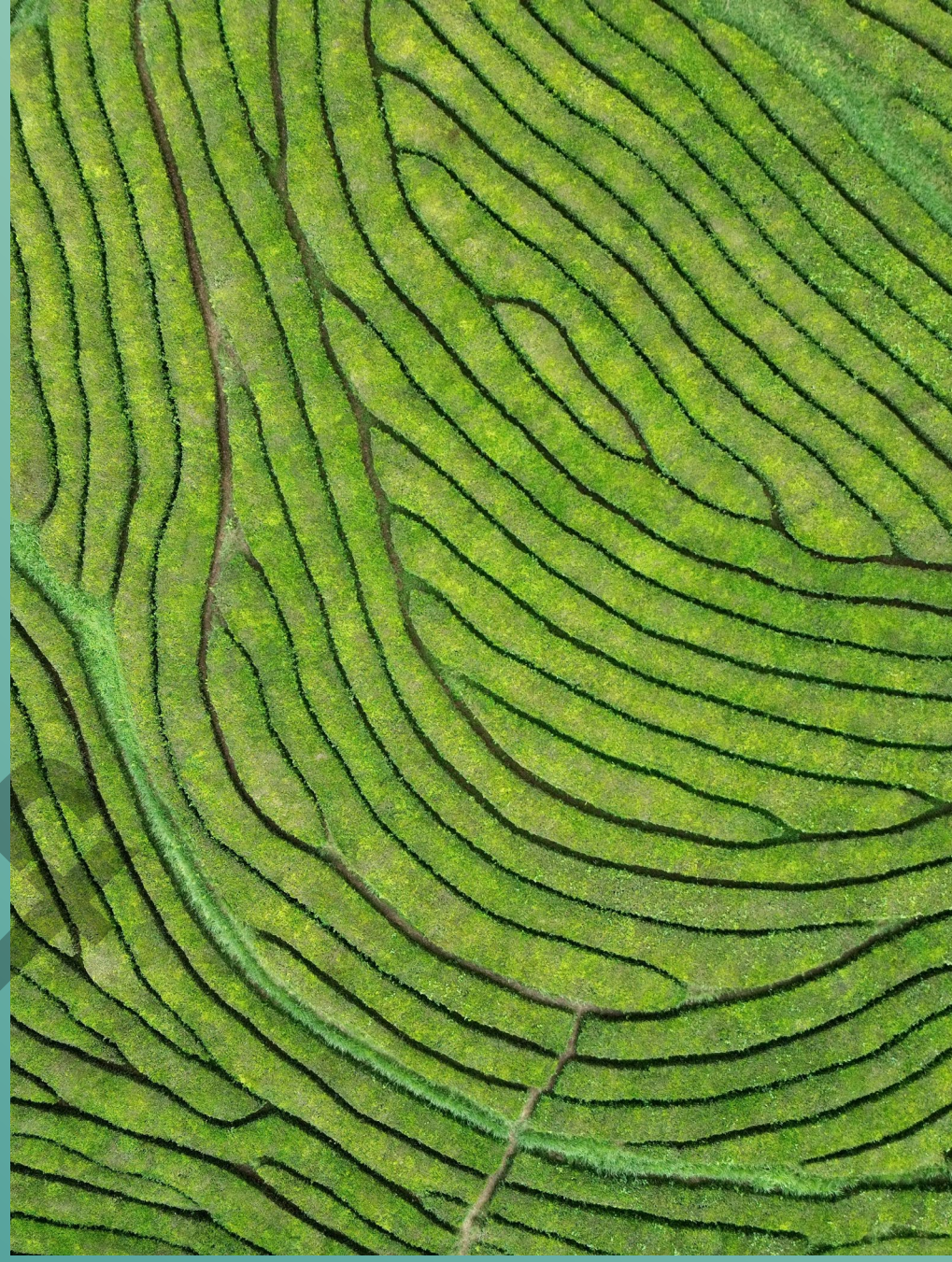
Battery chargers
Measure exists in other state TRMs, develop measure through California eTRM process

Custom Measures

Custom Projects can be used for any project that reduces energy consumption.

IIS offers:

- Technical assistance to identify potential projects and evaluate cost/benefit.
- Advice and support during project implementation.
- Post implementation measurement and verification to estimate actual energy savings.
- Generous incentives calculated using actual energy savings as the basis.



NMEC

- Site-level NMEC projects in industrial buildings will be offered to the extent they are similar to one that would be carried out in a commercial building and are separately metered i.e. not combined with industrial/process loads.
- Opportunities may include large office, lab, warehouse, and research buildings associated with industrial facilities.
- Savings are calculated at the meter rather than at the project level.
- As with Custom projects, IIS offers technical assistance, advice and support during implementation and performance period, and generous incentives based on actual savings.

Downstream Deemed

Name	Measure	Version ID
Heat Pump Water Heater	HPWH, Commercial	SWWH031-05-02
Heat Pump Water Heater	HPWH, Commercial, Fuel Substitution	SWWH027-06-04
Large Heat Pump Water Heater	Large HPWH, Commercial and Multifamily, Fuel Substitution	SWWH028-07-01

Custom and Site-level NMEC

Measure	Unit	Incentive Level
Custom BRO/NMEC	kWh	Up to $0.05/kWh
Custom Capital	kWh	Up to $0.12/kWh
Electrification	therm	Up to $5.00/therm
Low-GWP Refrigerant Change-out	lb	Up to $225/lb

Coordination Across Midstream, Downstream, Custom, and NMEC Programs

- For Custom and NMEC, the IIS Team will include projects that cannot be processed through existing third-party programs and for all programs IIS will pursue the following customer screening strategies to avoid double dipping:
  - ✓ Confirm the customer is on an industrial rate schedule.
  - ✓ Require customer attestation that the measure did not and will not receive other incentives.
  - ✓ Cross-check recent data to ensure incentives were not previously paid on the same measure.

- The Program Team will work with SCE on double dipping intervention strategies prior to launch.

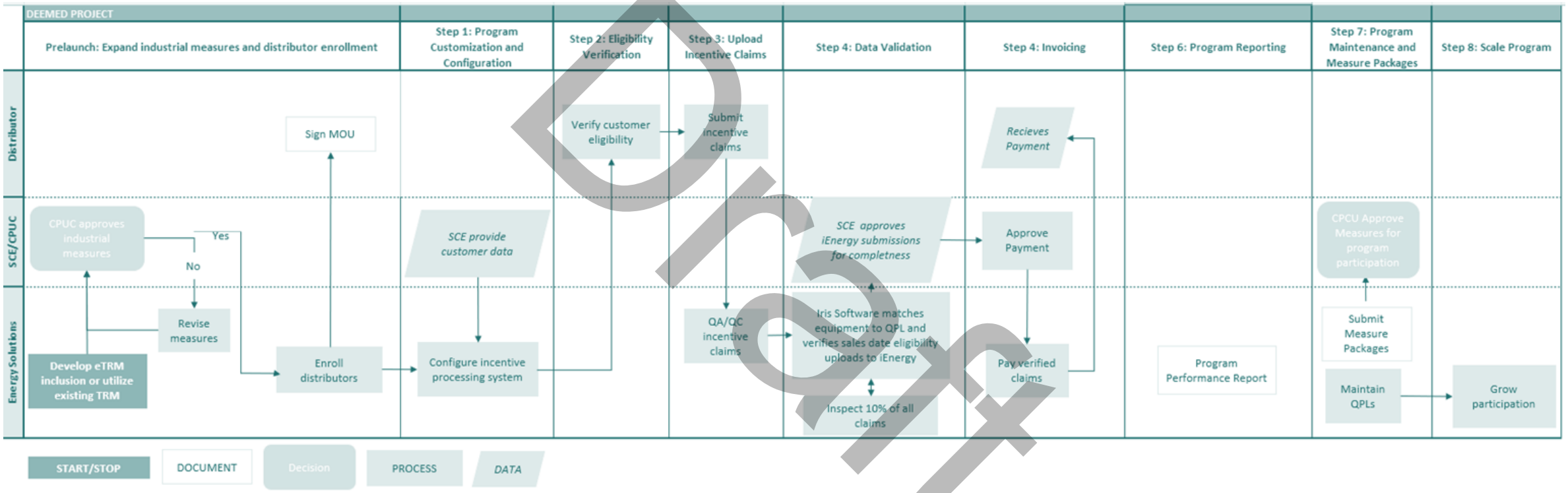
Process and Strategies

Section Covers

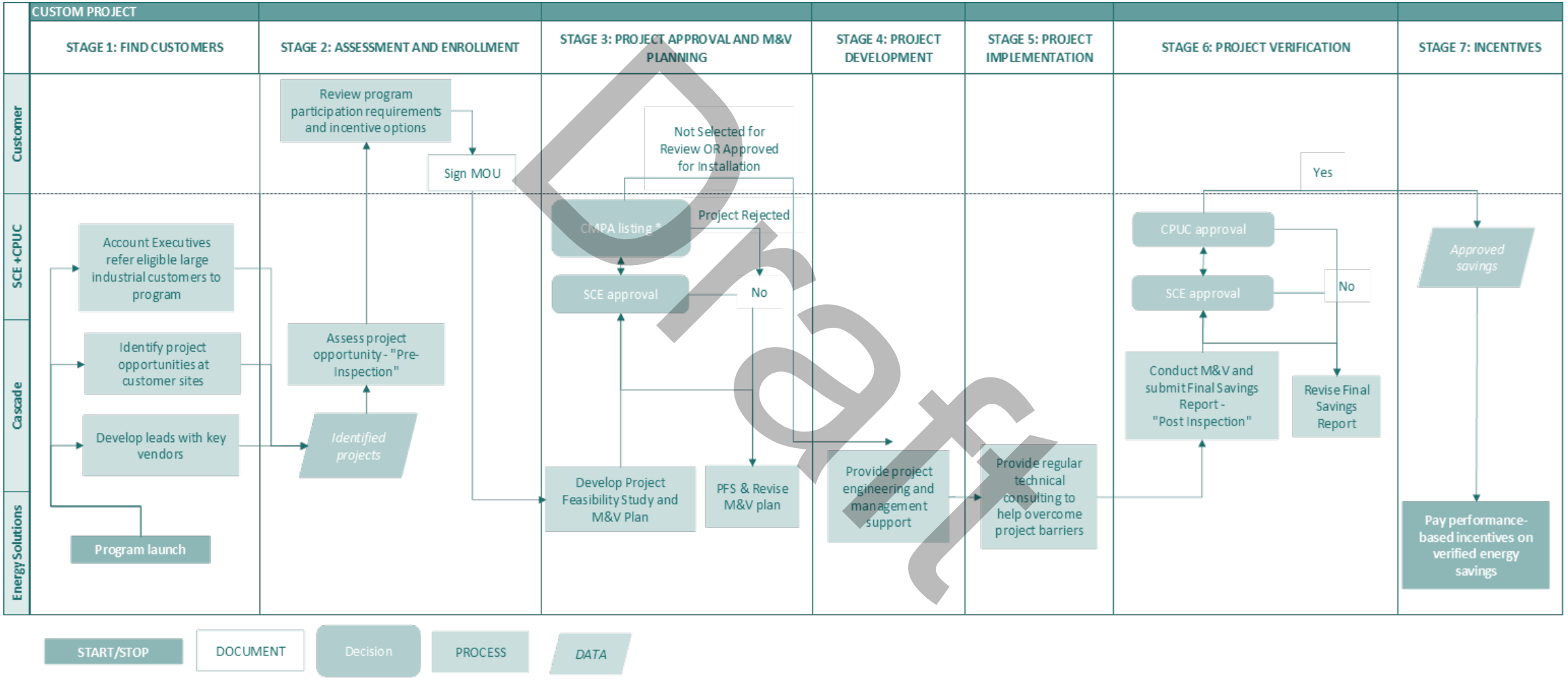
Participation Process

Marketing, Outreach and Engagement

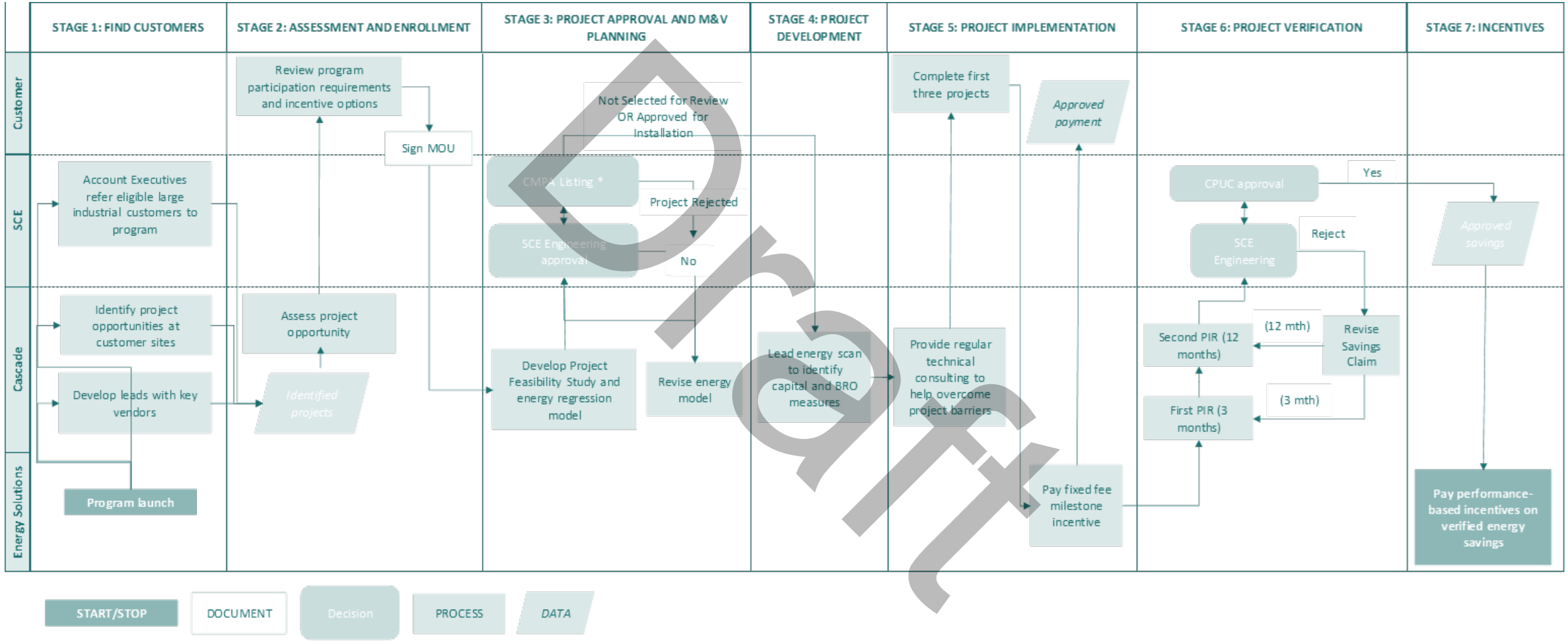
Participant Process - Deemed/Midstream Process Flow Chart



Participant Process - Custom Process Flow Chart



Participant Process - NMEC Process Flow Chart

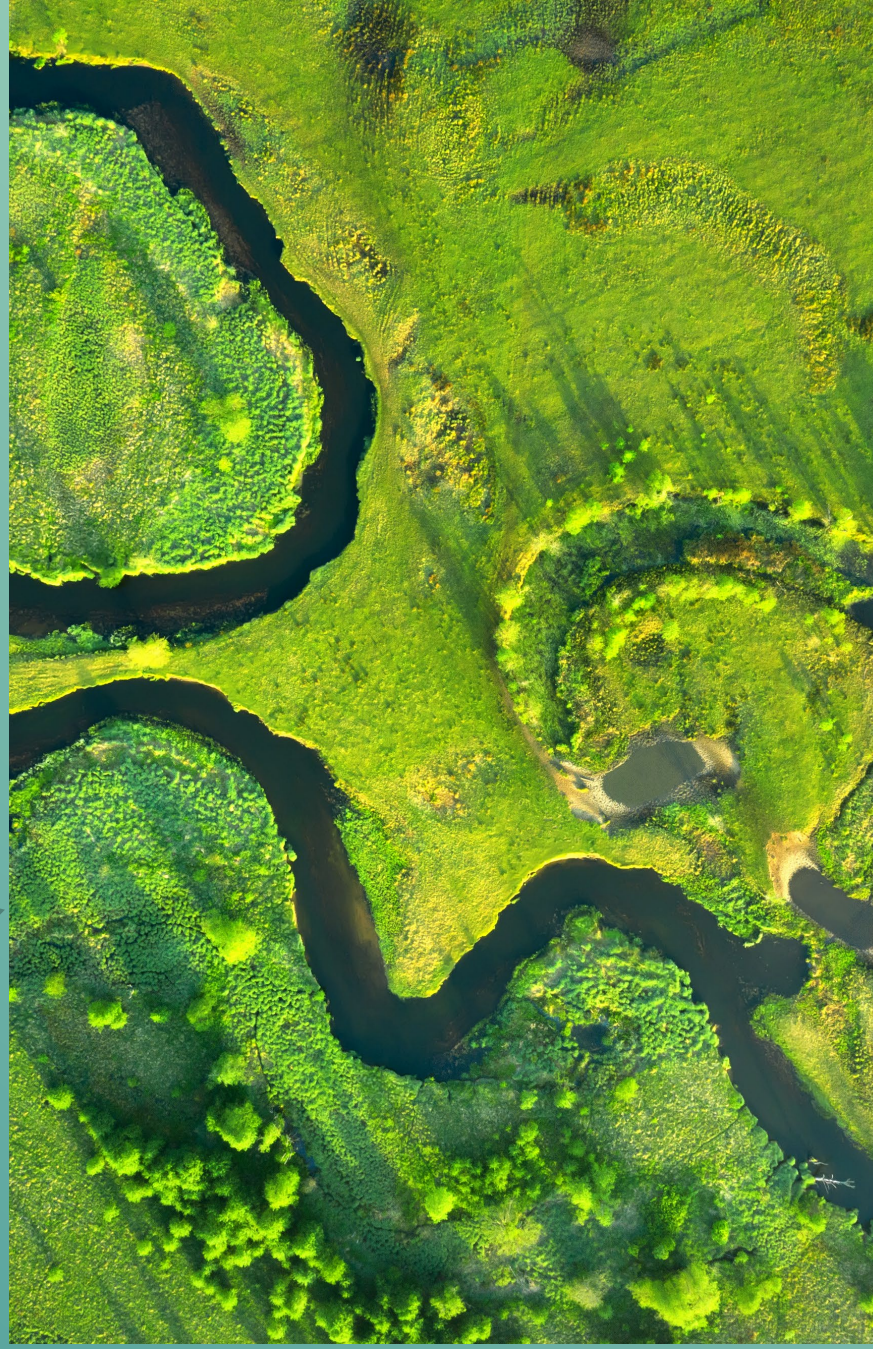


*Follow CPUC Custom Project Review Process as outlined in Figure 1 of the CPUC Staff Selection and Response Timing Protocol for Energy Efficiency Custom Project Review available here: CPUC Energy Division (file.ac)

Marketing, Outreach and Engagement

Increase Customer Service and Engagement

- Program offers Industrial customers what they seek
- Coordinate outreach through SCE Account Executives
- Midstream programs can be a lead generator to other projects



Marketing, Outreach and Engagement - Midstream

Industry Relationships

IIS will ensure all program distributor participants regional offices and networks are trained on the benefits of energy efficient technologies, and on the incentives and rules of programs available to their sales staff.

Trade Ally Management Team

IIS dedicated Trade Ally Management (TAM) team develops and grows strategic relationships with local, regional, and national market actors across the country.

Marketing, Outreach and Engagement – Custom and NMEC

Large and Medium Industrial Customers

- Industrial segments common in SCE territory include food and beverage, metals, plastics, packaging, cement, aerospace, minerals, pharmaceuticals, and port facilities.

Large Industrial Customer Marketing Approach

- IIS will leverage its existing market relationships.

Direct Outreach

- IIS currently delivers other DSM programs to large industrial customers of SCE and SoCalGas.

Partner with SCE Account Executives

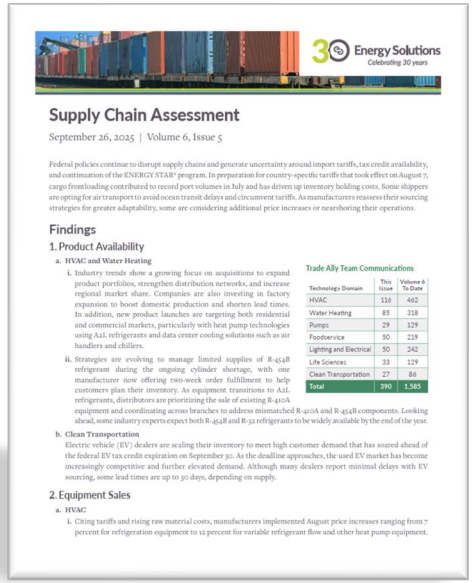
- IIS will collaborate with SCE account executives to support lead identification.

Marketing Materials and Collateral

The IIS Program Team will develop marketing materials to promote the program's benefits to customers, distributors, and other market actors.

Marketing Flyer(s): Digital and/or print flyers will be created to describe the IIS program, its benefits, and the participation process.

Supply Chain Assessment (SCA) Newsletter: A monthly newsletter will be distributed to manufacturers and distributors within the Trade Ally network, sharing market intelligence and program updates



Energy Solutions
Celebrating 30 years

Supply Chain Assessment

September 26, 2025 | Volume 6, Issue 5

Federal policies continue to disrupt supply chains and generate uncertainty around import tariffs, tax credit availability, and continuation of the ENERGY STAR® program. In preparation for country-specific tariffs that took effect on August 7, cargo frontloading contributed to record port volumes in July and has driven up inventory holding costs. Some shippers are opting for air transport to avoid ocean transit delays and circumvent tariffs. As manufacturers reassess their sourcing strategies for greater adaptability, some are considering additional price increases or nearshoring their operations.

Findings

1. Product Availability

a. HVAC and Water Heating

i. Industry trends show a growing focus on acquisitions to expand product portfolios, strengthen distribution networks, and increase regional market share. Companies are also investing in factory expansion to boost domestic production and shorten lead times. In addition, new product launches are targeting both residential and commercial markets, particularly with heat pump technologies using A2L refrigerants and data center cooling solutions such as air handlers and chillers.

ii. Strategies are evolving to manage limited supplies of R-454B refrigerant during the ongoing cylinder shortage, with one manufacturer now offering two-week order fulfillment to help customers plan their inventory. As equipment transitions to A2L refrigerants, distributors are prioritizing the sale of existing R-410A equipment and coordinating across branches to address mismatched R-410A and R-454B components. Looking ahead, some industry experts expect both R-454B and R-32 refrigerants to be widely available by the end of the year.

Trade Ally Team Communications

Technology Domain	This Issue	Volume 6 To Date
HVAC	116	462
Water Heating	85	318
Pumps	29	129
Foodservice	50	219
Lighting and Electrical	50	242
Life Sciences	33	129
Clean Transportation	27	86
Total	390	1,585

b. Clean Transportation

Electric vehicle (EV) dealers are scaling their inventory to meet high customer demand that has soared ahead of the federal EV tax credit expiration on September 30. As the deadline approaches, the used EV market has become increasingly competitive and further elevated demand. Although many dealers report minimal delays with EV sourcing, some lead times are up to 30 days, depending on supply.

2. Equipment Sales

a. HVAC

i. Citing tariffs and rising raw material costs, manufacturers implemented August price increases ranging from 7 percent for refrigeration equipment to 12 percent for variable refrigerant flow and other heat pump equipment.

Innovative Solutions and Technology

Section Covers

Innovation

Innovation

IIS is an innovative program approach, offering a comprehensive set of solutions to engage Industrial customers to save energy while supporting the State's decarbonization goals.

- Opportunities to promote and support change-outs of low global warming potential (low-GWP) refrigerants, deemed, custom and NMEC.
- Multiple savings pathways with coordinated efforts by program team.

Measurement and Verification Plan

Section Covers

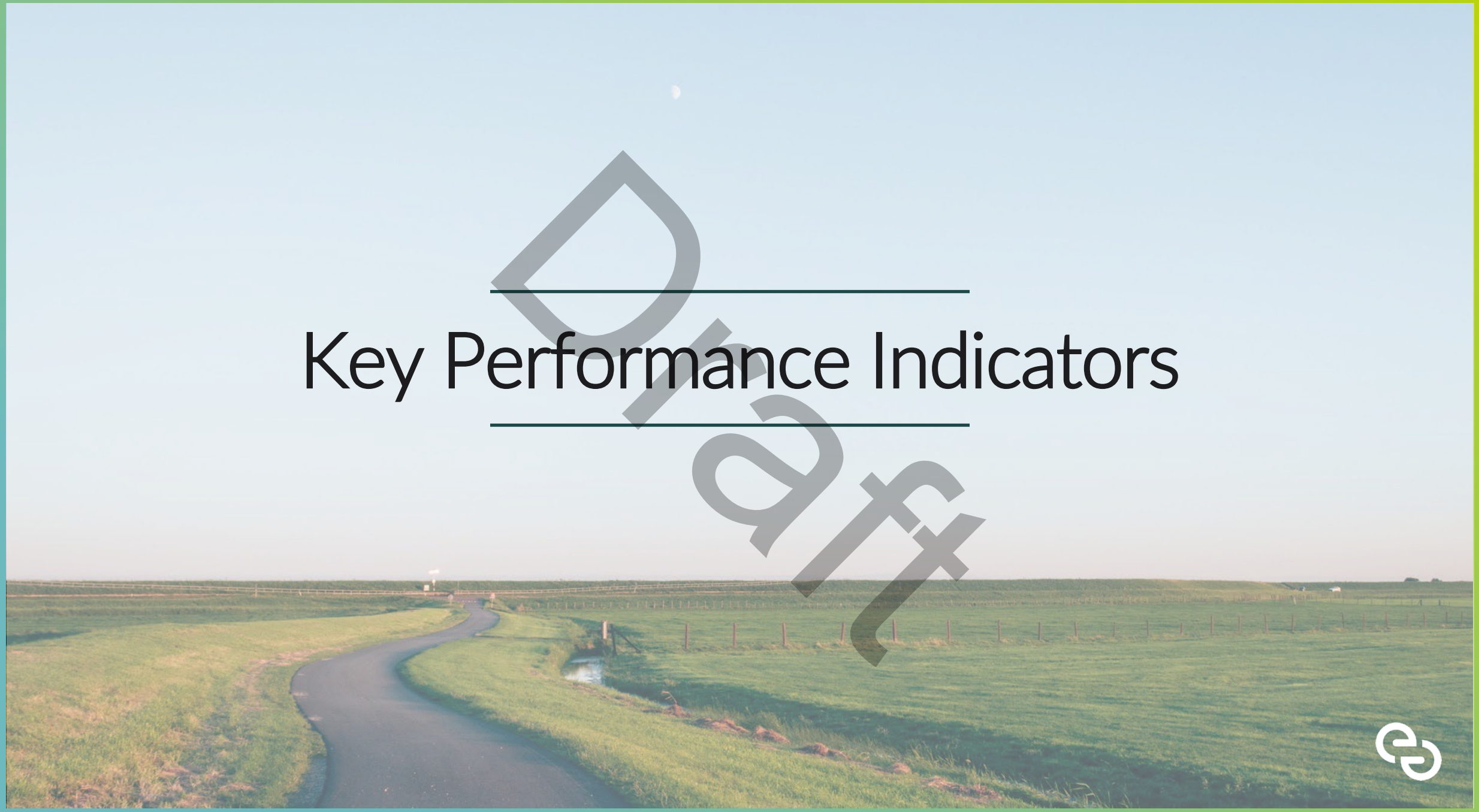
Site-level NMEC Measurement and Verification (M&V)

NMEC M&V

Measurement and verification for site based NMEC projects will follow the approach detailed in the NMEC rulebook, i.e.:

- Collection of 12 months' baseline data (energy, weather)
- Regression analysis to establish that descriptive statistics exceed NMEC rulebook requirements (e.g. CV RMSE)
- Development of a baseline regression equation
- Following implementation, collection of 12 months' performance period energy consumption data
- Calculation of normalized energy consumption and normalized energy savings.

Key Performance Indicators



Section Covers

Key Performance Indicators

Forecasted Results & Savings

Key Performance Indicators

kWh

lifecycle ex-ante (pre-evaluation) gas, electric, and demand savings (gross and net)

kW

lifecycle ex-ante (pre-evaluation) gas, electric, and demand savings (gross and net)

Total System Benefit (TSB) and Total Resource Cost (TRC)

(pre-evaluation)

Equity

Number of industrial customers located in DACs served by program

Forecasted Results & Savings

Source of Savings	Delivery Method	Forecasted Results (over 3 years)	Why Achievable
Custom Capital	**Downstream**	**6 MM kWh and 75,000 therms through electrification**	• Realistic projections • Cascade brings industrial EE expertise needed to gain trust • Customers value free, relevant technical guidance from industrial systems experts to help develop and manage energy projects • Cascade will help participants make the business case for these projects internally and access funding • Program offers attractive incentives
Custom BRO	**Downstream**	**2 MM kWh**	• Realistic expectations based on regulatory hurdles • BRO opportunities are abundant in industrial (per Cascade's experience and the latest P&G study) • They are low-/no-cost "quick wins" with low barriers to implement
NMEC	**Downstream**	**1.5 MM kWh**	• Will target large office, lab, warehouse, and research buildings associated with industrial facilities • Opportunities have not been targeted prior
Midstream	**Midstream**	**12.6 MM kWh**	• Innovative approach to serving industrial customers by focusing on industrial measures and supply chain • Simple and streamlined approach

Q&A

Thank you

IIS Industrial Incentive Solutions

Energy Solutions

Cascade Energy®